Brand Positioning and Consumer Perception: A Study of BKash vs. Nagad

By

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A internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of
Master’s of Business Administration (MBA)

Department of Master’s of Business Administration
BRAC University
May 2026

Declaration

It is hereby declared that

- The internship report submitted is my original work while completing my degree at BRAC University.
- 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.
- The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
- I have acknowledged all main sources of help.

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Subject: Submission of Internship Report

Dear Sir,

I hope this letter finds you well. It is my great pleasure to submit the internship report titled "**Brand Positioning and Consumer Perception: A Study of BKash vs Nagad"** prepared as a partial requirement for the completion of the internship program of BRAC University.

This report is written solely for educational purposes and is not intended to represent either successful or unsuccessful managerial decision-making practices. To ensure confidentiality, some names, financial information, and other recognizable data may have been modified or disguised where necessary.

I have attempted my best to complete this report by incorporating the essential information, findings, and recommendations in a concise and comprehensive manner. I sincerely hope that this report will meet your expectations and serve its intended academic purpose successfully.

I would like to express my heartfelt gratitude to my academic supervisor, organizational supervisor, and all individuals who provided valuable guidance and support throughout the internship period and during the preparation of this report.

Therefore, I respectfully submit this report for your kind evaluation and acceptance.

Sincerely yours,

Tasnim Nusrat Mim

ID: 22364026

BRAC Business School

BRAC University

Date: 12/05/2026

Acknowledgement

First and foremost, I, Tasnim Nusrat Mim, would like to express my profound gratitude to Almighty Allah for granting me the strength, patience, and opportunity to successfully complete both my internship program and this internship report.

I would like to convey my heartfelt appreciation to my academic supervisor Mohammad Shahidul Islam for providing valuable guidance, continuous support, and constructive suggestions throughout the preparation of this report titled **"Brand Positioning and Consumer Perception: A Study of BKash and Nagad."** His encouragement and insightful feedback greatly helped me in completing the study effectively.

I am also deeply indebted to the management and employees of the organization where I completed my internship for their cordial cooperation, sincere support, and for providing me with the opportunity to gain practical knowledge and real-world professional experience in a dynamic working environment. Their assistance and guidance during the internship period were highly beneficial to my learning and professional development.

Special thanks go to all the respondents who participated in the survey and shared their valuable opinions and experiences regarding bKash and Nagad. Their responses were essential for conducting this research successfully.

Finally, I would like to thank my family, friends, and well-wishers for their constant inspiration, encouragement, and moral support throughout the entire internship period and report preparation process.

In conclusion, I sincerely acknowledge everyone who directly or indirectly contributed to the successful completion of this report.

Abstract

This case study examines brand positioning and consumer perception of two leading mobile financial service (MFS) providers in Bangladesh, bKash and Nagad, within a rapidly expanding and highly competitive fintech market. Driven by increasing mobile phone penetration and the need for greater financial inclusion, MFS has transformed everyday transactions, particularly for unbanked and rural populations. The study explores how bKash and Nagad differentiate themselves in a market shaped by trust, price sensitivity, convenience, and accessibility. bKash has positioned itself as a secure and reliable financial ecosystem through first-mover advantage, a large agent network, and diversified service offerings. In contrast, Nagad has emphasised affordability, government affiliation, and accessibility for rural and low-income users. Using a mixed-method approach, including a survey of 350 respondents and analysis of secondary data, the study finds that consumer preferences are segmented rather than uniform. bKash is perceived more positively on trust, security, and user experience, whereas Nagad performs better among price-sensitive and previously underserved segments. The findings also indicate growing dual-platform usage, with consumers selecting platforms according to transaction type. The study concludes that successful brand positioning in emerging fintech markets depends on balancing trust, affordability, and accessibility while adapting to regulatory developments and evolving consumer expectations.

Table of Contents

3. Introduction

Due to the presence of Mobile Financial Services (MFS), the financial landscape in Bangladesh has completely changed. The change is not only in the number of phones that people have; what is also changing is the gap in conventional banking. Digital money platforms are now the preferred means to inclusive finance because over 187million mobile subscribers have more than 6063 percent of the population projected to be on smartphones by 2025 (GSMA projections; Yusuf and Chowdhury, 2025). As of January 2025, the number of MFS accounts exceeded 239 million, despite the fact that not even a half of the Bangladeshi population has a bank account (Bangladesh Bank, 2025; Rahman and Alam, ¯, 2020). This has transformed the daily behaviors of money: individuals are today utilizing their phones to complete all manners of sending cash, paying traders, receiving wages, carrying out governmental payments, and even paying utility expenses. In the case of the rural and underserved regions of the nation, which represents over 60 per cent of the country, MFS is literally a lifeline that eliminates geographical and administrative obstacles (Bhuiyan, 2021).

Among the largest movers in this change, two emerge: bKash, which was initiated in 2011 as part of BRAC Bank, and Nagad, which was launched in 2019 by the Bangladesh Postal Department. bKash was the first to trail the mobile money charge with an agent network this large, smart partnerships, and a brand name that shouts trust, transparency, and safe finance. As of late 2025, they had experienced more than 82 million proven customers in the country (Hasan and Akter, 2022). Nagad had penetrated the postal market with a snappy bond, particularly in the rural market, with lower charges and fast account-opening, and this propelled it fast forward (Sultana and Hasan, 2021). This competition faced each of them to innovate, diversify, and process huge amounts of transactions- all of which carve trillions of takas annually and increase the GDP of the nation through enhanced fountain of liquidity and formal transactions (Khan and Rahman, 2020).

The rivalry between both is still extremely stiff, as bKash is estimated to control approximately 40% of the market, due to its good infrastructure, user confidence and variety of its services. At the same time, Nagad is scooping up at about 2530 percent leant towards cost-effectiveness and government support (Sharker & Haque, 2023; Bhattacharya, 2023).

The regulatory support given by Bangladesh bank is a plus in itself, particularly with fresh 2025 policy frameworks which drive innovation, consumer protection, and cross-platform interoperability. These transformations are meant to seamlessly cross-apple and build an all-in-one environment that is both unified and transparent (Ali et al., 2022; Rahman et al., 2024). Nevertheless, even with all the development and encouragement, there are still issues: transaction fraud, cyber threats, distrust of digital security on the part of users and prices, in particular, of low-income households (Kabir and Hoque, 2021; Farid and Sarker,, 2024).

It is against this background that this case study examines the brand positioning and the consumer perception on the brand positioning in the fast-expanding MFS sector in Bangladesh. It indicates the stark difference between bKash that presents itself as trustworthy with an emphasis on safe, controlled innovation and Nagad that is dependent on accessibility, affordability, and government connections. The work provides an insight into the way digital finance is shaping up in the developing markets, where credibility, local value, and trust are the primary factors that drive adoption (Ahmed and Chowdhury, 2020; Alam and Hossain, 2021).

4. Objectives of the Study

This case study aims to examine brand positioning and consumer perception in Bangladesh's mobile financial services market, with particular focus on bKash and Nagad. Specifically, the study seeks to:

- analyse how the two brands have positioned and differentiated themselves in a highly competitive, price-sensitive, and trust-driven market;
- examine consumer perceptions of both platforms in relation to trust, cost, security, speed, and convenience, and how these factors shape platform preference and loyalty;
- compare the marketing approaches of bKash and Nagad, especially their influence on brand recall, emotional appeal, perceived value, and adoption across urban and rural segments;

- identify the main operational challenges affecting service delivery, including regulatory constraints, security risks, risk-management gaps, and infrastructure limitations; and
- provide practical recommendations to strengthen brand equity, improve customer satisfaction, promote financial literacy, and support sustainable financial inclusion.

Taken together, these objectives generate insights that are relevant not only for mobile financial service providers in Bangladesh, but also for fintech firms in other emerging economies facing similar regulatory conditions and evolving consumer expectations.

5. Intended Case Readers & Importance of This Case Study

The target audience of this case includes undergraduate and graduate students of business, marketing, finance, or fintech, as well as individuals involved in the sphere of digital banking, mobile money, and policy. It is a sound match with courses in brand mgmt., consumer behavior, digital marketing and financial inclusion, actual instances of regulated competition permit us to apply the theories in the classroom. Teachers can fling it into courses, group discussions, strategy assignments, and even case competitions that explore strategy and digital transformation in new markets. Practitioners, policy makers, MFS managers, development workers will get the scent of how branding, regulation, and trust make each other work together to push adoption big time.

The reason that makes the case shine is that it drills into the tug-of-war between the innovation of a particular company (bKash) and the state-supported reach (Nagad). Bangladesh continues to leave behind large numbers of people who are bank-less or under-banked, and MFS is the fire that lights up of women, village residents, and informal workers (Chowdhury and Noor, 2020; Nasir and Ahmed, 2021). It examines the role of brand stories in securing trust, retention, and loyalty in a world where people continue to worry about cost and privacy (Farid and Sarker, 2024; Kabir and Hoque, 2021). It also brings to light how marketing, UX, and home-grown value propositions can transform beginners to become lifetime adopters.

The lessons are aggregated to a broad debate on fintech in the developing world, where competition is mediated by the rule-making process, credible institutions, hardware absence, and digital expertise. Interoperability as an instigator of consumer welfare and life of fair competition is particularly significant in the event of increased cross-platform choices.

6. Case Part

This section takes me to the depth of the top two mobile financial service providers (MFS) in Bangladesh: bKash and Nagad. I will discuss their background, what they sell, how they are competing and what is going on behind the scenes. I will also examine the reasons why they are selected by people and the ways they are influencing the market.

6.1 Background of bKash

bKash was founded in 2010 as a joint venture between BRAC Bank Limited and Money in Motion LLC in the US. It launched on July 21, 2011, and it aimed to take banking to vast regions of the unbanked in Bangladesh and particularly those in rural regions where more than 70 percent of the population had a very restricted accessibility to the banking institution (Rahman and Alam, 2020). The initial service was basic Cash In, Cash Out and Send Money via USSD (which was a massive success to people with no bank accounts) though this was only Cash In, Cash Out and Send Money (that is, no bank accounts were required).

Due to a strategic expansion into agent networks, the company blew up. As of 2013, bKash had 50,000 points of agent and 10 million users (Ahmed & Chowdhury, 2020). Following this, there were a few notable milestones, including the Bill and Melinda Gates Foundation investment in 2014, a global award in 2016, as the best MFS provider, and a venture into international remittance corridors. As of 2017 bKash had 30 million users and had even featured in a Fortune Change the World list on social impact.

Figure 1: *Official bKash Logo*

Investment has been a key to expansion. In 2013 IFC followed and in 2018 Ant Financial followed with a 250m investment, which shifted its valuation to more than 2bln dollars, and made bKash the first Bangladeshi unicorn (Yusuf and Chowdhury, 2025). It has over 82 million users by 2025, which have been verified and approximately 379,000 agents and 800,000 merchants. Savings, micro loans, insurance, salary payments, and digital remittances are now available on the platform, which is contributing a significant portion of the GDP due to the volume of transactions (Sharker & Haque, 2023; Hasan and Akter, 2022).

The elements of bKash brand are trust, security and reliability. It is aimed at urban communities and towns. Early adoption and continuous innovation enable it to retain a vast portion of the transactions and process trillions of takas annually, estimated to be 4050 percent.

6.2 Background of Nagad

Nagad contrasts with bKash. It was initiated on March 26, 2019 by the Bangladesh Post office. It exploited the postal network to access the under-served regions (Sultana and Hasan, 2021; Islam et al., 2023). First it was based on technology, such as the Postal Cash Card, and it offered e-KYC onboarding so that individuals could register at a low cost and within a short period, regardless of them being in cities or villages.

Nagad grew quickly and violated some of the rules. In a year, its transactions in a single day had gone beyond Tk700 crore and by 2022, it had 1830 percent of the market share. Its business plan was based on low-charge fees, government payments programs, and telecommunication partnerships to establish mass accounts (Bhuiyan, 2021). In 2025, it was transferred to the full control of the government and they initiated negotiations on privatizing it to attract strategic investors (Farid and Sarker, 2024).

Figure 2: *Official Nagad Logo*

This service is particularly popular with rural people and low-income families because it is more accessible, less expensive, and centered around government initiatives. Such characteristics as high-interest savings, payment of utility fees without fees, and convenient application interfaces are also adding more individuals to the formal financial system, which would support the reliability paradigm of bKash.

6.3 Types of Service and Services

Both bKash and Nagad offer the essence of the MFS functions enabling individuals to manipulate money moves without a bank account. Apps or USSD codes can be used to access these services and it is a good option since Bangladesh has a high number of smartphones and feature phones.

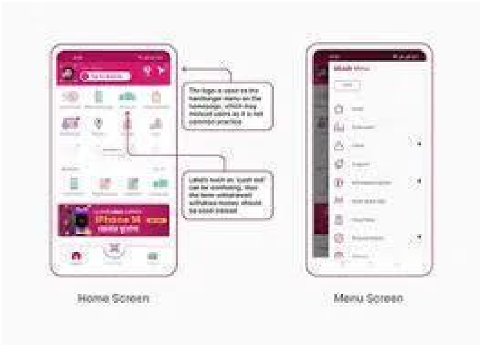

Figure 3: *bKash App Home Screen*

6.3.1.1 Peer to Peer Transfers (Send Money)

Both apps allow transferring money immediately to other individuals via SMS or OTP validation. The process of remitting family payments, assisting migrant workers, or transferring money in informal jobs is also great as it has free or low-cost transfers.

6.3.2 Cash In / Cash Out

The number of deposits is generally free, but there is a fee associated with withdrawals (about Tk18.50 per Tk1,000), whereas the cost of withdrawals at Nagad can be significantly reduced (Tk9.9914.50) to encourage users with high volumes (Farid and Sarker, 2024). Both are based on the large network of agents, and Nagad provides the postal offices where the rural liquidity is required.

6.3.3 Mobile Recharge and Payments of Bills

They both have the capability of refilling the airtime of any telecom company. There are also possibilities to pay bills on electricity, water, gas, internet, school fees and government services. It is convenient by means of automated reminders and confirmations. In promotion campaigns, Nagad also drops fee charges to encourage usage.

6.3.4 Merchant Payments

Merchant payments in the form of the QRs are offered, which benefits the small business and the e-commerce. This increases the digital transaction processes and reduces cash dependency.

6.3.5 Financial Products and Innovation

bKash will implement extra services including saving plans, microloans, insurance payments, and salary payments, which will be attractive to both individuals and SMEs. Nagad is set on affordability, high interest savings and paying out government programs, which targets first time users and rural citizens.

6.3.6 Security and Promotions

Both applications make use of OTP authentication, PIN codes, encryption, transaction notifications, and fraud detection, although bKash is pushing refined international-standard interfaces, whereas Nagad is pushing user-friendly local language. Their promotional tactics are also different: bKash gives back money and discounts to their loyal users, whereas Nagad provides discounts, referral bonuses, and waivers of fees.

6.4 Competition and Dynamics of the Market

Competition between bKash and Nagad demonstrates two quite different strategies:

- bKash: trust-driven, urban and semi-urban, private-led diversified services.
- Nagad: low-priced, government-supported, rural-oriented, government integration, fast-adoption.

bKash is at the forefront when it comes to depth in the ecosystem with advanced products and brand trust. Nagad attracts the transaction volume and financial inclusion of the unbanked. Regulatory support, such as cross-platform transfer facilitation through interoperability reforms in 2025, contributed to the MFS market (Ali et al., 2022).

6.5 Financial Impact on an Economy and Financial Inclusion

The Financial industry of Bangladesh has been changed through Mobile Financial Service (MFS) channels. They have led to a significant rise in financial inclusion that enables millions of previously unbanked individuals (particularly women and rural residents) to access formal financial services (Chowdhury, 2020; Nasir and Ahmed, 2021). On a macroeconomic scale, the increased circulation of digital money has made it easy to develop economically and execute transactional values of Tk 1,517 trillion in 202425 (Rahman et al., 2024). MFS providers have facilitated the rural population to earn income via mobile networks and postal agents along with making purchases and daily deals locally. Merchant payments, e-commerce promotion and government disbursement programmes have also facilitated the creation of a broader digital financial ecosystem in addition. They all fit into the puzzle and include services such as bKash and Nagad, which collaborate to establish a more open, available and digitally-enabled financial environment in Bangladesh.

Figure 4: *Rural Users Engaging with bKash (illustrating financial inclusion in rural Bangladesh communities)*

6.6 bKash App Service Options

In December 2025 the bKash app was re-engineered to provide a user-friendly and exquisitely personalized interface, to serve the diverse user segment of Bangladesh, including urban digital natives, and the rural first-time smartphone user (The Business Standard, 2025). The flagship (My bKash (Amar bKash)) dashboard is customizable to fit all the key features on one screen: reward points, Priyo numbers and agents, saved billers, linked bank cards, savings and loan, auto-pay setups, subscriptions, and connected outside apps. This allows users to have a full picture of their day-to-day financial transactions at a single glance, increasing efficiency, control, and engagement.

The application can run in Bengali and English with a smooth language transition which makes the application usable by a bilingual population. Navigation is also simplified, as the popular features like Send Money, Add Money, Scan QR and Mobile Recharge have their shortcuts displayed at the top. The home-screen recommendations are smart enough to suggest the appropriate services, merchants and offers depending on behavior of a user and this is such that the app becomes more of a lifestyle companion to financial management rather than simply a transactional one.

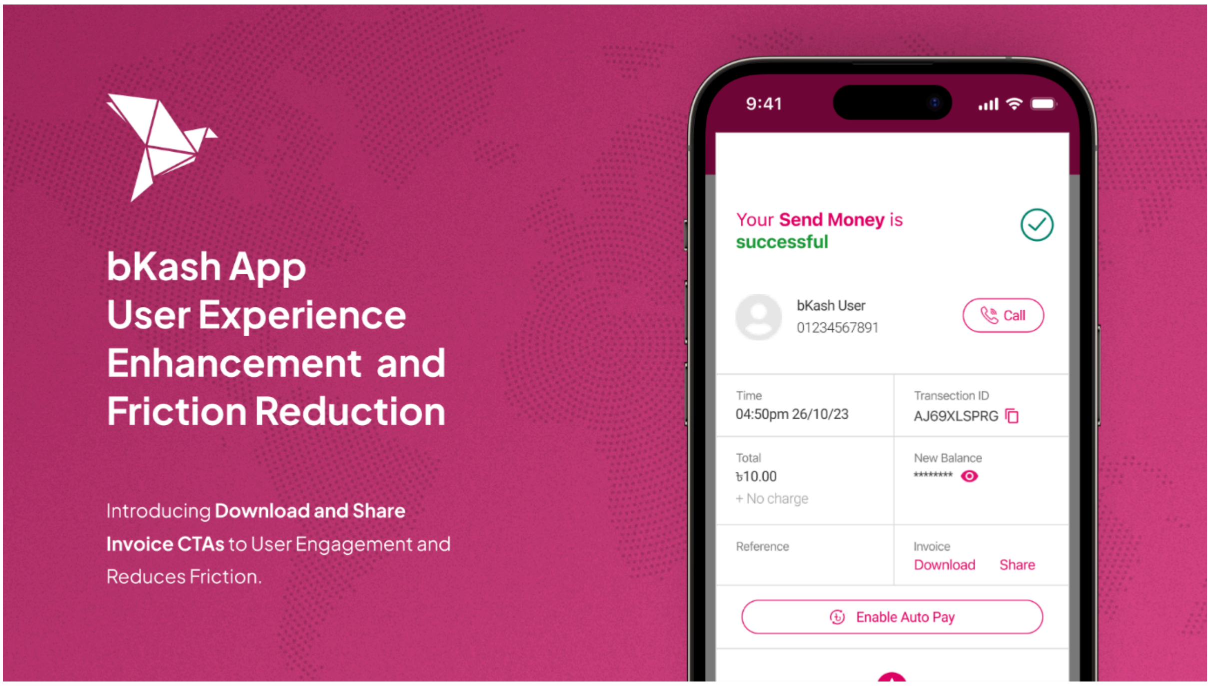

Figure 5: *bKash Mobile App Interface (showcasing user-friendly dashboard and service features)*

The platform has the strength of integration. The user can Add Money using linked bank accounts (over 40 banks) or Visa/Mastercard, make direct payments to over 800,000 merchants via QR codes, and offer remittance services, utility bills, e-commerce platforms (e.g., Daraz, food delivery) and ticketing services to bus, rail, launch, air, and movie tickets. High-tech additions comprise goal based savings plans and partner banks like IDLC and Mutual Trust Bank (over 1 million accounts opened), nano-loans with fast approvals of up to Tk50,000, insurance payments and salary payments to companies. The remittances and recharges overseas use are supported as well, and it will be possible to use AI-supported budgetary tools in 2025, which will allow users to control their spending patterns in a more efficient manner.

Nagad application is a complementary product that is light and clean with a simplistic user-centric interface and uses both Bangla and English. It incorporates the postal network points with cash-in/out, culturally relevant features like Zakat calculators, Namaz hours, and Islamic accounts and focuses on the ease of use to expedite its adoption by those who use the smartphone as their first.

Generally speaking, the app by bKash is the best in terms of depth, personalization, and integration, which supports its dominance among 82m+ users, and Nagad, on the other hand, focuses on the simplicity and accessibility of the app to foster its rapid adoption in under-served communities (Hasan and Akter, 2022; Mahmud and Uddin, 2023).

6.7 Built-in Real Time Tracking of Transactions

Both bKash and Nagad have strong real-time transaction monitoring which is a fundamental aspect in a market that has transparency as a buffer against fraud and consumer confidence (Kabir and Hoque, 2021). Each transaction will generate immediate SMS push, in-app notices, showing the amount, recipient, and the date and reference. Individual sections provide users with detailed histories, with date, transaction type (Send Money, Cash Out, Recharge), and daily or monthly summary of activity.

The improved version of the bKash application improves monitoring with an inbuilt Inbox that integrates messages regarding transactions, offers and loyalty points. Live transaction balances, ETA-like confirmation of Add Money with associated banks/cards and transaction status indicators eliminate uncertainty and enhance user confidence.

The same features are available with Nagad, which provides push notifications to enable instant confirmations, transaction overviews, and USSD-based tracking automatically (247 247). Comparing it to the ride-sharing GPS tracking, real-time visibility enables users, minimizes controversy, and enhances credibility of the platform (Nizamuddin, 2022).

6.8 In-App Security Features

The issue of security is also a major point of distinction in the use of MFS, as the problem of digital fraud continues to escalate (Nizamuddin, 2022). BKash and Nagad have a multi-layer protection system:

- PIN Authentication: bKash uses PIN twice in case of sensitive operations and Nagad uses dual phase PINs.
- OTP Verification: Requires logins, Add Money and high-value transactions.
- Biometric: Fingerprint and facial recognition are convenient and do not affect security.
- Fraud Concerts and Account Freeze: Customers are able to file suspicious activity, and freeze their accounts immediately.

bKash also relies on a highly secure encryption system, transactional restrictions, and a special in-app security checklist as the measures to allow taking a proactive approach to monitoring and controlling. Nagad also focuses on privacy compliance and frequent audits according to the guidelines of the Bangladesh Bank (Alam and Hossain, 2021). Similar features as ride-sharing SOS buttons are immediate reporting features, increasing consumer confidence.

6.9 Loyalty Programs and Promotions

In the MFS Bangladesh market, the key to maintaining users is promotions and loyalty systems and here are the loyalty programs and promotions:

- bKash pays cashback on card Add Money, merchant payment, recharge, and annual campaigns. Its loyalty program gives it loyalty points which can be redeemed as discounts rewarding frequent usage.

- Nagad is concentrated on cashbacks (in particular, on Cash-Out and Recharge), referral bonuses, seasonal benefits (e.g. Eid promotions) and interest on balances. The rewards of quizzes stimulate the interest.

- Viral growth is achieved through referral programs and other special offers, especially on the less price-sensitive youth and rural users- like in ride-sharing, where incentives are used to promote a repeat purchase (Farid and Sarker, 2024).

6.10 Integration and Payment Options

Flexibility in payment is also needed to access different user groups in Bangladesh. Although the use of agents to make cash transfers is still typical (bKash: 379,000+; Nagad: 8,500+ post offices), digital solutions are on the rise:

- Add Money: Money right from bank accounts, debit/credit cards.
- Merchant Payments: QR code, e-commerce interaction, brick-and-mortar stores.
- USSD Support: Makes feature-phone users not left out.

Nagad also focuses on low-cost cash-out products to appeal to high-volume transactions whereas bKash is more focused on a bigger ecosystem that covers savings, loans, insurance, and subscriptions. This heterogeneity matches the two cash/digital alternatives of ride-sharing apps to fully serve the market (Rahman et al., 2024).

6.11 Customer Support Interface

In-app support is essential in developing user trust and satisfaction.

bKash has an organized help desk with chatbots, ticket system when dealing with dispute over transactions and a call back system with 24/7 helpline service (247).

Nagad uses chatbots to get queries, callbots to solve complicated problems, and in-app reporting features.

The integration of automated and human support helps in regaining trust, allowing users to solve problems fast- similar to ride-sharing dispute resolution systems that can make it more reliable (Mahmud and Uddin, 2023).

6.12 Importance of Brand Positioning on Mobile Financial Services in Bangladesh

The key component in creating the trust and encouraging adoption, and loyalty of the price-sensitive market in Bangladesh in a competitive MFS industry is brand positioning (Sharker and Haque, 2023; Bhattacharya, 2023). Having more than 239 million registered accounts and transactions (over Tk 17 lakh crore) as of 2025, it is evident that brand differentiation can define which providers should be at the top of the consumer perception and the participation rating (Yusuf and Chowdhury, 2025).

bKash brands itself as the reliable pioneer, focusing on the security, reliability, and depth of the ecosystem. Its message is professional, innovative, and safe, supported by such global partners as SoftBank and Ant Group. The marketing communication programs emphasize convenience, savings, loans and integration of the brand into the lifestyle, and embed the brand emotionally into the minds of the urban and semi-urban customers. The informal usage of bKash me shows the presence of it in our everyday lives, which strengthens brand loyalty (Hasan and Akter, 2022).

In contrast, Nagad uses government support to establish itself as cheap and convenient to reach rural and low-income customers. Its marketing focuses on the cost-saving factor, the availability of a postal network, and cultural specifics (e.g., Islamic banking services), presenting it as the choice of people in terms of the financial services (Islam et al., 2023; Sultana and Hasan, 2021).

Critical positioning drivers are:

- Trust: bKash is a leader because of the existing networks and good performance (Alam & Hossain, 2021).
- Affordability: Nagad has low charges that are attractive to price-sensitive parts (Farid and Sarker, 2024).
- Inclusion: both platforms enable women, rural population, and first-time digital users (Chowdhury and Noor, 2020).

Proper brand positioning does not only distinguish competitors but also will lead to financial inclusion, lessening the cash dependency and encouraging the integration into the formal economic channels (Khan & Rahman, 2020). With the maturation of interoperability, providers who combine trust, affordability, and inclusivity will be dominant, and provide strategic insight into other upcoming markets between globalization and localization (Ahmed & Chowdhury, 2020).

7. Market Analysis

The Mobile Financial Services (MFS) sector of Bangladesh is in fact the cornerstone of the digital economy of the country. It has developed at a rapid pace, is crammed with new technology, and is putting a serious push on financial inclusion. Over 239 million registered accounts exist as at the year-end 2025; craziness considering that the population is over 170 million (Yusuf and Chowdhury, 2025; Bangladesh Bank, 2025). The scene is overwhelmed with two names, and they are bKash and Nagad, such that they are almost the tone setters in adoption, competition, and even how the regulators make rules.

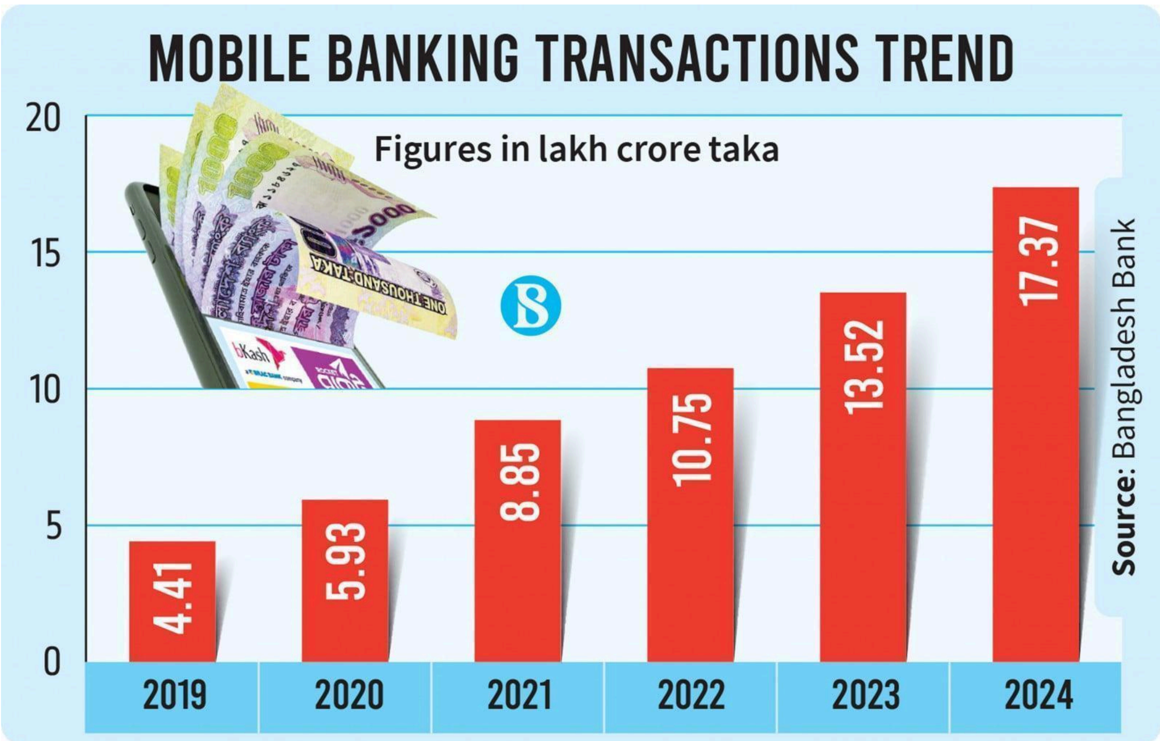

Figure 6: *MFS Transaction Growth Trend in Bangladesh (depicting rapid increase in mobile financial transactions over time)*

7.1 Dominance on the Market Share and Platform

Still, bKash remains the giant with a market share of 4050 per cent. It has a huge user base of more than 82 million verified users with an extensive network of more than 360,000 agents nationwide (Hasan and Akter, 2022; Sharker and Haque, 2023). Their advantage is that they are first movers, collaborate on an international basis and provide a complete ecosystem- P2P transfers, merchant payments, bill pay, savings, microloans. Initial trust, emerging technology and tie-ins with foreign foreign exchange routes have established bKash as the leader of choice in the MFS business in Bangladesh.

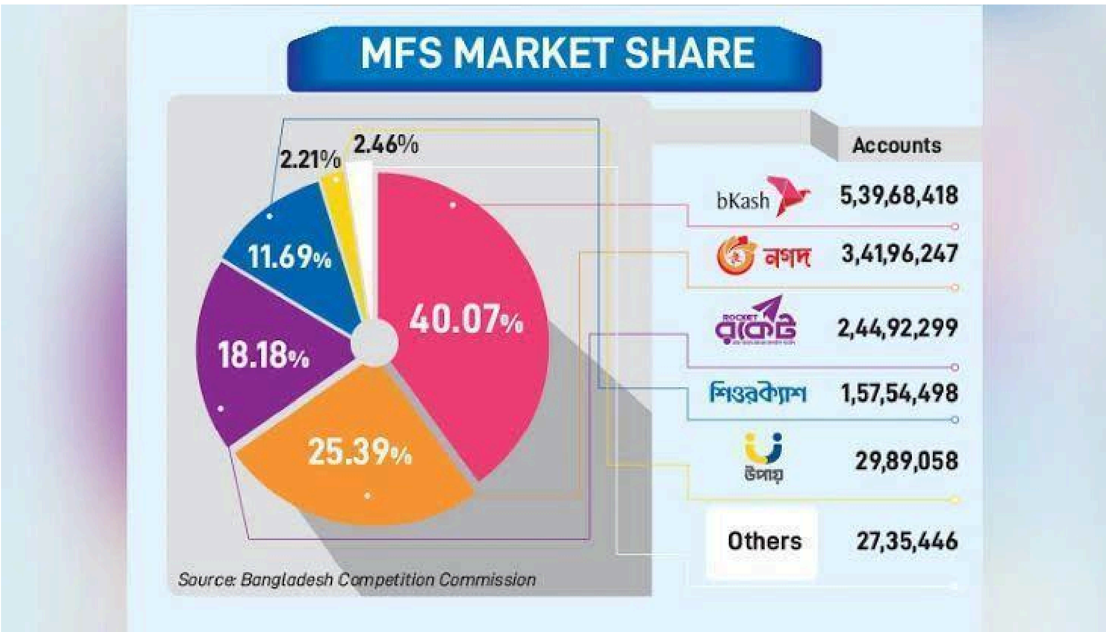

Figure 7: *Bangladesh MFS Market Share Comparison (bKash vs Nagad)*

Nagad, however, is a controlled service and operates as a branch of Bangladesh Post Office and has also become a viable competitor. It supports 2530 per cent of the market with postal hubs to reach the rural market and aggressive pricing (Islam et al., 2023; Sultana and Hasan, 2021; Bhattacharya, 2023). It is particularly widespread in rural and low-income regions, due to low charges, payments of government stipends, and services that align with the local culture.

The rest of the market is represented by other players, including Rocket (DutchBangla Bank), Upay,SureCash and a number of smaller fintech startups; however, the two leaders still control more than 70 percent of all transactions. This level demonstrates that it is very difficult to enter since it requires large networks of agents, compliance, and brand loyalty-network effects actually work (Rahman and Alam, 2020).

The duopoly is both innovative and raises the issue of sustainability in the long term. Nagad is threatening the historic monopoly of bKash, hence both continue increasing their competition; shrink costs, enhance services, and simplify the experience (Farid and Sarker, 2024).

7.2 Demographic Tendencies and User Behavior

MFS in Bangladesh has reached out to a ton of various groups and that is how far the spread is. The young people in the urban areas (18-35) are a central foundation since they are on their phones, tech-sensitive, and accustomed to apps. They are fond of P2P, bill pay, mobile recharge and merchant stuff. MFS is part and parcel of their lives.

In certain regions, rural residents (the majority of whom are unbanked and cash-based) comprise more than 60 percent of the users. They primarily make use of agent based cash in/cash out, and government stipend drops as well as minor P2P transfers (Bhuiyan, 2021; Nasir and Ahmed, 2021). The mobile phone handset ascendancy and improved coverage have driven rural adoption further.

The relation between the genders has also become much better. In 2025, the female population owns almost half of the accounts with a clear increase over the gaps in the past (Chowdhury and Noor, 2020). This is because of improved privacy, security, and economic empowerment, which allows women to conduct businesses, save, and remit funds online.

Platform choice is influenced by price sensitivity and trust. The low-income and rural users are more likely to use Nagad since it has lower fees and is linked to government programs.

BKash users in middle-income, urban settings are attracted to the company due to its reputation, security, and high-end services (Mahmud and Uddin, 2023; Alam and Hossain, 2021). The daily number of transactions remains strong indicating that MFS is included in the household budgets- be it payment of utilities, school fees and so on.

7.3 Economic and Employment Impact

MFS is a huge economic player. In 2024, the total transactions reached approximately Tk17.37-17.42 crore, and this is an increase of 28 percent + over 2023, with a projection of crossing Tk25 lakh crore in 2025 (Bangladesh Bank, 2025; Khan and Rahman, 2020). MFS reduces cash dependency, accelerates official financial transfers, and contributes to GDP by computerizing remittances, salaries, merchant transactions, and gov't transfers.

Employment is big too. Commissions and livelihood income are earned by more than 1.51.8million agents, most of whom are part-time, rural young people and women. Other employment opportunities are through collaborations with banks, e-commerce platforms, and fintech middlemen, increasing the socio-economic influence.

7.4 Economic Inclusion and Social Impact

MFS has taken financial inclusion to the next heights. Formal economic participation by the unbanked is achieved by simple sign-ups with virtually no papers (Ahmed and Chowdhury, 2020). Digitized remittances make rural pockets stronger, and government allowances go directly into accounts, which introduce transparency and reduce leakage (Islam et al., 2023).

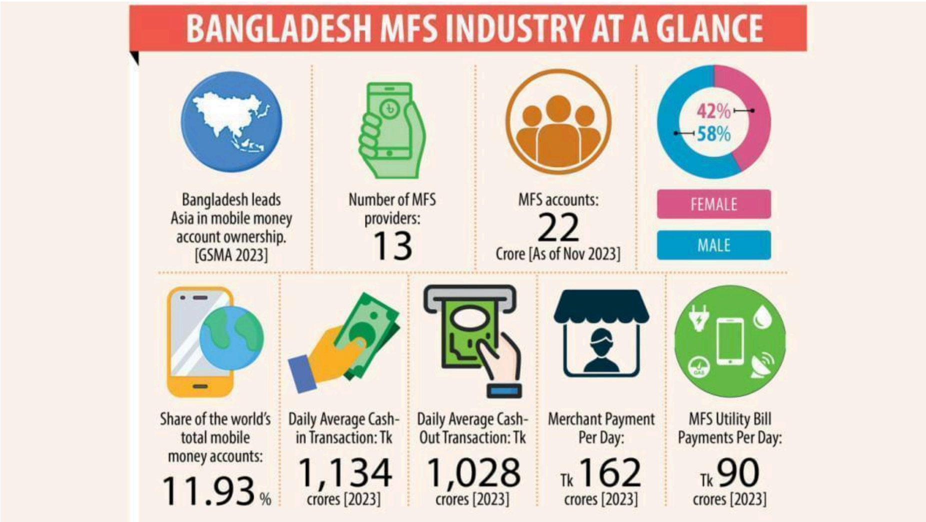

Figure 8: *Overall MFS Growth and Financial Inclusion Infographic (highlighting nationwide impact of mobile money in Bangladesh)*

Here women empowerment is reflected. The digital wallets empower women to manage money, launch their companies, and reach their savings and loans, reducing gender disparities in finance (Chowdhury and Noor, 2020). The society is also without the fraud risks, custom-tuned services (such as Islamic savings schemes) and more confidence in digital finance (Nizamuddin, 2022).

All in all, MFS is in line with the Digital Bangladesh vision, which catalyzes the growth that is inclusive, rural, and digital (Khan and Rahman, 2020).

8. Future Analysis

Bangladesh MFS market is going to receive a significant upgrade, as it is going beyond money transfers and into the realm of fully-realized digital ecosystems. Navigating and exploring the world has never been as straightforward as in an integrated financial ecosystem (also known as Super Apps).

Thus, bKash and Nagad become super apps, combining payments with savings, loans, insurance, investments, as well as lifestyle items such as ticketing, shopping, and entertainment booking. They have collaborated in digital lending and DPS plans, and Nagad is full of utilities, demonstrating the way the technology is integrating into the traditional banks and keeping customers stuck (Bari, 2020).

We expect a level of interoperability to allow us to access all these services on different MFS platforms by 2030, which is similar to the operations of the big super app ecosystems in Southeast Asia. This will increase engagement of users, reduce churn, and put more individuals in rural and urban locations on board (Rahman et al., 2024).

8.2. Expansion in Rural and Underserved Areas

It is still very important to reach the countryside. Nagad is targeting the post office and its agent network to strike tier-2 and tier-3 cities, where cash is still king. As the number of smartphones doubles, data gets cheaper, and there is a larger network coverage, individuals without banks will begin utilizing digital financial services in increased amounts. Besides, financial literacy initiatives such as agent-based training and community gatherings will assist people to consume such services in a mature and responsible manner and remain with them in the long term (Bhuiyan, 2021; Nasir and Ahmed, 2021).

8.3 Formalization and Compliance of Regulations

The government is restricting the regulations. The interoperability drive designed by Bangladesh Bank (starting 2025), the possible digital banking licenses, and the tightening of KYC, cybersecurity, and consumer protection regulations will reduce the cost of transactions and increase consumer welfare and innovation (Ali et al., 2022). The providers will have to balance state-supported motions (Nagad) and those of the private sector (bKash) and ensure that compliance is aligned to the competitive advantage.

Digital payment standardization will reduce the mess, enable platforms to collaborate and allow cross-border remittances and formal lending. This will increase the cost of compliance, but lead to increased trust, fraud prevention, and generally render the entire ecosystem more believable.

8.4 Strategic Outlook

The growth per year over the next five years is 2030 percent, and IFB will become a global leader in MFS (Yusuf and Chowdhury, 2025). What should be focused on in the providers:

- Engage people using super app ecosystems to remain loyal.
- Increase rural coverage using agent networks, post partners and low-priced devices.
- Find a balance among trust, affordability, and compliance to attract a large diversity of users.
- Enhance financial literacy and digital skills to enhance inclusion.

As competition intensifies and interoperability becomes more of a reality, the industry will probably turn into a more integrated, efficient, and inclusive ecosystem, which will lead to economic growth and societal advancement.

9. SWOT Analysis of bKash & Nagad

The SWOT is, therefore, essentially examining what bKash and Nagad have to their advantage and what can get them into trouble, such as strengths, weaknesses, opportunities, threats, etc. It is set in Bangladesh, in the late 2025, it is the MFS scene, with bKash still capturing about 40% of the market, and more than 82 million users, and Nagad is running away to take 2530% with their aggressive pricing, rural access, and government ties (Yusuf and Chowdhury, 2025; Sharker andHaque, 2023). The entire industry is a buzz at huge transaction volume of between Tk 17 25 lakh crore, and a scramble to go digital in a short time and it is all about trust and access to customer loyalty.

Aspect	**bKash**	**Nagad**
Strengths	Strong trust, first-mover advantage, broad service ecosystem, advanced app features, and large agent network.	Government backing, low-cost positioning, rapid rural growth, strong reach among underserved users, and effective promotions.
Weaknesses	Higher fees, premium brand perception, weaker appeal among low-income users, and some operational dependence on private partnerships.	Lower trust than bKash, limited advanced services, weaker urban presence, and dependence on regulatory conditions.
Opportunities	Rural expansion, interoperability, fintech innovation, remittance growth, and stronger inclusion partnerships.	Further rural and semi-urban growth, government-led inclusion policies, youth market expansion, and service diversification.
Threats	Rising competition, regulatory pressure, cybersecurity risks, and economic slowdown.	bKash's stronger brand and network, ownership uncertainty, cybersecurity risks, and growing competition from digital wallets.

The SWOT demonstrates bKash as all defensive (trust, depth of the ecosystem, technological leadership) whereas Nagad is offensive (affordability, accessibility, aggressive rural penetration). The platforms are both subject to new regulations and cyber threats, but the growing fast, smartphone usage of the market is rising, and friendly financial inclusion policies exist (Bhattacharya, 2023). All in all, it is a good vibe though monitor compliance.

Figure 9: *Example SWOT Analysis Diagram (template suitable for bKash and Nagad strategic evaluation)*

The point here is that the reliability, high-quality service, and emotional brand resonance are the trump cards of bKash, whereas the low prices, accessibility on a mass-market, and the credibility of the government to jumble the established trends are the trump cards of Nagad. The lesson: they both should be innovative, affordable, and compliant to continue to expand or capture a larger share of the market.

10. Brand Positioning Strategy

Practically, therefore, when we discuss brand positioning in the MFS industry of Bangladesh, we are talking solely of trying to convince these trust-crazed, price-conscious customers, particularly in an environment where digital adoption is booming and the regulators themselves are paying close attention (Sharker & Haque, 2023; Bhattacharya, 2023). When the positioning is done properly, it will enable companies to be distinct, influence the way people perceive the brand, and retain them.

Figure 10: *bKash Marketing Campaign Example (showcasing brand positioning through creative advertising)*

10.1 Brand Positioning Evolvement

I was informed that bKash has developed since its launch in 2011. Initially they just forced their principal message of Financial inclusion of the unbanked. Based on the credibility of BRAC Bank and world investments, initial advertisements on credibility and safety made people feel free to leave cash behind. By the middle of 2010s, bKash changed its name to a lifestyle partner, with savings, microloans, and merchant payments taking their place in the mix. As the year 2020 was on, emotional branding became central, and the catchy phrase of bKash me was integrated into daily conversations. This was targeting the young urbanized people and the middle classes who focused on reliability, convenience and a social feel (Hasan & Akter, 2022).

In 2019, Nagad was introduced, and shortly after took a separate niche as an affordable disruptor. At the very beginning, they emphasized the idea of free transactions and governmental support, as it focuses on an uneducated and rural population. In 20232025, Nagad narrowed its brand to be more welcoming and culture-aware, with festival promotions, Islamic banking solutions and innovative campaigns that would attract both cheap-pricerville urbanites and rural customers (Islam et al., 2023).

10.2 Establishing a Competitive Advantage

bKash differentiates itself based on trust, reliability, and a profound ecosystem. They provide high quality security, advanced services and close collaborations with banks, merchants and remittance networks, which makes them safe, pro-choice. They avoid price wars, instead establishing user trust and loyal customers, in the long run, particularly women and professionals who are conscious of security and full-scale financial solution (Alam & Hossain, 2021).

Nagad however contrasts with others by distinguishing themselves based on accessibility, affordability and the mass-market. They offer a low-cost approach with a wide rural coverage through post offices and strong connections with the government, which creates a value-based offer to their low-income and unbanked customers. This gives Nagad an impression of the MFS platform of the people, particularly at a location where the high-quality vibe of bKash may prevent people (Farid and Sarker, 2024; Sultana and Hasan, 2021).

10.3 The best positioning strategies are most effective

Reliability and emotional appeal are the largest wins of bKash. The family stories or remittance tales are commonly highlighted in campaigns, which builds trust and heart connection. More so, their technological advantage, uniform service delivery, and social responsibility initiatives such as financial literacy training increase their loyalty despite their increased charges (Kabir and Hoque, 2021).

The efficient strategies embraced by Nagad are based on accessibility and value creation. Rough-and-tough promotions, referral programs, and culturally-sensitive campaigns, such as Eid offers or the interest on balances, will jump-start the viral and create an inclusive atmosphere. Rural areas, families with low income, and young people are targeted to be hit to complement cross-platform actions and enable long-term increase in the brand (Khatun and Chowdhury, 2024).

The mix of emotional (trust, reliability, cultural relevance) and functional (cost saving, convenience, access) are both present in the providers. This is why, in Bangladesh, an effective brand positioning is one that balances local taste (the rural and culturally selective approach of Nagad) and global norms (the technologies, investor trustworthiness and deep ecosystem of bKash) so that it can be adopted consistently in one of the most competitive and heavily-regulated markets (Khan and Rahman, 2020).

11. Consumer Perception Analysis

We conducted a primary survey in April of 2025 to get an idea of how the two largest Mobile Financial Service (MFS) providers: bKash and Nagad are perceived by Bangladeshi consumers. I delved into the motivation of people, the angles of their vision, how marketing influences things, what makes them happy and all that and how it relates to the positioning of the business.

11.1 Survey Design and Respondent Profile

Our sample size was 350 individuals between the ages of 18 and 45 years, which was distributed across Bangladesh to make the population diverse in terms of demographics and socioeconomic status. The stratified sampling made it even:

- Urban young people (55%) - they are always on their phones, tech-savvy and they are absorbing the latest payment applications.

- Rural unbanked (30) - primarily using agent-based cash-in / out systems.

- Semi-urban professionals (15) - a blend of both digital and agent-mediated habits.

- Gender -48 percent female, which is consistent with research indicating a substantial increase in the number of women using MFS (Chowdhury & Noor, 2020).

We quantified trust, affordability, promotion effects, usability of the app, transaction experiences, and loyalty using 5-point Likert scales and included open-ended questions to provide further detail.

The income level was also quite different as those who earned less than Tk15,000 in one month were primarily concerned with fees, whereas people who earned more than Tk35,000 worried more about reliability, constant work, and the safety of the data (Hasan and Akter, 2022; Alam and Hossain, 2021).

11.2 Quantitative Results:Preference of the Platform

The poll indicates there are evident variations in the perception of the choice of platform by individuals.

Dimension	bKash (% Preference)	Nagad (% Preference)	Neutral/Other	Key Takeaway
Overall Preferred Platform	58%	35%	7%	bKash holds leadership via trust credibility
Trust + Security Priority	68%	22%	10%	Robust KYC, compliance + global backing
Affordability Priority	25%	62%	13%	Nagad wins cost-sensitive users
Satisfaction with App UX/UI	62%	30%	8%	bKash's polished UI strengthens loyalty
Daily/Weekly Usage	65%	55%	–	bKash offers more service depth

Such results suggest a tradeoff of trust and affordability that serves as a source of consumer segmentation. Urban youth and women were overwhelmingly certain about the safe system of bKash with the rural respondents mentioning the cost factor as what drives them to Nagad with its low-cost system (Farid and Sarker, 2024).

11.3 Qualitative Perception Themes

Open-ended answers generated repetitive themes that were clustered in four perception constructs:

11.3.1 Trust and Security

The open-ended responses indicated a focus of trust and security to be central in the perception of users about MFS platforms. The respondents emphasized good conflict management, the reduction of perceived risk of fraud, and long-term use familiarity. Moreover, having reputable international investors like SoftBank and Ant Group added to the trust that bKash had. Such perceptions are consistent with the stakeholder trust frameworks, which implies that the institutional territories with greater legitimacy are associated with greater levels of consumer commitment.

11.3.2 Affordability and Value

In the case of Nagad customers, one of the reasons why they switched to using the service was that it was inexpensive. Individuals discussed the cashback offers at specific periods of the year, as well as the cheap charges on borrowing and remittance money. They also appreciated the fact that the charges were transparent and simple to empathize with, and they received good rates on balances in their accounts. The bonuses were also welcome. The young individuals particularly claimed that the cheap price was one of the main factors, which motivated them to use mobile banking first.

11.3.3 Comfort and Mobile Diversion

BKash services were closely connected with comfort and ease of use. The ease of using bKash services has brought a great deal of satisfaction to the users of this service because they were able to switch to Bangla and English languages, apply biometric identification and browse through the My bKash section. Nagad services were regarded as easy to use and simple, yet Nagad did not have many services compared to bKash.

11.3.4 Customer Service Responsiveness

Customer service was positively and negatively responded to on both channels. The grievances that were made were that there is excessive time in dispute resolution, that the call centers are overloaded during busy times and that there is lack of cash among the rural agents. The contrasting ratings between bKash and Nagad present the areas on which the two companies can develop stronger distinctive and responsive service experiences.

11.4 Influence in Marketing Campaign

High advertising exposure was shown as 85% of the respondents remembered the recent MFS promotional campaigns.

11.4.1 bKash Campaign Perception

BKash campaign was linked by the respondents to high emotional appeal and based on the credibility-based marketing strategies. The image of the brand was strengthened with the help of influencer ambassador Hamza Choudhury, who is recognized in the Digital Marketing Festival Awards, and prominence of the brand at the campus level through promotional partnerships with content creators and with the slogan Shob Somoye, Shob Proyojone bKash. These moves made bKash contemporary, secure and aspirational, and this is indicative of the desire of the company to remain in the premium and high-end marketplace.

11.4.2 Nagad Campaign Perception

Festive, cost-based promotions, the focus of which was to invite a large number of participants and engage in viral promotion, were the biggest factors that formed the perception of the campaign in Nagad. Some campaigns like Deshi Nagad e Beshi Labh, land and asset lottery, referral-based chain of incentive, and partnering with e-agency alliances like Publicis Media appealed a lot to the users. Consequently, Nagad was generally mentioned by respondents as a reward, national pride and accessibility in general.

11.4.3 Comparative Effectiveness

When it comes to campaign recall, 48% of the participants remembered the bKash campaigns better, 40% Nagad campaigns better and 12% not taking any definite side of the recall. The results indicate that the effectiveness of promotions is strongly related to the underlying platform perceptions: bKash campaigns are more likely to lead to the enhancement of previous trust and brand credibility, whereas Nagad campaigns are more useful in the case of inducing trial usage and switching behavior.

11.5 Consumer Loyalty, Switching and Use-Case Segmentation

According to survey data, consumer loyalty within the MFS market is mainly based on use-case, leading to high platform mobility, with bKash generally being preferred in case of remittance and salary related transactions, whilst Nagad is where people tend to use more often on small and routine transactions. The trend constitutes evidence of pervasive dual-homing patterns, allowing users to use multiple platforms based on the aim of the transaction. These decisions are determined by fee structure, security, level of the ecosystem and the ease of cash-out and cash-in services. This leads to consumers being rationally and not emotionally loyal meaning that market share can be easily given up or gained in reaction to price or alleged security shock.

11.6 Implications of MFS Providers

The results point out various important strategic implications of MFS providers. The perception of trust in users directly increases as a result of strengthening of the fraud prevention mechanisms and preventing financial risk is lowered. Open and transparent pricing helps to enhance the perceived affordability of services, which makes the platforms look more appealing to cost-sensitive consumers. A key aspect of engaging the digital migrants is the quality of the user experience (UX) design that facilitates the adoption as it minimizes the complexity and barrier to usability. Also, the further regional and cultural integration leads to a higher market penetration of rural markets, and better fiscal literacy programs will ensure more responsible and sustainable platform utilization among consumers.

12. Teaching Notes

Through this section, instructors can support the discussion in the classes, case analysis, and further investigation of the issue of fintech branding and digital inclusion in Bangladesh.

12.1 Case Summary

This case examines the competitive positioning of bKash and Nagad in Bangladesh's mobile financial services market, with particular attention to their brand positioning strategies and consumer perceptions. bKash, as the first mover supported by BRAC Bank and international investors, has positioned itself around trust, reliability, and security. In contrast, Nagad, backed by the Bangladesh Post Office, has emerged as a disruptive competitor by emphasising affordability, accessibility, and strong rural reach. The survey findings suggest a clear segmentation between trust-oriented and cost-oriented consumers, shaped by socioeconomic background, digital familiarity, and marketing exposure. Overall, the case highlights how brand meaning, pricing strategy, adoption motives, service ecosystem, and perceived risk interact to shape consumer choice in a rapidly digitising emerging-market context.

12.2 Teaching Objectives

Through this case, learners are expected to:

- understand how trust and affordability influence brand positioning in mobile financial services;
- apply CBBE, signaling theory, and stakeholder perspectives to fintech markets;
- examine consumer switching behaviour across competing platforms;
- interpret survey-based empirical evidence for strategic decision-making; and

- develop sustainable loyalty and growth recommendations for platforms operating in emerging markets.

12.3. Intended learners and context

The case can be applied to a variety of academic and professional purposes. It is especially applicable to undergraduate and graduate students in marketing and consumer behavior in that it offers an insight into the positioning of mobile financial service providers, their interactions with the users, and the impact these interactions have on customer loyalty. Also, the case can be useful in MBA programs specializing in fintech, strategy, and emerging markets, providing useful examples of competition, market growth, and how trust and affordability can influence users to adopt the product. Outside of academia, the case is also suitable for training courses focused on MFS professionals and government policymakers, since it points to industry trends, regulatory factors, and methods of improving financial inclusion, reaching rural areas, and digital access. The case is an effective resource of theory and practice in the mobile financial services industry by providing an understanding of both the strategic and operational aspects.

12.4 Discussion Requests with Recommended Responses

1. Is it the trust or affordability that dominates in MFS choices? Why?

Trust is the most significant, but affordability is also a key factor in choosing Mobile Financial Services (MFS). Trust is crucial as MFS services involve users who have to trust that their money is safe and secure. Customers must be assured about the security of their money and the authenticity of the transactions and the overall system. This is especially important in developing nations like Bangladesh where digital literacy and knowledge of financial matters may not be uniform. Popular MFS providers like bKash and Nagad have become so popular because of their reputation, service quality and ample agent networks. This instills trust among users, particularly in the rural and semi-urban markets where word-of-mouth and trust in the agent play a significant role. If there is no trust, users will not use any MFS, even with low fees on transactions.

Alternatively, price becomes important after the trust is built. Once established, users start to weigh the affordability of the service. Fees for transactions, cash-out, and promotions can impact the choice of service provider from a list of trusted providers. This is especially important for the poor who use MFS for regular small payments where the actual cost of using MFS can add up. Increasing competition in the MFS ecosystem leads providers to offer lower fees or promotions. But these efforts are only successful if users already trust the provider. In other words, MFS can drive customer switching, but not trust.

So trust plays the role of a basic requirement for service adoption, while affordability plays a role as a complementary element in preference and usage. In summary, while both factors play a crucial role, trust is a dominant factor in MFS decisions because it is an entry gate for using a service, while affordability is only relevant in choices between trusted options

2. Why are bKash users more loyal compared to Nagad users?

bKash has a higher user loyalty rate than Nagad due to a number of factors, including its first-mover advantage, trust, accessibility and a better service ecosystem. bKash, being the pioneer of mobile financial services in Bangladesh, has a head start on Nagad. This enabled them to acquire numerous users and establish deep user relationships. Users gradually grew accustomed to their services, which also boosts loyalty. Once users consistently use a service to transfer money, make payments or receive money, they hesitate to switch to another service, even when it is cheaper.

The other key factor that drives bKash users' loyalty is trust. Users want to ensure their financial transactions are safe and secure as it involves their savings and daily earnings. bKash has a solid track record of secure and reliable payments, which gives users confidence about the safety of their transactions. And its support from established financial institutions and its established track record only reinforces this trust. On the other hand, while Nagad has gained popularity rapidly, it is still new and some users may not see it as being as established or secure. This means that people tend to retain bKash accounts, even if they use Nagad for some transactions.

Another key factor contributing to bKash's popularity is the wide network of agents and merchants. bKash has a broad network covering both cities and villages, and is therefore easily accessible. The ability to cash in and cash out money makes it easier to use, increasing its stickiness. Moreover, bKash provides a comprehensive solution, which includes mobile recharge, bill payment, merchant payment, salary payment and remittance. This integrated service eliminates the need for users to engage with multiple services, leading to higher retention.

Secondly, network effects are important. With many people using bKash, it makes sense for users to remain in the network. It is convenient to transfer money if the recipient uses the same network service. While Nagad may win customers with lower transaction fees and various benefits, such as reduced fees for promotional periods, the latter often results in short-term use and adoption. Thus, the trust, familiarity, convenience and reach of the bKash makes the app users highly loyal to the app, unlike the Nagad users.

3. Can Nagad maintain the price based strategy in the long run?

Nagad's cost-based strategy - lower fees and promotions - has worked well in the short term, but is questionable in the long run. Although Nagad's point of difference is being a "lower cost" financial service provider, in the long-term, it's important to balance between profitability, user experience and trust. Lower fees mean smaller margins and, in the heavily regulated and competitive financial service sector, it may not be able to afford to build its infrastructure and protect itself from security threats. This can compromise the quality of service, hence user experience and trust - two key elements of financial services.

Furthermore, price is an easy strategy to replicate. Tedan may not be able to afford to reduce fees, or go further than this and run business offers. This undermines the uniqueness - and ultimately long-term viability of Nagad. This will not only mean that Nagad users might not be very loyal if they are able to pay low, similar prices (assuming some of the customers don't switch to other operators because of reputational issues). As such, Nagad may attract many users but lose them in the long term.

A further issue is the importance of establishing trust. Financial services require a high degree of trust, which can take time. While Nagad has made progress, it must build a brand and reputation for quality, safety and security. Any sense of risk and cost, customers may opt for a traditional platform like bKash and charge a higher fee. However, in the long term, financial services may increase regulation and operating costs to introduce further drag on what it can charge or pay its partners.

So Nagad must change to continue to grow into the future. Nagad must start focusing on Nagad quality and Nagad innovation. Nagad must keep in mind the people who are using Nagad and assure they have a good time with Nagad. So that Nagad can work with Nagad. Competitive pricing can still play a role, but it needs to be assisted by a focus on building trust and offering unique services. But at the moment Nagad's strategy works for entry, but it is likely to be unsustainable in the longer term unless it also evolves towards a more balanced strategy.

4. What can be done to enhance digital inclusion by brand communication?

To address digital exclusion, brands need to focus on raising awareness, building trust, simplifying the user experience and empowering users, especially for marginalized and tech-savvy consumers. Mobile financial service brands like bKash and Nagad can significantly inform and facilitate the adoption of mobile financial services by ensuring that communications are clear, accessible and culturally relevant. A key element is to communicate using simple language in dialects that are easier to comprehend instead of complicated tech terms that could overwhelm first users. Simplified language and creative storytelling can help brands show how digital tools can be used in day-to-day contexts, like transferring funds to family members or paying bills.

The other key area is talking with confidence. One of the reasons potential users may not take up new products is their uncertainty about scamming, additional costs or a system breakdown. Businesses should address these concerns by highlighting steps to ensure security, support and safe user tips. Stories and campaigns can also generate trust, especially in rural communities where trust is driven largely by word-of-mouth. Finally, bridges should emphasize images of different customers such as women, the ageing or the poor so they believe they are the target of products or services.

Another approach for brands to promote digital inclusion is through digital and financial literacy awareness initiatives. This could be through micro-videos, interactive social media campaigns and on-ground awareness programs with instructions on opening, transacting and resolving account issues. Collaborations with agents, community leaders and groups can help co-promote and support these initiatives. And brands should explore other channels of communication such as SMS, radio, television and social media to engage with users who may not have easy access to the internet.

Finally, trustworthy and empathetic brand communications can support users by providing security and reducing the learning curve. Positioning these services as secure, affordable and beneficial to people's lives can encourage their use. When it comes to improving inclusion with brand communication, there are many elements. It has to do with simplicity and clarity. Inclusion has to be safe. We have to educate people about inclusion.. We need to consider the different cultures. So when we do all these things we are able to include more people in the financial economy. Technical inclusion is really, really important for the financial ecosystem.

5. What is the effect of interoperability on brand positioning?

Interoperability, or the capability of different mobile financial service (MFS) platforms to communicate with each other, plays a crucial role in brand positioning by changing the competitive landscape from network size to quality of service and user experience. In countries such as Bangladesh, where MFS brands like bKash and Nagad have acted as closed networks with a competitive edge in terms of network size, interoperability undermines the value of large networks. This makes the "walled garden" effect less relevant, and brands can't just rely on network effects to lock in customers. This means brands need to focus on value differentiation rather than network size.

A key consequence of interoperability is that it increases competition over trust, reliability, and quality. Because users no longer have to stick to one service for transactions, they are more likely to switch services according to experience. This would compel brands to compete based on aspects such as better customer support, quicker transactions, increased security, and ease of use. For instance, a platform that offers efficient and seamless transactions is more likely to be perceived as the most reliable, regardless of size. In this sense, interoperability drives brands to develop stronger connections with users based on value and experience rather than structure.

Price positioning also responds to interoperability. With low-switching costs, consumers can shop for transaction fees and select the lowest-cost platform for each purchase. This means brands must remain price competitive, but also demonstrate their value proposition through other features. But it also prevents unviable price wars, since long-term competitive advantage must be achieved through service innovation, not price reductions. As a result, brands might choose to brand themselves as the "best value" rather than the "best price".

Finally, interoperability also leads to more empowered consumers, and that has an impact on brands. Consumers are empowered if they are not tied to one service and they are also more critical of brands. So things like brand credibility and trust and transparency become very important for a brand. The trust and the credibility and the transparency are what people think about when they think about the brand. Finally, interoperability alters the positioning of brands in the MFS market because there is a reduction in the importance of network effects and the need for companies to rely on differentiating by trust, quality, innovation and their user experience and creating a more consumer centric environment.

6. Why do we need the consumer perception survey for the case study on how bKash and Nagad're seen by customers in Bangladesh's mobile financial services?

A perception study is needed for a case study on brand positioning of bKash and Nagad because brand positioning is more a matter of perceptions of the consumers than the positioning and marketing communications of the brands themselves. So bKash and Nagad are two brands that want to represent themselves in particular ways. BKash says it is a trustworthy service. Nagad claims it is simple and cheap to use.. What bKash and Nagad claim does not necessarily reflect what people think about bKash and Nagad. The users of bKash and Nagad might see bKash and Nagad differently. A consumer perception survey offers primary data on consumer attitudes, preferences and experiences, so researchers can measure how successful their positioning is in the marketplace.

In a country like Bangladesh, where mobile financial services are really taking off people make decisions about what to use based on things like trust, security, convenience, cost and accessibility. The mobile financial services in Bangladesh are changing fast and people in Bangladesh are looking for mobile financial services that they can trust and feel secure with. Mobile financial services in Bangladesh need to be easy to use and not too expensive or people in Bangladesh will not use them. The mobile financial services in Bangladesh have to be easy to get to or people will go elsewhere. The perceptions of these factors can only be captured through a survey, along with the attributes that consumers value in a brand that guide their decision to stay or switch. For example, Nagad may have lower charges but may not be perceived as safe and secure because of its brand. These details are essential to understanding the difference between brand positioning and customer perception.

Also, a consumer perception survey allows conducting a comparative analysis of the two brands, which reveals the differences in consumer awareness, satisfaction, and preference between different demographic groups, e.g., rural and urban users or low- and middle-income groups. This renders the study more factual and evidence-driven as opposed to guesses. With such a survey in a research paper, the study becomes credible and one can have a clear conclusion regarding what brand attributes will affect positioning, the response of the consumers to marketing strategies, and what the brand can do to enhance its market performance. It eventually makes the case study represent actual user experiences and therefore its findings can be applied both academically and in business.

12.5 Teacher Instruction on Classroom Presentation

The following activities help students apply theory to practice by examining competition, consumer perception, and financial inclusion in Bangladesh's mobile financial services market.

Teaching Activity	**Objective**	**Instructor Guidance**	**Expected Student Output**
Group role-play	Evaluate strategic positioning and managerial decision-making	Assign students as bKash and Nagad executives to debate pricing, positioning, and growth strategies	Comparative strategic analysis of both platforms
Consumer segmentation analysis	Interpret survey evidence and user differences	Ask students to identify key consumer segments and explain how trust, cost, and convenience shape preferences	Segmentation map or short analytical summary
Class discussion	Critically assess models of financial inclusion	Lead discussion on whether private-sector or state-supported platforms are more effective in promoting inclusion	Reasoned discussion or reflection

Design task	Apply branding and service design concepts	Ask students to propose a pricing, promotion, or UX solution for a selected user group	Practical strategy recommendation
Consumer perception theory	Link theory to brand evaluation	Guide students to explain how perceptions of trust, value, and risk influence platform choice	Short theory-based analysis
Trust and adoption analysis	Examine the role of trust in fintech usage	Ask students to compare how bKash and Nagad build trust and influence adoption	Comparative explanation of adoption and loyalty
Digital inclusion analysis	Assess inclusion outcomes in emerging markets	Encourage analysis of affordability, accessibility, and usability in reaching underserved users	Evidence-based discussion of inclusion
Competitive strategy analysis	Apply strategy frameworks to the case	Instruct students to use Porter and RBV to analyse bKash and Nagad	Structured strategic framework analysis

13. Conclusion

bKash and Nagad represent two distinct approaches to Bangladesh's financial transformation. bKash has established itself as a trusted, secure, and service-rich platform through early market entry, strong brand credibility, and continuous innovation, making it especially attractive to active digital users who value reliability and advanced financial services. Nagad, by contrast, has grown rapidly through affordability, government affiliation, and broad accessibility, particularly among rural and underserved populations, thereby supporting financial inclusion and equitable access. Together, both platforms have contributed to employment generation, financial literacy, and the formalisation of financial transactions in Bangladesh. However, their long-term success will depend not only on market expansion, but also on responsible marketing, stronger fraud prevention, improved consumer protection, regulatory adaptation, and continued efforts to reduce access disparities. Ultimately, the most sustainable leader in the mobile financial services market will be the one that creates greater overall value through trust, affordability, inclusion, and long-term stakeholder benefit.

14. Strategies to Move Forward

Based on stakeholder expectations, consumer perceptions, and the competitive dynamics of the market, several strategic directions can be identified to help bKash and Nagad sustain their positions in Bangladesh's evolving mobile financial services industry.

14.1 What bKash Should Do

Although bKash continues to benefit from strong consumer trust, high loyalty, and broad service usage, survey findings suggest that cost remains a significant reason why rural and lower-income users switch to competing platforms. To sustain its market leadership while strengthening inclusivity, bKash should focus on affordability, rural penetration, security enhancement, and ecosystem expansion.

1. Improve affordability through more flexible pricing

bKash should adopt a more differentiated pricing strategy to better serve cost-sensitive users. Lower fees for small and frequent transactions, particularly in rural areas, could reduce switching among lower-income consumers. In addition, targeted short-term incentives such as cashback on savings, promotional offers for women, or discounted services for students could make the platform more accessible without weakening its premium and trustworthy brand image.

2. Strengthen rural reach and service accessibility

To deepen its presence in rural markets, bKash should invest further in agent training, local-language communication, and partnerships with microfinance institutions and community-based organisations. Expanding the agent network and ensuring consistent cash availability at agent points would improve service reliability in remote areas. These measures would strengthen trust and reduce the likelihood of users moving to alternative providers because of operational inconvenience.

3. Enhance cybersecurity and fraud prevention

Maintaining trust in digital financial services requires continuous improvement in security systems. bKash should further strengthen its fraud detection capabilities through AI-enabled monitoring, more robust biometric verification, and real-time alerts for suspicious transactions. Communicating the speed and effectiveness of its fraud resolution processes would also enhance consumer confidence and reassure regulators about the platform's commitment to user protection.

4. Expand integration with broader financial services

bKash should continue strengthening its ecosystem by integrating additional services such as micro-savings, small loans, insurance products, and payment solutions for small businesses and suppliers. A broader financial ecosystem would increase user dependence on the platform, reduce switching behaviour, and position bKash as a more comprehensive digital financial partner. This would also support wider financial inclusion goals by bringing more users into formal financial systems.

14.2 What Nagad Should Do

Nagad has achieved rapid growth by positioning itself as an affordable and accessible mobile financial service provider. However, sustaining this momentum will require more than a low-cost strategy. To strengthen its long-term competitive position, Nagad should focus on enhancing consumer trust, expanding its service portfolio, improving its urban brand appeal, and reinforcing operational reliability.

1. Strengthen trust through transparent communication

Nagad should invest in clear and consistent communication that explains its security features, payment protection mechanisms, and dispute-resolution processes. Greater transparency regarding transaction fees, service reliability, and fraud prevention measures would reduce uncertainty among users and strengthen confidence in the platform. Regular updates on system performance and customer protection initiatives could further improve brand credibility, particularly among hesitant or first-time users.

2. Expand advanced financial service offerings

To move beyond a purely low-cost market position, Nagad should diversify its service portfolio by introducing products such as microloans, savings schemes, insurance solutions, and merchant-focused financial tools. A broader range of services would encourage users to engage with the platform more frequently and for a wider variety of financial needs. This would also help Nagad build deeper customer relationships and reduce dependence on basic transactional services alone.

3. Build stronger appeal among urban consumers through lifestyle branding

Young urban consumers and professionals represent an important growth segment, as they often value convenience, innovation, and modern digital experiences. Nagad can strengthen its image in this segment by partnering with e-commerce platforms, fintech firms, and digital influencers. Such collaborations would help reposition the brand as modern, relevant, and aspirational, while preserving its core strength of affordability.

4. Improve agent training and compliance standards

Nagad should strengthen agent professionalism by investing in regular training on customer service, fraud detection, and regulatory compliance. A well-trained agent network would reduce operational risks, improve service consistency, and protect consumer trust. This is especially important in densely populated urban areas, where service failures or fraudulent practices can quickly damage brand reputation.

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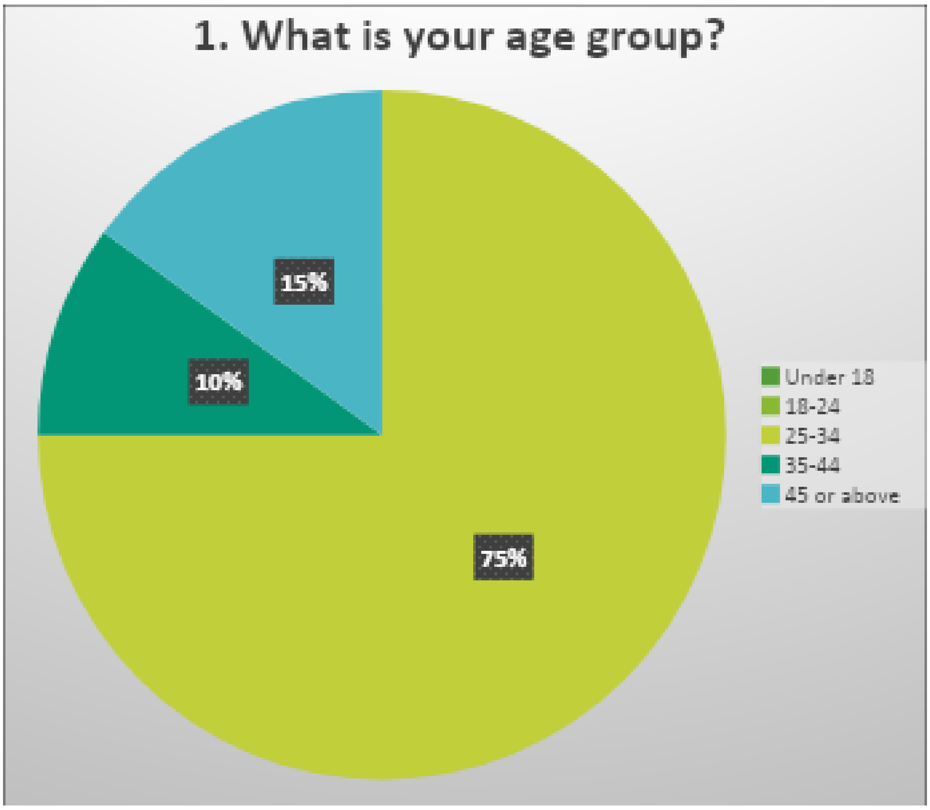
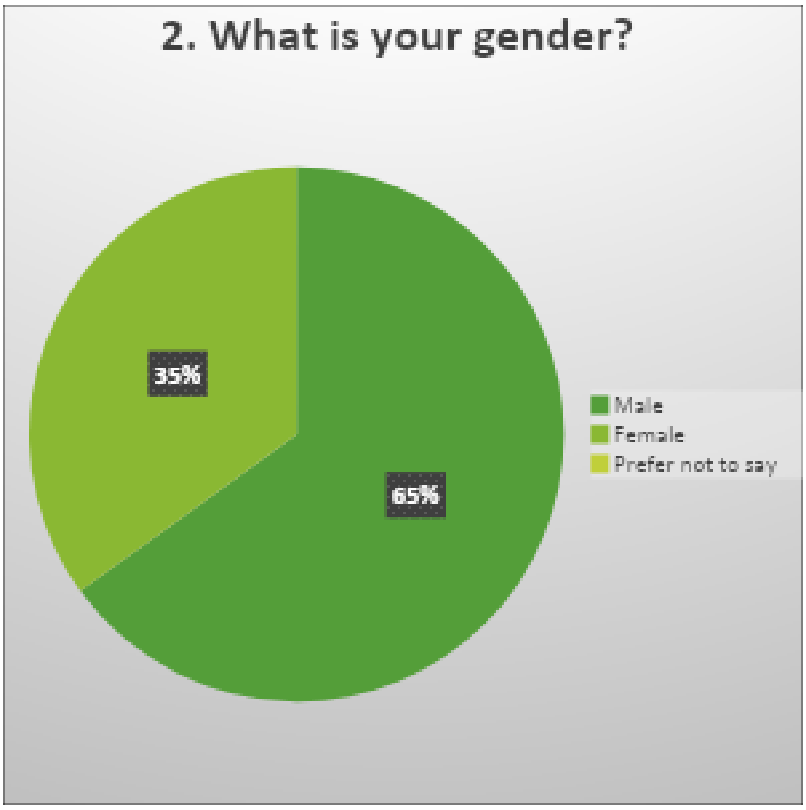
Google Survey Form

Consumer Perception Survey: bKash vs Nagad (Mobile Financial Services in Bangladesh). https://docs.google.com/forms/d/e/1FAIpQLSdmxsVI5D9_ubgDPwe4eWMtrxjOmbqcNLGffPfoF9suFw2jfA/viewform

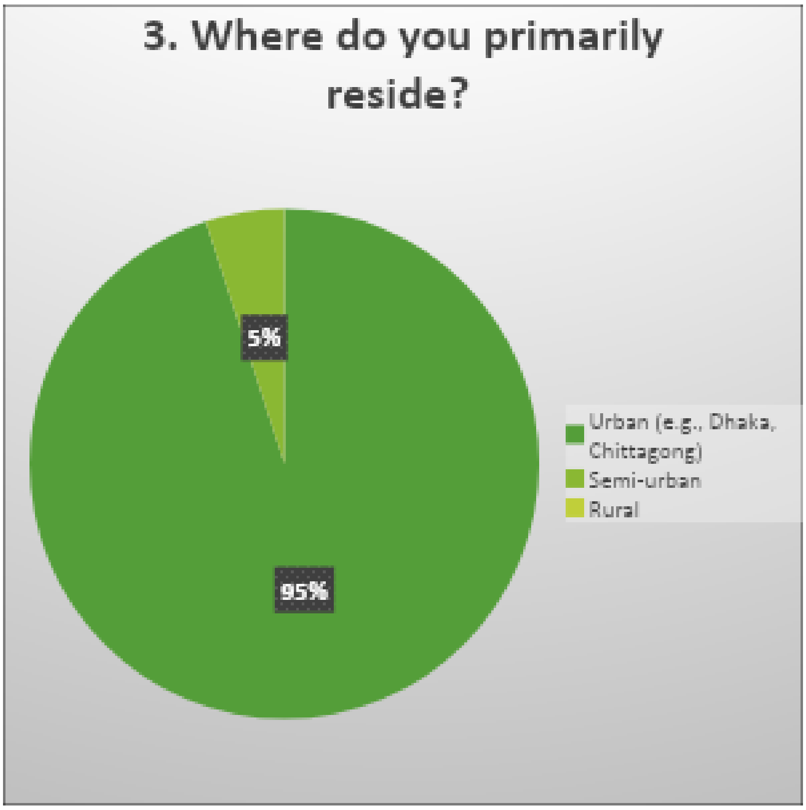
Appendix

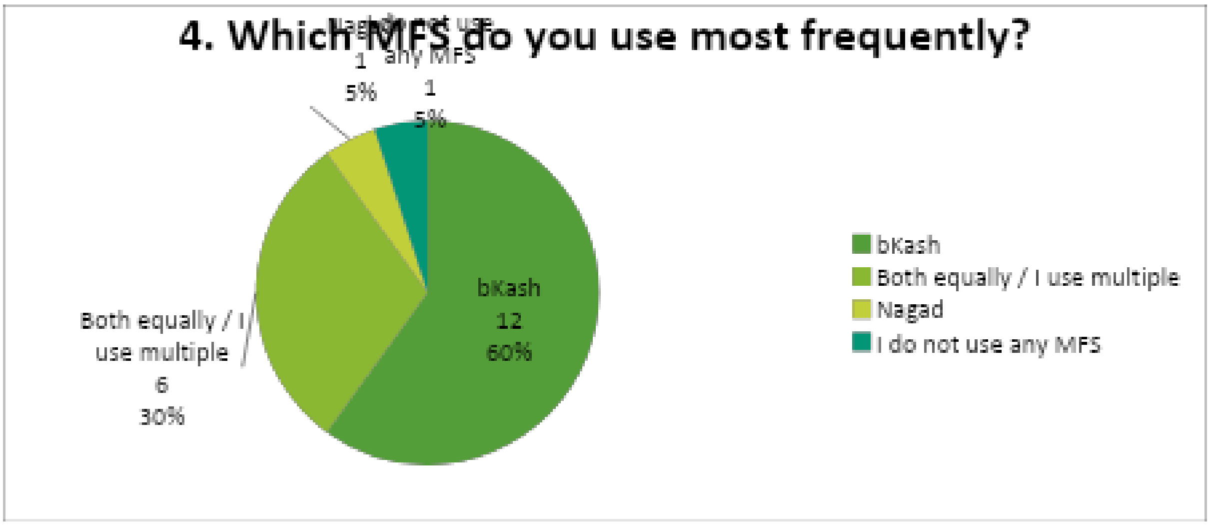


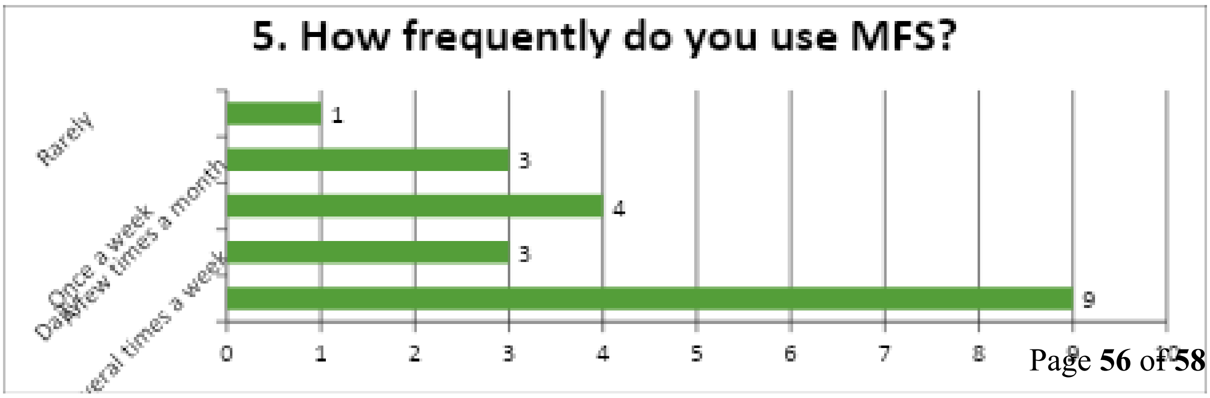
1. What is your age group?
15%
10%
75%
Under 18
18-24
25-34
35-44
45 or above

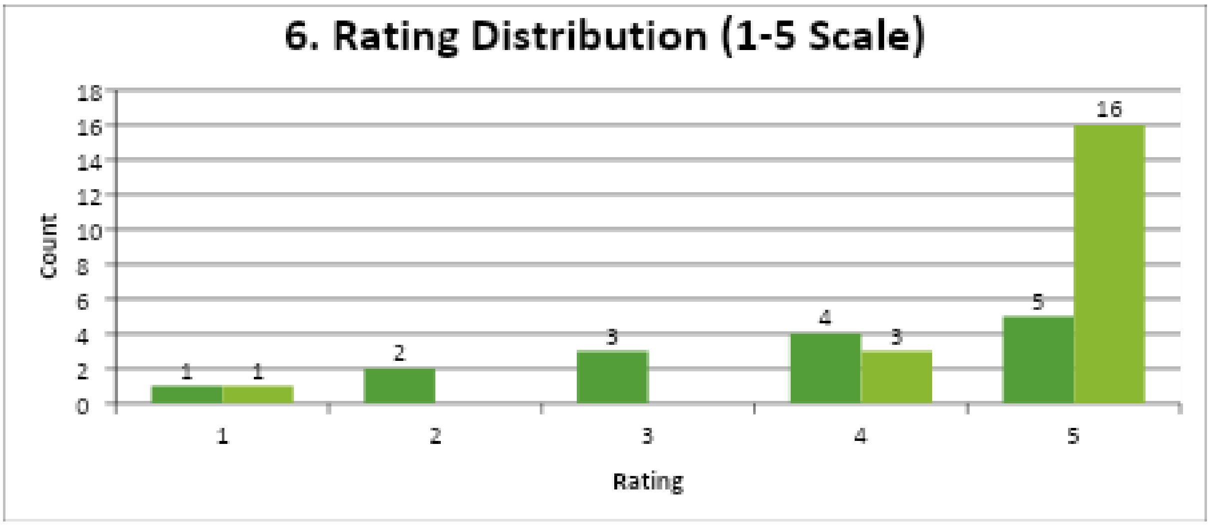


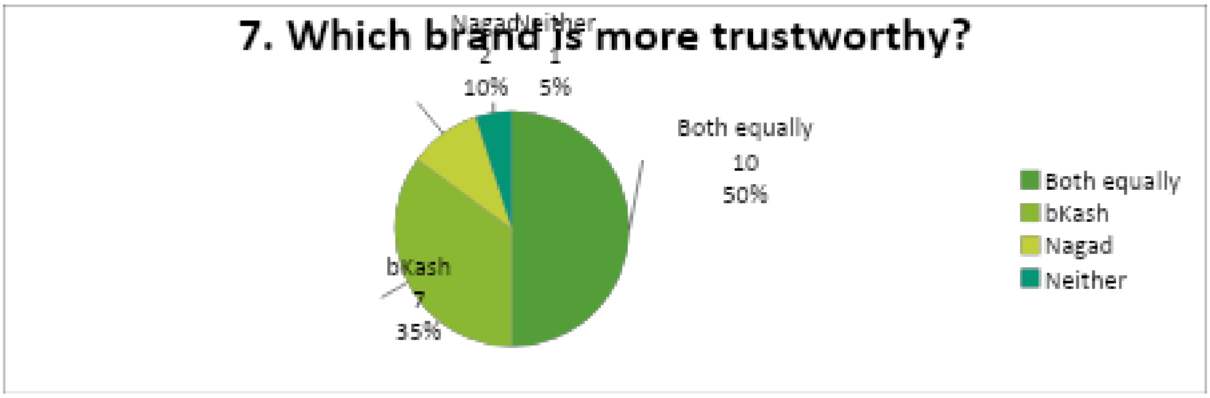
2. What is your gender?
35%
65%
Male
Female
Prefer not to say

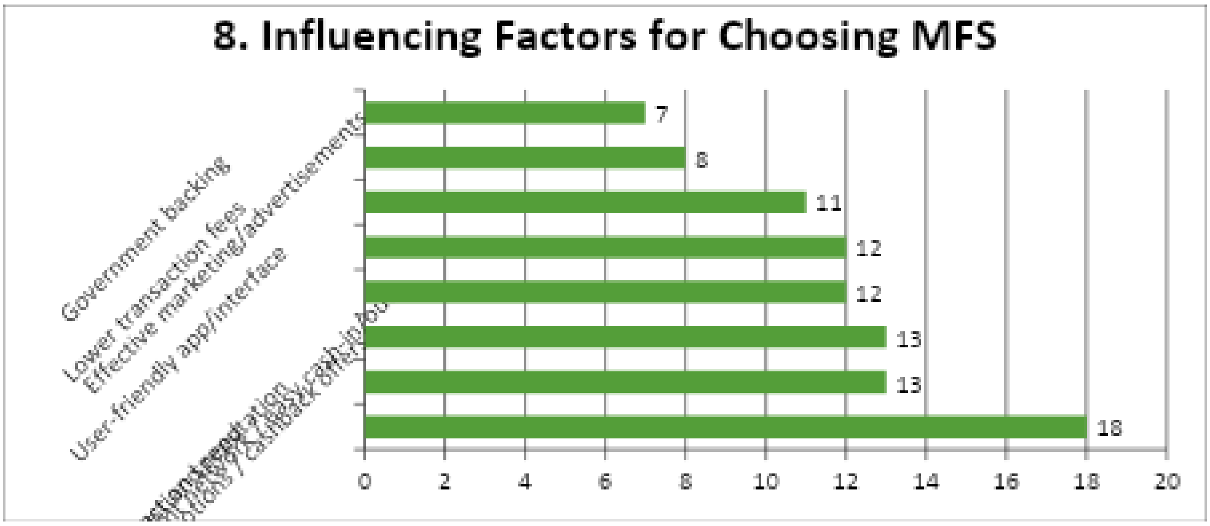

3. Where do you primarily reside?
5%
95%
Urban (e.g., Dhaka, Chittagong)
Semi-urban
Rural

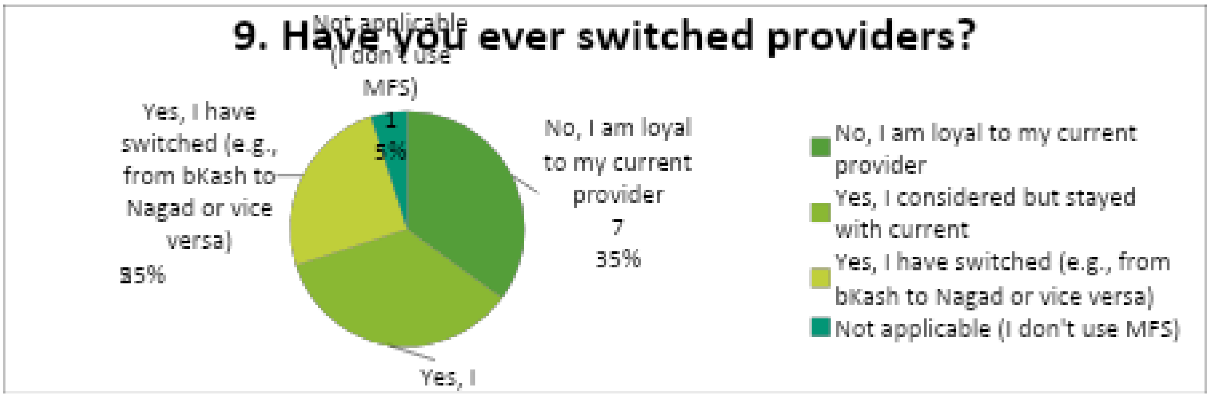

4. Which MFS do you use most frequently?
bKash
12
60%
Both equally / I use multiple
6
30%
1
5%
any MFS
1
5%
bKash
Both equally / I use multiple
Nagad
I do not use any MFS

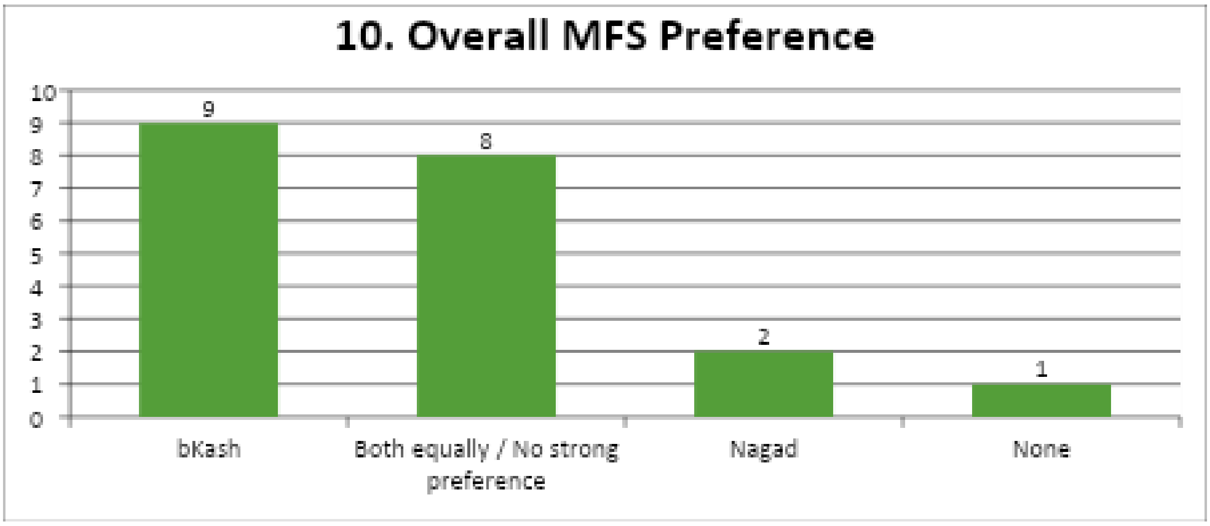

5. How frequently do you use MFS?
Rarely
Once a week
1
3
4
3
9
0
1
2
3
4
5
6
7
8


6. Rating Distribution (1-5 Scale)
Count
Rating
0
2
4
6
8
10
12
14
16
18
1
2
3
4
5
1
1
2
3
4
3
5
16


7. Which brand is more trustworthy?
Nagad
2
10%
Neither
1
5%
Both equally
10
50%
bKash
7
35%
Both equally
bKash
Nagad
Neither


8. Influencing Factors for Choosing MFS
Government backing
Lower transaction fees
Effective marketing/advertisements
User-friendly app/interface
7
8
11
12
12
13
13
18
0
2
4
6
8
10
12
14
16
18
20


9. Have you ever switched providers?
Not applicable (I don't use MFS)
1
5%
No, I am loyal to my current provider
7
35%
Yes, I have switched (e.g., from bKash to Nagad or vice versa)
35%
Yes, I
No, I am loyal to my current provider
Yes, I considered but stayed with current
Yes, I have switched (e.g., from bKash to Nagad or vice versa)
Not applicable (I don't use MFS)


10. Overall MFS Preference
10
9
8
7
6
5
4
3
2
1
0
9
8
2
1
bKash
Both equally / No strong preference
Nagad
None