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Assessing Service Quality Of Mobile Money Transfer In Bangladesh: A Case Study On bKash

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Abstract:

This study is the presentation of service quality of Mobile Money Transfer through user satisfaction towards bKash in Bangladesh. The study used primary data along with secondary one. The interpretation of data found from a survey conducted among 150 rural and urban respondents' reveals that the service quality of bKash is satisfactory in most of the cases though dissatisfaction was also found regarding few issues. The study found that people of lower income level and students trends to use mobile money transfer service more while the higher income people and the business persons rarely use this service except emergencies. The study also found that people do not care about service charges in case of emergencies but they have reluctance toward the complex service charge. Finally the study recommends some suggestion to develop the overall service quality of mobile money transfer of bKash.

Key words: bKash, Customer, Mobile, Money, Transfer

1.Introduction

Mobile money transfer is one of the most important and well recognized tools of transferring money with limited time, cost and geographical location constrains. The term mobile “refers to applications, which are designed for users on the move” (B. Anckar and D. D’Incau.). Because of the low price of mobile and its huge availability the use of this device is upfront in money transaction. Moreover traditional bank account can ignore using mobile money transfer services. In spite of banking money transfer system some renowned banks, modern mobile operators and the postal department of Bangladesh have introduced mobile-money transfer system for their respective subscribers .Simply mobile money transfer means it is the process of transmitting money from one person to another through phone activation that can be ultimately honored with cash transactions by a financial or business institution (weki answer.). The use of a mobile phone in order to transfer funds between banks or accounts, deposit or withdraw funds, or pay bills. This term is also used for the broader realm of electronic commerce; it can refer to the use of a mobile device to purchase items, whether physical or electronic.(business dictionary). Mobile banking can be defined as a form of banking transaction carried out via a mobile phone (H. Amin, R. Baba, and M. Muhammad). More extensively mobile banking is the execution of financial services in the course of which - within an electronic procedure- the customer uses mobile communication techniques in conjunction with mobile devices(Pousttchi and Schurig, Cited in: S. Sinkkonen, P. Laukkanen, M. Kivijarvi, and T. Laukkanen.,2007).

Bangladesh's initial complete mobile monetary service supplier, bKash limited, a BRAC Bank subsidiary. A real partnership between banking and telecommunication industries. bKash is intended to supply monetary services via mobile phones to each the unbanked and therefore the banked people of Bangladesh. The general bKash worth proposition is simple: a secure, convenient place to store money; secure straightforward thanks to create payments and cash transfers.

At present in Bangladesh a number of telecom companies in association with some private commercial banks providing mobile money transfer facilities. Namely Islami Bank Bangladesh Limited, Mutual Trust Bank Limited, BRAC Bank Limited, Prime Bank Limited and Bangladesh postal department also join in this journey with their huge numbers of branch network all over the country. This study is all about identifying the satisfaction level of individuals who use the mobile money transfer services of BRAC Bank (bKash).

2.Background Of The Study

bKash is a subsidiary of BRAC Bank and it is a joint venture between BRAC Bank Limited, Bangladesh, and Money in Motion LLC, USA. The main objective of bKash is to provide easy access to a broader range of monetary services for the people of Bangladesh. It has a special message to serve the low income people of the country to achieve broader financial inclusion by providing services that are convenient, reasonable and reliable. About 70% of the population of Bangladesh lives in rural areas wherever access to formal monetary services is tough. However these area's people are in most want of such services, either for receiving funds from dear ones in distant locations, or to access monetary tools to boost their status. Less than 15% of Bangladeshis are connected to the formal banking industry whereas over 50% have mobile phones. These phones don't seem to be

just devices for talking, however is used for a lot of helpful and complicated process tasks. bKash was planned primarily to utilize these mobile devices and also the present medium networks to increase monetary services during a secure manner to the under-served remote population of Bangladesh.

3.Statement Of The Problem

The main purpose of mobile phones have to make it for communication purposes like talking over phone and sending short messages service(SMS) etc. And definitely the mobile phones have already made its contribution visible for the socio-economic development. People are not all interested to keep the use of this smart technology limited to the communication purpose only and that's why multidimensional use of this mobile phone technology are emerging gradually. Mobile money transfer is one of those which have made the money transfer a matter of minute. In Bangladesh mobile money transfer has already been popular and feasible to the people .BKash a BRAC Bank enterprise is the pioneer of mobile money transfer in Bangladesh and it has highest network coverage through a large number of agents and retailer all over the country, though some other banks are now offering this service. The popularity or area coverage of BKash is so enormous that some people mean bKash as the mobile money transfer .In assessing the service quality of mobile money transfer individually only the bKash can give a boarder reflection of this service industry, because it has been able to make its place in the heart of the people who use mobile money transfer.

4.Objectives Of The Study

The objectives of the study includes

- To know the service quality of mobile money transfer of bKash.
- To provide some recommendations to improve the service of the industry.

5.Limitations

- The study is confined only within the clients of bKash, so the result or conclusion of this study may not be applicable to the customer of others who do not use bKash services as mobile money transfer.
- Since, in Bangladesh not so many research attempts have been made, it was hard to find scholarly article on Mobile money transfer for literature review.

6.Methodology

The study has been conducted based on both primary and secondary data. The primary data was collected from 150 respondents who all are bKash users. Respondents were randomly selected from rural and urban areas in Bangladesh. For this a structured questionnaire was developed including both open ended and close ended questions. The study used some factors like transaction time, cash out facilities, numbers of outlays, area coverage, service charges, 24/7 service, virtual wallet facilities, secured transaction to analyze the bKash users opinion towards the service. After collecting the data from the survey as well as from other published sources, interpretation was made by using simple parentage analysis .A well structured questionnaire used as a data analysis tool. Finally based on the survey results the study provided some recommendations.

7.Literature Review

Mobile payments can be defined as the use of a mobile device to conduct a payment dealing in which cash or funds are transferred from a payer to a receiver via an intermediary, or directly without an intermediary (Niina Mallat, 2006). Mobile phone is now the best electronic device which is most popular and reached all classes of people without considering geographical, economical, and cultural boundaries. Mobile phone users are approaching the three billion mobile subscriptions worldwide, and advertisers and operators both are keenly attentive to the chance to attach with potential consumers through mobile phones (Hibberd, 2007). Mobile money transfer is more secure and cost effective than alternative methods of money transfer, such as using couriers or friends(Hughes and Lonie, 2007). In order to discuss the success story of mobile money transfer, Comminos (2008) opined the initial success of Kenya's mobile money transfer industry which can be attributed to the high demand for remittances generated by rural/urban migration, whereas its rapid scaling is because of the mobile providers' growth strategy. (Boyd & Jacob, 2007) clearly divided Mobile Financial Services (MFS) in two broad ways: mobile banking (m-banking) and mobile payments (m-payments). Mobile banking is outlined as "a channel whereby the customer interacts with a bank via a mobile device, such as a mobile phone or personal digital assistant (PDA)" (Barnes & Corbitt, 2003). On the basis of an ethnographic study conducted in Kibera, a slum in Kenya, in 2007 recommend that the incomes of rural mobile money transfer recipients have increased due to remittances, which have also led to higher savings by households (Morawczynski, 2009). In the same year Kimenyi and Ndung'u (2009) showed the rapid growth of mobile money and its success story in Kenya depends on four factors: a conducive legal and tax environment, private-public policy dialogue, strategic and prudent macroeconomic policies, and a guarantee of the existence of a contestable market discouraging dominance by initial entrants. Aker and Mbiti (2010) showed that in Kenya current users of mobile money transfer tend to be wealthier, better educated, urban and already banked, with most transfers occurring within urban areas and remittances being smaller but more frequent. Mbogo (2010) in his experience based on the study of 409 small business institutions in Kenya said that for micro-businesses, the adoption and continued usage of mobile money transfer depends on the factors include convenience, support, cost, satisfaction and security. On the basis of survey of four different regions of Bangladesh from December 2011 to February 2012 tried to know the gradually spreading use of mobile money in Bangladesh.(R. Atikur, A M Nayeem, T. Rahat Bari).

8.Data Interpretation

Gender	Frequency	Percentage (%)
Male	90	60
Female	60	40
Total	150	100

Table 1: Gender Of The Respondents

Interpretation: Table 1. Shows that the largest group of respondents was male, at 60% while their female counterpart was only 40%. This indicates that male is involved much on mobile money transfer services (bKash) as they use for business transactions. Female has been using (bKash) services mainly to send money to their family members and other dependents.

Age of the respondents	No. of Respondents	Percentage [%]
Below 25 years	30	20
25-30 years	50	33
30-35 years	40	27
35-40 years	15	10
40-50 years	9	6
Above 50 years	6	4
Total	150	100

Table 2: Age Of The Respondent

Interpretation: The above table shows that 33% of the respondents are between 25-30 years of age, while 27% of the respondents belong to the age group of 30-35years.this indicates that the mid age people like students and business persons use the mobile money transfer more. Though 20% of the respondents were found to be below 25 years at the same time the respondents belonged to the age group 35-40, 40-45 and above 45 years of old were only 10%, 6% and 4% respectively from where it can be assumed that elderly people and people of high income tend to use the mobile money transfer service comparatively less.

Occupational Status	No. of Respondents	Percentage [%]
Remote village	25	16.6
Advanced village	27	18
Modern village	55	36.6
Urban	43	28.7
Total	150	100

Table 3: Geographical Location

Interpretation: The study shows that the largest percentages of the respondents were from the modern village which is 36.6% in contrast 28.7% respondents were from urban area. It is also found that 18% of the respondents belong to the advanced village which is followed by 16.6% that represents the respondents of remote village. It can be concluded from the above that people in modern village where online banking facilities are poor use mobile money transfer much and urban people use this service in emergencies and to send money where online bank is rare.

Educational qualification	No. of Respondents	Percentage [%]
Up to primary	23	15
Above primary to secondary	42	28
Above secondary to higher secondary	31	21
Higher secondary to graduation	44	29
Post graduation and above	11	7
Total	150	100

Table 4: Educational Qualification

Interpretation: It has been shown by the study that 29% of the respondents are in the group of higher secondary to graduation which is followed by 28% respondents of above primary to secondary group. The study also noticed that 21% respondents have above secondary to higher secondary educational qualification and 15% respondents have no educational qualification or maximum primary education while only 7% respondents have post graduation and above educational qualification. From the above statistic can be assumed that people of highest education which has relation with income level use the mobile money transfer less, because they generally use banking money transfer service. On the other hand it can be said that students use this

mobile money transfer service more bringing their money from their family. People with low educational qualification use this service more because they transfer less amount of money and they do not have bank account.

Occupational Status	No. of Respondents	Percentage [%]
Garments workers	60	40
Students	37	24.6
Government service holder	17	11.33
Private service holder	22	14.67
Business person	14	9.33
Total	150	100

Table 5: Occupational Status

Interpretation: The study reflects that 40% of the respondents are garments workers while the second largest parts of the respondents are students which are almost 25%. The percentage of business person and private service holder is only 9.33% and 14.67% respectively. On the other hand 11.33% respondents are government service holders. Again the above table shows that income level of the people negative relation with the use of mobile money transfer service.

Occupational Status	No. of Respondents	Percentage [%]
Below 3000	22	14.6
3000-8000	49	32.6
8000-13000	37	24.6
13000-18000	24	16
Above 18000	18	12
Total	150	100

Table 6: Income Level Of Respondents

Interpretation: The study says that 32.6% respondent's income level is between 3,000 to 8, 000, while the least percentage of respondents (12%) has income of above 18,000 taka per month. It is also seen that 24.6% respondent's have monthly income of 8,000- 13,000 taka. Finally, 14.6% respondents have income below 3,000 taka per month. According to the above information, it can be concluded that people of lower income and middle income groups use MMT service more.

Occupational Status	No. of Respondents	Percentage [%]
Below 1000	33	22
1000-4000	48	32
4000-7000	35	23.3
7000-10000	18	12
Above 10000	16	10.7
Total	150	100

Table 7: Amount Of Transaction

Interpretation: According to the study 32% of the transactions made through bKash in between 1,000-4,000, while 23.3% of the transactions are between 4,000-7,000 taka. In contrast 22% transactions are of below taka 1,000. At the same time the group of income level 7,000-10,000 and above 10,000 represents only 12% and 10.7% of the transactions respectively. Here it can be said that people do not use MMT service for transacting large amount of money without emergency and people to transact small amount of money use bKash because they do not have online bank account.

9. Percentage Analysis Of Study Factors

Short Transaction time		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	92	61.3
Agree	47	31.3
Neither Agree or Nor Disagree	6	4
Disagree	5	3.3
Strongly Disagree	0	0
Total	150	100

Table : 8

Interpretation: The conducted study shows that 61.3% respondents were strongly agreed with the factor that transaction time of bKash is small. At the same time 31.3% agreed with it while none of the respondents found strongly disagreed with the above issue though 3.3% respondents were simply disagreed and 4% gave no comments in this regard. So it can be concluded from here that bKash takes very small amount of time to send and receive money through it. Practically it has been experienced that through bKash it is possible to send money even in one minute.

Sufficient Cash out facilities		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	46	30.6
Agree	78	52
Neither Agree or Nor Disagree	5	3.3
Disagree	9	6
Strongly Disagree	12	8
Total	150	100

Table : 9

Interpretation: Regarding the cash out facilities of bKash 52% respondents are agreed and 30.6% are strongly agreed with it. But 8% of the respondents are strongly disagreed and other 6% respondents were simply disagreed. Here 3.3% respondents were neutral in this regard. Here it can be noted that sometimes customers face problems when they want to get cash out from bKash retailers or agents.

Sufficient numbers of outlays		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	83	55.3
Agree	48	32
Neither Agree or Nor Disagree	11	7.3
Disagree	4	2.6
Strongly Disagree	4	2.6
Total	150	100

Table : 10

Interpretation: In this regard according to the study 55.3% respondents were found strongly agreed and 32% were simply agreed with it. On the otherhand the percentage of strongly disagreed and disagreed respondents from were 2.6% though 7.3% respondents left this question blank. According to the above it can be said that bKash has sufficient number of outlets over the country.

Huge area coverage		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	102	68
Agree	25	16.7
Neither Agree or Nor Disagree	2	1.3
Disagree	13	8.6
Strongly Disagree	8	5.3
Total	150	100

Table : 11

Interpretation: About this influential factor, the study says that 68% of the respondents were strongly agreed and 16.7% are agreed. Here 1.3% respondents were found neither agreed nor disagreed though 5.3% respondents were strongly disagreed and remaining 8.6% was simply disagreed. So according to the respondent's view the study concludes that bKash covers sufficient area of the country that means money can be sent almost from everywhere in Bangladesh.

Fair service charges		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	12	8
Agree	18	12
Neither Agree or Nor Disagree	13	8.7
Disagree	62	41.3
Strongly Disagree	47	31.3
Total	150	100

Table: 12

Interpretation: The studies found that largest percentage (41.3%) of respondents do not agree with the statement that bKash takes fair service charge from their customers. Even other 31.3% were strongly disagreed with it. But 8% of the respondents strongly think that bKash takes fair service charge from their customers while other 12% were simply agreed in this regard though 8.7% respondents refused to give any comments about the service charge issue. So it can be concluded that service charge of bKash is relatively high though some people do not care about the charge because of their urgencies.

Availability of 24/7 service		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	18	12
Agree	42	28
Neither Agree or Nor Disagree	33	22
Disagree	40	26.7
Strongly Disagree	17	11.3
Total	150	100

Table : 13

Interpretation: The study says that 28% respondents simply agreed that bKash service is available 24 hours throughout the week in contrast 26.7% respondents disagreed with this. It was also found that 12% respondents were strongly agreed and other 11.3% were disagreed although 22% respondents found neutral. So it can be said that in most of the times when necessary bKash service is available though in case of some emergencies people may find bKash point's shutdown.

Availability of virtual wallet facilities		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	64	42.6
Agree	49	32.7
Neither Agree or Nor Disagree	23	15.3
Disagree	9	6
Strongly Disagree	5	3.3
Total	150	100

Table : 14

Interpretation: The study shows that largest group of the respondents representing 42.6% are strongly agreed that bKash provide virtual wallet facilities and also some other 32.7% respondents are simply agreed regarding the availability of that service. On the other hand 15.35 of respondents are neutral and 6% are disagreed though 3.3% respondents strongly disagreed with this statement.

Secured transaction facilities		
Agreeable level of opinion	No. of Respondents	Percentage [%]
Strongly Agree	112	74.7
Agree	20	13.3
Neither Agree or Nor Disagree	18	12
Disagree	0	0
Strongly Disagree	0	0
Total	150	100

Table : 15

Interpretation: The study reveals that 74.7% of respondents are strongly agreed with the statements that bKash transactions are highly secured and other 13.35% were simply agreed with it. In this regard some of the respondents were found strongly or simply disagreed though 12% did not give their opinion. Hence it can be said that bKash transaction secured enough.

10. Findings And Recommendations:

According to the findings the following recommendations can be made:

The respective authority along with the retailers should be conscious about the cash out facilities. Retailers should keep some cash money always available to meet up the emergencies of the clients. Number of retail outlets should be increased or at least rearranged so that people can save their time to reach the retail outpoints. The service charge issues should be critically managed. Here the comparative charges should be kept in mind. If the charge can be minimized the number of clients will be increased that will ultimately affect the profit positively. The authority should try to make the bKash service available 24 hours considering the special circumstances of clients like medical payments. Though the area coverage of bKash is good enough it should be expanded in rural areas where the banking service is not available or very poor. The study found that some sort of steps like providing necessary training to retailers, increasing agent's commission and updating the network facilities may reduce the problems found by the study.

11. Conclusion

In spite of some limitations the study has been completed and the study concludes that mobile money transfer, especially, bKash has been trying to provide quality service. In some cases like area coverage, number of outlets it is successful. But for some cases people are having some constraints like network problem, complexity of service charge and even over charging according to some people. At times people don't get cash out facility from the agent because of in availability of funds with the agents. The study would like to conclude that the mobile money transfer service has a good prospect in a developing country like Bangladesh and it may in near future become an important aspect for the socio-economic development.

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