

# **“Problems and prospects on mobile Banking in Bangladesh”**

**An Internship Report**

**By-**

**MD. NAZIR HOSSEN**

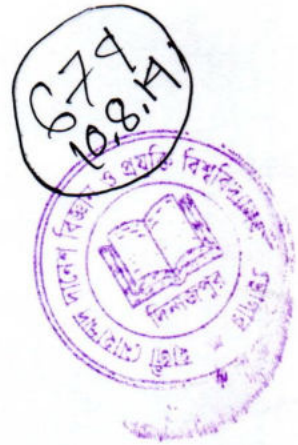
**Student ID: 1305133**

**MBA, 5<sup>th</sup> Batch**

**Session: 2013-14**

**Department of Marketing**

**HSTU, Dinajpur-5200.**



## **MASTER OF BUSINESS ADMINISTRATION (MBA)**

This Report is submitted to the department of Marketing, Faculty of Post Graduates Studies, Hajee Mohammad Danesh Science and Technology University as a partial for the fulfillment of the requirements for the degree of Masters of Business Administration (MBA) of 2014



**Department of Marketing**

**HAJEE MOHAMMAD DANESH SCIENCE & TECHNOLOGY UNIVERSITY, DINAJPUR**

***May, 2014***

**AN INTERNSHIP REPORT**  
**ON**  
**“PROBLEMS AND PROSPECTS ON MOBILE BANKING IN**  
**BANGLADESH”**



This Report is submitted to the department of Marketing, Faculty of Post Graduates Studies, Hajee Mohammad Danesh Science and Technology University as a partial for the fulfillment of the requirements for the degree of Masters of Business Administration (MBA) of 2014

**Supervised by**

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**May, 2014**

**DEDICATED TO**  
***MY PARENTS***  
***LATE MAHOR UDDIN***  
**&**  
***MOSS. ACHIA KHATUN***



## ACCEPTANCE LETTER

This is to certify that a bona-fide internship report entitled “**Problems and prospects on Mobile Banking in Bangladesh**” is submitted by **Md. Nazir Hossen** having MBA degree under the Faculty of Post Graduates Studies, Hajee Mohammad Danesh Science & Technology University, bearing **Student No. 1305133**, Session 2013-14 as a partial requirement for the award of the degree Of MBA is an original work with pioneering efforts.

I wish his at every success in life.

 22.05.14  
.....

**Supervisor**

**Md. Shamim Hossain**

Lecturer,

Department Of Marketing

HSTU, Dinajpur-5200.



## *Supervisor's Declaration*

I hereby declare that **Md. Nazir Hossen**, Student no. 1305133, MBA, 5<sup>th</sup> Batch, have submitted his internship report entitled "**Problems and prospects on Mobile Banking in Bangladesh**" after completing his internship program under my supervision and Guidance. He has not copied from any other work. This is an Original work. This report has been submitted in partial fulfillment of the requirement for the degree of Masters of Business Administration (MBA) at Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200.

Therefore, he is directed to submit his Report for Evaluation. I wish him Success at every sphere of his Life.

  
..... 22.05.14

**Md. Shamim Hossain**

Lecturer,

Department of Marketing

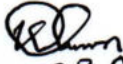
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## *Co-Supervisor's Declaration*

I hereby declare that **Md. Nazir Hossen**, Student no. 1305133, MBA, 5<sup>th</sup> batch, have submitted his internship report entitled "**Problems and prospects on Mobile Banking in Bangladesh**" after completing his internship program under my supervision. This report has been submitted in partial fulfillment of the requirement for the degree of Masters of Business Administration (MBA) at Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200.

Therefore, he is directed to submit his Report for Evaluation. I wish him Success at every sphere of his Life.

  
22.05.12

.....  
**Abul Kalam**

Assistant Professor

And Chairman,

Department of Marketing

Faculty of Business Studies

HSTU, Dinajpur-5200

## *Student's Declaration*

The discussing report is the terminal formalities of the internship program for the degree of Master of Business Administration (MBA), Faculty of postgraduate Studies at Hajee Mohammad Science and Technology University. This is compact professional program rather than specialized. This report has prepared as per academic requirement after the successfully completing of 6 months internship program under the supervision of my honorable supervisor **Md. Shamim Hossain, Lecturer**, Department of Marketing .It is my pleasure and great privilege to submit my report titled "**Problems and Prospects on Mobile Banking In Bangladesh**", as the presenter of this report; I have tried my best get together as much information as possible to enrich the report. I believe that it was a fascinating experience and it has enriched both my knowledge and experience.

However, after all this, as a human being, I believe everyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspects and also some minor mistake such as syntax error or typing mistake or lack of information. Please pardon me for that mistake and clarify these of my further information on those matters.

*MAM*  
*22.05.14*

.....  
Md. Nazir Hossen

Student ID: 1305133

MBA- 5<sup>th</sup> Batch

Session: 2013-14

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## *Letter of Transmittal*

22 May, 2014

Md. Shamim Hossain

Lecturer,

Department of Marketing

Faculty of Business Studies

HSTU, Dinajpur-5200.

**Subject: Submission of Internship Report on Problems and prospects on mobile banking in Bangladesh.**

Dear Sir,

It is a great pleasure for me to submit my Internship paper on the topic "**Problems and prospects on mobile banking in Bangladesh**". I have prepared this report, as a fulfillment of the course requirement. To make this report up to the standard, I have tried my best to fulfill the requirements. I hope that this will help me in my future practical life.

I believe that you will be pleased to see my work. I also believe that this report will be able to fulfill your expectation.

Thanking You.

Sincerely yours

  
.....  
22.05.14

Md. Nazir Hossen

Student ID: 1305133

Session: 2013-14

MBA, 5<sup>th</sup> Batch

HSTU , Dinajpur-5200.



## PREFACE

Education is the backbone of a nation. Education is the basic element to achieve knowledge. Basically there are two parts of education for achieving knowledge. One is called theoretical knowledge and other is called practical knowledge. Practical knowledge is very much important to acquire a complete knowledge on any subject. Without practical knowledge theoretical knowledge is incomplete. In this connection, Internship is very important way for gaining practical experience.

I selected topics on “**Problems and prospects on mobile banking in Bangladesh**”, as my field to conduct my internship program, which runs for 6 months days only. I was very much eager to perform exclusive internship here but due to time constrain and some other obstacles, I have to restrict. Though I tried my best to collect relevant and significant data as much as possible and prepared the report with my best effort. I regret for my undue mistakes in this report. If the report do little support to any student, teacher, researcher or analyst, I may consider my effort does not go in vain.



## Acknowledgement

With great pleasure and happiness, I want to give thanks to Almighty Allah who helps me to complete my Internship program successfully.

I am very much grateful to my favorite teacher **Md. Shamim Hossain, Lecturer, Department of Marketing**, who has supervised my internship program. Without his kind assistance, my desire to do something better cannot be fulfilled.

I am also grateful to the co – supervisor **Abul Kalam, assistant professor and Chairman, Department of Marketing** for his kind permission to do my internship programs in this Bank.

I am grateful to my honorable teachers, friends specially **Md. Arifur Rahman**. And associates who helped and co-operated me to a great extent during the study.

I owe a lifelong debt to my parents, brother, and sister for their king and moral support, innumerable sacrifice of keen interest and encouragement in my education. So, I apologize for the mistakes in this report.

I would like to thank from the deep of my heart to those people who are related with making of this report and make it a success

At last but not the least, the Hajee Mohammad Danesh Science and Technology University, Dinajpur for giving me an opportunity to complete my MBA degree and give me a scope to gather practical experience and enrich my knowledge.

May ALLAH bless all of the people, I would like to thank from the deep of my heart to those people who are related with making of this report and make it a success.

.....  
Md. Nazir Hossen  
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## **Executive Summary**

The tremendous advances and the aggressive infusion of information technology had brought in a paradigm shift in banking operations. With the rapid proliferation of Internet Technology banking sector now takes different approaches often termed as Mobile banking. The adoption of mobile banking becomes a necessity for the banking which wishes to maintain its share of market and retain its customers. In one hand, it offers ease of operation for both customers and consumers. On the other hand, it overcomes the geographical bars between the countries. But such improved services have come at the cost of rigorous adaptation of business rules and policies as well as to cope with the new technology. This paper reveals the current situation of Mobile banking in Bangladesh and problem and prospect on mobile banking activities. The new challenges of Mobile banking are to develop and apply policy from the perspectives of society, banks, and regulatory authorities as like as government are addressed in the study.

This research study portrays a clear picture of the need for enhanced authentication in mobile banking. It presents the main security concerns and criminal activities that are driving the need for stronger authentication, as well as showing the growth of the mobile-channel that is being driven by consumers and financial institutions. This study simplifies and provides a resource for understanding the many options available when implementing enhanced authentication in the mobile-banking environment.

# Chapter One

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**Abstract:**

The main objective of the study is to find out the problems and prospects of mobile banking in Bangladesh. For this study primary data were used through the interview method. This study adopts with descriptive in nature. Total respondents were 120 within that that there have a problems and prospects of mobile Banking in Bangladesh from 47.60% the respondents, 40.20% of respondent reply that there have no any problems prospects of mobile banking in Bangladesh and 11.875% of the respondents reply that there are remains neutral about the problems and prospects of mobile banking. So, this is a new concept in Bangladesh Banking service and there have a problems and prospects of mobile banking existing in Bangladesh with the Banking services. From this study, other study holder and policy makers will get an insight about the problems and prospects of mobile banking in Bangladesh.

**Key words:** Problem, prospect, Mobile banking, Bangladesh.

**1.1) Introduction:**

Mobile phones have become a tool for everyday use, which creates an opportunity for the evolution of banking services to reach the previously unbanked population through mobile banking. Mobile banking (also known as M-Banking, m-banking, SMS Banking) is a term used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone or Personal Digital Assistant (PDA).

Mobile banking is defined as provision and availability of banking services with the help of mobile telecommunication devices such as mobile phones. To provide banking and financial services through Mobile technology devices e mobile phone called Mobile Banking. The increasing convergence of mobile technologies and the Internet is rapidly giving way to mobile data services among various multi-data services (MDS), m-banking can add more value than other services. Typical functions include viewing account balances, transferring funds from one account to another, receiving alerts and paying bills. However, m-banking cannot support all banking functions. For instance, cash can only be withdrawn at physical branches or at automated teller machines (ATMs).

Mobile Banking is generally viewed as a channel that is more flexible and ubiquitous than the existing banking channels. It has the potential to transform banking and telecom sectors. It increases revenue for mobile service providers and saves cost for banks by offering



self services to users. Further, it provides exciting possibilities to increase remittance flows through banks, and include the poor and un-banked to the banking net. Interest about m-banking is growing among practitioners and researchers alike. In an increasingly competitive banking market, managers are interested in improving understanding of user acceptance of technology-mediated m-banking it is a quite popular method of banking that fits in well with a busy, technologically oriented lifestyle.

Information technology is becoming an important factor in the future development of financial services industry, especially the banking industry. The banking sector is based on sharing of information, which itself heavily relies on information and communication technology (ICT) in order to acquire, analyze and deliver data to all relevant users. In this context, banking sector are obliged to continuously innovate and update their marketing strategies in order to closely meet the demands and the requirements of the individual customers.

It also provides safe and confidential services which best suit customers' needs. Therefore, when media (e.g. computers, EDI, ATM, Internet, TV etc) and transmission mediums (e.g. telecommunications, cable, electronics etc) complement and overlap one another, the banking agency is no longer considered to be an inevitable right for the customers. The customer wants more flexibility without paying more, and his demands are clear: Make transactions wherever, whenever, and however he wants.

Mobile Banking is a financial transaction conducted by logging on to a bank's website using a cell phone, such as viewing account balances, making transfers between accounts, or paying bills. This can be conducted through the internet browser on the phone, through a program downloaded from your bank, or by text-message (SMS). Mobile banking is an application of mobile computing which provides customers with the support needed to be able to bank anywhere, anytime using a mobile handheld device and a mobile service such as short message service (SMS). Mobile banking removes space and time limitations from banking activities such as checking account balances, or transferring money from one account to another. In recent research and studies it was found that while mobile banking and more specifically SMS-based mobile banking applications have become popular in some countries and regions, they were still not widely.

**Mobile Banking** refers to provision and an ailment of banking- and financial services with the help of mobile telecommunication devices. The scope of offered services may

include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information."

According to this model Mobile Banking can be said to consist of three inter-related concepts:

- Mobile Accounting
- Mobile Brokerage
- Mobile Financial Information Services

Most services in the categories designated Accounting and Brokerage are transaction-based. The non-transaction-based services of an informational nature are however essential for conducting transactions - for instance, balance inquiries might be needed before committing a money remittance. The accounting and brokerage services are therefore offered invariably in combination with information services. Information services, on the other hand, may be offered as an independent module.

A business can simplify or improve its human resources by introducing various internet technologies. Benefits include the improvement of administrative systems, better information tracking, and time and cost effectiveness. Under this condition, the transition to "M-banking" has become a necessity for banks: In one hand it offers the major opportunities in terms of competitive advantages.



## 1.2) Literature Review:

Mobile banking is an application of m-commerce which enables customers to access bank accounts through mobile devices to conduct and complete bank-related transactions such as balancing cheque, checking account statuses, transferring money and selling stocks (Kim *et al.* 2009). Luo *et.al* (2010), defined mobile banking as an innovative method for accessing banking services via a channel whereby the customer interacts with a bank using a mobile device.

The use of mobile banking can make basic financial services more accessible to low-income people, minimizing time and distance to the nearest retail bank branches (CGAP 2006). The outstanding growth of mobile sector worldwide has created a unique opportunity to provide social and financial services over the mobile network. With over 4 billion mobile cellular subscriptions worldwide, mobile network has the ability to immediately offer mobile banking to 61% of the world population (Sultana 2009).

But still the usage of mobile banking is a debatable issue among the educated persons and professional body because of the risk involved in such transactions. Though many of such people argue that internet and other technology based transaction is not safe, not practical and would lead to fraud, a lot of people think it safer, flexible in time and can be done anywhere and anytime (Chowdhury and Ahmmad 2011).

Mobile financial services (MFS) is a method to offer financial services which integrates banking with mobile wireless networks that makes enable users for executing banking transactions. It indicates the ability to make deposits, withdraw, and to send or receive money from a mobile account and habitually such services are enables by the use of bank agents which permit mobile account holders to transact at independent agent locations outside of bank branches (BB, 2012).

Mobile phone has turned into a device for daily usage which generates an opportunity for the development of banking services for the unbanked people who have access to a cell phone with the help of mobile phone banking. The remarkable progression of mobile sector all over the world has made an exclusive chance for delivering financial as well as social services through mobile network (Kabir, 2013).

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plays important role in choosing mobile banking.

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Mobile money system is one of the updated services of banking business which has developed some significant banking operations in the pockets of people. It also averts fake activities of banking which creates some new economic relationship between a bank and its customers (Parvin, 2013).

Mobile Banking eliminates the time as well as space shortcomings from banking operations like, balance inquire and fund transfer from one account to another account without visiting bank branches (Mishra and Sahoo, 2013).

Mobile Banking enhances efficiency, offers access financial and banking services, generates new opportunities for income generation and improving governance and give poor people a voice. It is required for each country which wants to adopt m-banking for increasing economic development and creation of wealth to produce an informed m-banking development strategy for main streaming Mobile Banking services in the productive sectors as a matter of economic survival (Macharia and Okunoye, 2013).

According to Jim Bruene (2006), 'online banking is the best thing to happen to personal finance management since the invention of the paper statement. In many countries, half or more of online users routinely visit their bank to check account activities, verify deposits, and just see if everything is in order'.

The convergence of the Internet and mobile networks creates new opportunities and applications. Treating mobile business as simply an extension to the traditional web could result in missing out unique differentiated qualities for new value-added possibilities. Mobile Banking is considered to be one of the most value-added and important mobile service available. Arcraf's current research examined technological changes in mobile networks and innovative attributes of Mobile Internet. It has advanced the theoretical framework of innovation in service to develop a customer centric analysis of m banking value proposition. His article goes on to discuss critical factors in the diffusion of m Banking and explores reasons of failure and further prospects of success (Ayadi, 2005).

In earlier studies in this regard have provided different results as Wu and Wang (2005), in a study on middle class populations, found that cost had minimal significant impact on the adoption of mobile banking while perceived risk, compatibility and perceived usefulness have significant influences. On the other hand Karnani (2009) argues that cost plays important role in choosing mobile banking.



Sylvie and Xiaoyan investigate the market status for online/mobile banking in China. With the recent and forecasted high growth of Chinese electronic banking, it has the potential to develop into a world-scale internet economy and requires examination. The results showed Chinese online and mobile bank users were predominantly males, not necessarily young and highly educated, in contrast with the electronic bank users in the West. The issue of security was, found to be the most important factor that motivated Chinese consumer adoption of online banking barriers to online banking were the perception of risks, computer and technological skills and Chinese traditional cash-carry banking culture. The barriers to mobile banking adoption were lack of awareness and understanding of the benefits provided by mobile banking (Laforet, 2005).

Mattila (2010) identified that the most important attribute in encouraging the use of mobile banking was related to the costs of conducting banking (mean 4.38, standard deviation 2.15). Wish of faster data transmission accounted to the secondly highest importance mean (mean 3.74, standard deviation 2.49). Surprisingly, the third attribute mentioned to boost to mobile banking adoption was authentication with mobile phone to Internet bank (mean 3.67, standard deviation 2.60). Admittedly, the response pattern along different attributes was pretty homogenous. The distinctly most important reason for the trial of mobile banking was the possibility to conduct banking truly regardless of time and place (mean 5.09, standard deviation 1.62).

Cheah et.al (2011) argue that Factors such as perceived usefulness (PU), perceived ease of use (PEOU), relative advantages (RA) and personal innovativeness (PI) were found positively related with the intention to adopt mobile banking services. However, social norms (SN) were the only factor found insignificant.

According by a report by Mintel International Group Ltd (June 1, 2006), The forces driving the growth of the Internet-increased broadband access, new innovations that provide a secure environment, and the coming-of-age of more tech-savvy people-will combine to propel online banking as well. Mintel expects that online banking will continue to grow and become more profitable for financial institutions, particularly as the Internet matures and subsequent generations become more technologically literate. Factors impacting online banking include the trend within the industry and the socioeconomic forces behind changing demographics ([www.marketresearch.com](http://www.marketresearch.com)).



According to Rasheda Sultana, across the developing countries, millions of people rely on informal economic activity and local level networks to earn their living. Most of these populations are from bottom of pyramid and they don't have access to basic financial services/banks as access to them is costly and very limited. However, the outstanding growth of mobile sector worldwide has created a unique opportunity to provide social and financial services over the mobile network. With over 4 billion mobile cellular subscriptions worldwide, mobile network has the ability to immediately offer mobile banking to 61% of the world population (Sultana, 2009).

The term mobile banking (or m-banking) describes the banking services that the user can perform via a mobile device ubiquitously at anytime and from anywhere. In order for users to access their accounts, they need a mobile device and network connectivity. Therefore, sitting in front of a computer is not a requirement anymore; accessing accounts can occur while users are waiting their turn at the dentist clinic or relaxing at the beach! (Al-Akhras and Qwasmi, 2011).

The outcomes of (Chian-Son, 2012) has revealed that individual intention to accept Mobile Banking is significantly influenced by social factors, perceived financial cost, performance expectancy, and perceived credibility, in the order of their influencing strength. According to Hasan et al. (2010), e-banking facilitates to the Bangladeshi banking sector in various ways, however Bangladeshi customers have lack of sound knowledge regarding e-banking providing by banking industry in Bangladesh. Rahman et al. (2012) have found in their study that the new challenges of E-banking in Bangladesh are to formulate and execute policy from the perspectives of society, banks, regulatory authorities and government as well.

According to Ahmad et al. (2012), Mobile Banking saves time compared to traditional banking, majority customers use Mobile Banking for Air-time-top-up service and it is costlier than traditional banking. The prospect of mobile phone banking is high, although this concept is new in Bangladesh. Sharma (2011) has identified that banks have welcomed wireless and mobile technology into their boardroom to offer their customers the freedom to pay bills, which can assist banks to implement this self-service technology more efficiently. They have found that banks offer service via this channel claim that it reduces costs and makes them more competitive. Those already using Internet banking seem to have more confidence that the system is reliable, whereas non-users are much more service conscious, and do not trust financial transactions made via Internet channels. Non-Mobile Banking users tend to have



more negative management attitudes toward adoption and are more likely to claim lack of resources. Legal support is also a major barrier to Internet banking adoption for corporate customers.

According to some researchers, the mobile payment services markets are currently under transition with a history of numerous tried and failed solutions, and a future of promising but yet uncertain possibilities with potential new technology innovations. At this point of the development, the researchers take a look at the current state of the mobile payment services market from a literature review perspective. They review prior literature on mobile payments, analyze the various factors that impact mobile payment services markets, and suggest directions for future research in this still emerging field. Consumer perspective of mobile payments as well as technical security and trust are best covered by contemporary research. The impacts of social and cultural factors on mobile payments, as well as comparisons between mobile and traditional payment services are entirely uninvestigated issues (Dahlberg, 2008).

Although millions of dollars have been spent on building mobile banking systems, reports on mobile banking show that potential users may not be using the systems, despite their availability. Thus, research is needed to identify the factors determining users' acceptance of mobile banking. While there has been considerable research on the technology acceptance model (TAM) that predicts whether individuals will accept and voluntarily use information systems, limitations of the TAM include the omission of an important trust-based construct in the context of electronic/mobile commerce, and the assumption that there are no barriers preventing an individual from using an IS if he or she chooses to do so. Based on literature relating to the theory of planned behavior (TPB) and the TAM, this study extends the applicability of the TAM in a mobile banking context, by adding one trust-based construct ("perceived credibility") and two resource-based constructs ("perceived self-efficacy" and "perceived financial cost") to the model, while paying careful attention to the placing of these constructs in the TAM's existing homological structure (Luarn, 2005).

Mobile banking is growing at a remarkable speed around the world. In the process it is creating considerable uncertainty about the appropriate regulatory response to this newly emerging service. Researcher sets out a framework for considering the design of regulation of mobile banking. Since it lies at the interface between financial services and telecoms, mobile banking also raises competition policy and interoperability issues that are discussed in his



paper. Finally, by unbundling payments services into its component parts, mobile banking provides important lessons for the design of financial regulation more generally in developed as well as developing economies.( Klein, 2011).

#### **El-Sherbini et al. (2007):**

Investigated the customers perspectives of mobile banking, their perceived importance for it, usage patterns and problems rising on its utilization. The paper discussed the strategic implications of the research findings. Empirical data were gathered from bank customers in Kuwait to achieve the research objectives. All bank customers in Kuwait were considered as population of research interest. The results showed the perceived importance of internet banking services by customers, current and potential use of MB services in Kuwait and problems perceived by bank customers in using MB. The researchers' main hypothesis tested that top five services considered relative important in Kuwait banks were "Review account balance", "Obtain detailed transactions histories, "Open accounts", Pay bills" and Transfer funds between own accounts".

#### **Sathye (1999):**

Analyzing the factors affecting the adoption of Mobile banking by Australian consumers. His sample was from individual residents and business firms in Australia. The study focused on the capital cities where use of mobile internet and population was likely to be high. White and yellow pages were used as the frame of reference for personal and business customers, respectively. The findings suggest that security concerns and lack of awareness about mobile banking and its benefits stand out as being the obstacles to the adoption of mobile banking in Australia. He also suggests some of the ways to address these impediments. Further, he suggests that delivery of financial services over the Internet should be a part of overall customer service and distribution strategy. These measures could help in rapid migration of customers to mobile Internet banking, resulting in considerable savings in operating costs for banks.

#### **Rotchanakitumanuai and Speece (2003):**

Investigated why corporate customers do not accept mobile banking, which can assist banks to implement this self-service technology more efficiently. Many Thai banks are currently implementing mobile banking. Banks that offer service via this channel claim that it



# Chapter Two

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## 2.1) Research Methodology:

Methodology is a system of broad principle or rule from which specific methods or procedures may be derived to interpret or solve different problems within the scope of a particular discipline .Methodology is not a formula but set of practices. The study was conducted to identify the problems and prospects of mobile banking in Bangladesh. Necessary data were collected from different ages of people and analyzed in terms of the objectives set for the study. This study was based on field level data. There are several methods of collecting this basic information. The data for this study were collected by personal interview method.

The qualitative research interview seeks to describe and the meanings of central themes in the life world of the subjects.

## 2.2) Location/Geographic Coverage:

The study has been conducted in different areas in Rangpur Division:

Name of Place	respondent
Lalmonirhat	20
Syedpur	15
Dinajpur Sadar	15
HSTU Campus	70
Total	120

## 2.3) Research Design:

Mobile banking is a new technology for all people in Bangladesh. In this country, most of the people use traditional banking system. People are afraid of using mobile banking because they cannot feel it trust worthy. In our country, most of the customers are influenced by advertisement. In recent period, customers become more conscious about their savings. Marketers use these strategies for selling their products. Different banks advertise about mobile banking to give information about it to all the people in the country.

This study has researched the consumer perception on mobile banking based on the above dimensions. The study involved a interview conducted across different places at Rangpur division, in Bangladesh. The respondents were approached at home, university, collage etc. It



was felt that the interview method will give the correct result. The respondents were administered a structured questionnaire. The responses were recorded using a set of 10 statements. These statements were derived from the literature survey. They were finalized based on the discussion with some respondents. Responses were also sought regarding customers' preference behavior. The research is exploratory in nature. Other relevant issues regarding the research are briefly presented below.

#### **2.4) Sources of Data:**

Both primary and secondary sources were used for the research purpose. Secondary data were used for providing the theoretical background to the research problem. The secondary data sources were-journal, books, internet etc. Primary data was collected through household survey by using appropriate research instrument. In the primary data collection procedure every individual respondent has been considered as potential respondent in the research.

#### **2.5) Questionnaire Type and Responses:**

The questionnaire was starting with some introductory questions such as name, age, occupation, education, mobile number and e-mail address. These questions provide the basic information about respondents. These types of questions make respondents comfortable to respond the study.

There are 8 questions in this questionnaire. The respondents were asked the questions to know their knowledge and perception about mobile banking like "Do you think the transaction through mobile banking is safe?", "Do you think to open the mobile banking account is difficulty?", "Do you think It is easy to transfer fund between accounts?" etc.

#### **2.6) Sampling Method:**

The basic sampling procedure for the study was convenience with simple random sampling. 120 respondents in different areas in Rangpur division are interviewed.

#### **2.7) Data Collection and Accuracy of Data:**

Generally most of the people are not interested to give time to answer a questionnaire. So it was very difficult to collect actual data because the information of the respondents was collected by approaching them to answer the question. To overcome this problem, all



possible efforts were made by the researcher himself to ensure the collection of reasonably accurate information from the respondents. So, it has not been possible to apply any other method of investigation. Survey method has the advantage that it facilitates quick investigation and involves higher cost. In order to collect relevant information before taking interview, the whole academic purpose of the study was clearly explained and made clear to the respondents. The researcher himself collected the relevant data from the respondents through face to face interview. Data collected were checked and verified in the field for accuracy and consistency.



# Chapter Three

## Chapter Three

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### 3.1) Mobile Banking Background:

A woman counts her cash after a withdrawal from the first cash point machine in London, in 1967. For 30 years, financial institutions have been on a quest to satisfy their customers. Need for more convenience. First come the automated teller machine (ATM), which New York's Chemical Bank introduced to the American public in 1969. It did little more than dispense cash at first, but the ATM evolved over time to become a true bank-away-from-bank, providing a full suite of financial transactions. Then come Internet banking in the mid-1990s, which enabled consumers to access their financial accounts using a home computer with an Internet connection. Despite its promise of ultimate convenience, online banking saw slow and tentative growth as banks worked out technology issues and built consumer trust. Today, Internet banking has reached a critical mass, with about 35 percent of U.S. households conducting bank transactions online. Not so with mobile phones. They can be carried anywhere and are -- by an enormous number of people. More than 238 million people in the U.S. have mobile phones. That is a whopping 78 percent of the population. And worldwide there are more than 3.25 billion mobile phone subscribers, with penetration topping 100 percent in Europe. If mobile phones only delivered voice data, then their use as a vehicle to deliver banking services would be limited. Most phones, however, also provide text messaging capabilities, and a growing number are Web-enabled. That makes the mobile phone an ideal medium through which banks can deliver a wide variety of services. Banks classify these services based on how information flows. A pull transaction is one in which a mobile phone user actively requests a service or information from the bank. For example, inquiring about an account balance is a pull transaction. So is transferring funds, paying a bill or requesting a transaction history. Because banks must respond or take some action based on the user request, pull transactions are considered two-way exchanges. A push transaction, on the other hand, is one in which the bank sends information based on a set of rules. A minimum balance alert is a good example of a push transaction. The customer defines the rule -- "Tell me when my balance gets below \$100" -- and the bank generates an automatic message any time that rule applies. Similar alerts can be sent whenever there is a debit transaction or a bill payment.



### 3.2) History of Mobile Banking in Bangladesh:

Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or personal digital assistant. Mobile banking differs from mobile payments, which involve the use of a mobile device to pay for goods or services either at the point of sale or remotely. The earliest mobile banking services were offered over SMS, a service known as SMS banking. With the introduction of smart phones with WAP support enabling the use of the mobile web in 1999, the first European banks started to offer mobile banking on this platform to their customers.

However, the new era of banking in Bangladesh 'Mobile Banking', through any mobile device, was inaugurated at 31st March 2011 by Dutch Bangla Bank Limited (DBBL). At present, in Bangladesh, almost every bank has Mobile Banking operations. Mobile Banking also directly deals with Foreign Exchange through remittance payment. Some of the Banks including Dutch Bangla Bank Ltd, Bangladesh Islamic Bank Ltd, Mercantile Bank Ltd as well as Brac Bank Ltd has already made strategic alliance with different international Money Exchanger for receiving remittance from foreign countries. The study will be a practicable one for those who want to do research further about Mobile Banking in Bangladesh as well as feasible one for the actual and potential customers of Mobile Banking.

**“Dutch-Bangla Bank Limited” (DBBL)** has for the first time introduced its mobile banking service expanding the banking service from cities to remote areas. Bangladesh Bank Governor Atiur Rahman inaugurated the service by depositing Tk 2,000 and withdrawing Tk 1,500 through Banglalink and Citycell mobile networks in Motijheel area . Bangladesh Bank has already allowed 10 banks to initiate mobile banking. Of them DBBL kicked off first.” Mobile banking is an alternative to the traditional banking through which banking service can be reached at the doorsteps of the deprived section of the society,” the central bank governor said at an inaugural press briefing at Hotel Purbani. Atiur Rahman said through mobile banking various banking services including depositing and withdrawing money, payment of utility bills and reaching remittance to the recipient would be possible. By going to the DBBL-approved Citycell and Banglalink agents throughout the country the subscribers on showing necessary papers and payment of a fee of Tk 10 can open an account. To avail of the banking service a subscriber will require owning a cell phone of any provider and he will be given a four-digit PIN. By using the PIN he can operate all types of banking services



including depositing and withdrawing money maintaining security and secrecy of his account. The customer will hand over cash to the agent and the agent will initiate the transaction from his mobile phone, the agent will help the account holder to do the banking using his PIN. A customer can deposit or withdraw money five times a day and he can deposit or draw Tk 5,000 per day. One percent of the transaction amount or Tk 5, whichever is higher, will be taken as cash-in-charges. In case of cash out the charge will be 2 percent of the transaction amount or Tk 10. However, the registration fee, salary and remittance disbursement services will be provided free of cost.

**“BRAC Bank Limited”** is set to introduce mobile banking secondly, a top official said the service will enable millions of banked and unbanked people to deposit, withdraw and transfer money through mobile phones. bKash, a joint venture between BRAC Bank and US-based Money in Motion, will provide mobile banking with a fully encrypted VISA technology platform for transactions through mobile phones. Any mobile user can register and open up a bKash account and then do transactions through their mobile phones in easy, convenient and reliable way. bKash Limited, a subsidiary of BRAC Bank, started as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA, and in April 2013 International Finance Corporation (IFC), a member of the World Bank Group, also became an equity partner of the company. The ultimate objective of bKash is to ensure access to a broader range of financial services for the people of Bangladesh. It has a special focus to serve the low income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

More than 70% of the population of Bangladesh lives in rural areas where access to formal financial services is difficult. Yet these are the people who are in most need of such services, either for receiving funds from loved ones in distant locations, or to access financial tools to improve their economic condition. Less than 15% of Bangladeshis are connected to the formal banking system whereas over 68% have mobile phones. These phones are not merely devices for talking, but can be used for more useful and sophisticated processing tasks. bKash was conceived primarily to utilize these mobile devices and the omnipresent telecom networks to extend financial services in a secure manner to the under-served remote population of Bangladesh, 22 July 2011, Dhaka.



There is some list of mobile banking In Bangladesh as bellows:

SL	Bank Name	Product Name	Link
1	Duch-Bangla Bank Limited.	Mobile-Banking	<a href="http://www.dutchbanglabank.com/mobilebanking.html">www.dutchbanglabank.com/mobilebanking.html</a>
2	BRAC Bank Limited.	bKash	<a href="http://www.bkash.com/">http://www.bkash.com/</a>
3	Prime Bank Limited.	EasyCash	<a href="https://www.primebank.com.bd/index/mobile_banking">https://www.primebank.com.bd/index/mobile_banking</a>
4	Islami Bank Bangladesh Limited	mCash	<a href="http://mcash.islamibankbd.com/">http://mcash.islamibankbd.com/</a>
5	Trust Bank	Mobile Money	<a href="http://www.trustbank.com.bd/MobileMoney">http://www.trustbank.com.bd/MobileMoney</a>
6	NCC Bank Ltd	SureCash	<a href="https://www.nccbank.com.bd/index.php/nccbsms_banking">https://www.nccbank.com.bd/index.php/nccbsms_banking</a>
7	Bank Asia Limited	Mobile Banking	<a href="http://www.bankasia-bd.com/home/mobile_banking">http://www.bankasia-bd.com/home/mobile_banking</a>
8	Dhaka Bank	SMS Banking	<a href="https://ibank.dhakabank.com.bd/Page=SMSBanking">https://ibank.dhakabank.com.bd/Page=SMSBanking</a> .
9	Mercantile Bank	Mobile Banking	<a href="http://www.mblbd.com/home/mobile_banking">http://www.mblbd.com/home/mobile_banking</a>
10	AB Bank	SMS Banking	<a href="http://www.abbl.com/sms-banking.html">http://www.abbl.com/sms-banking.html</a>
11	South East Bank	SMS Banking	<a href="http://www.southeastbank.com.bd/sms.php">http://www.southeastbank.com.bd/sms.php</a>
12	First Security Islami Bank	SureCash	<a href="http://www.fsibld.com/mobile-banking-service.php">http://www.fsibld.com/mobile-banking-service.php</a>
13	Bangladesh Commerce Bank	SureCash	<a href="http://bcblbd.com/">http://bcblbd.com/</a>
14	Standard Bank		<a href="http://www.standardbankbd.com/index.php/home">http://www.standardbankbd.com/index.php/home</a>
15	United Commerce Bank	SMS Banking	<a href="http://www.ucbl.com/sms-tc.htm">http://www.ucbl.com/sms-tc.htm</a>

Source: Bangladesh Bank access on 25 April 2014

Models of branchless banking can be classified into three broad categories - Bank Focused, Bank-Led and Nonbank-Led.



### **Bank-focused model:**

The bank-focused model emerges when a traditional bank uses non-traditional low-cost delivery channels to provide banking services to its existing customers. Examples range from use of automatic teller machines (ATMs) to internet banking or mobile phone banking to provide certain limited banking services to banks' customers. This model is additive in nature and may be seen as a modest extension of conventional branch-based banking.

### **Bank-led model:**

The bank-led model offers a distinct alternative to conventional branch-based banking in that customer conducts financial transactions at a whole range of retail agents (or through mobile phone) instead of at bank branches or through bank employees. This model promises the potential to substantially increase the financial services outreach by using a different delivery channel (retailers/mobile phones), a different trade partner (telco / chain store) having experience and target market distinct from traditional banks, and may be significantly cheaper than the bank-based alternatives. The bank-led model may be implemented by either using correspondent arrangements or by creating a JV between Bank and Telco/non-bank. In this model customer account relationship rests with the bank raise small business loans from web users worldwide. Zidisha uses mobile banking for loan disbursements and repayments, transferring funds from lenders in the United States to the borrowers in rural Africa using nothing but the internet and mobile phones.

### **Non-Bank-Led Model:**

The non-bank-led model is where a bank has a limited role in the day-to-day account management. Typically its role in this model is limited to safe-keeping of funds. Account management functions are conducted by a non-bank (e.g. telco) who has direct contact with individual customers.

A specific sequence of SMS messages will enable the system to verify if the client has sufficient funds in his or her wallet and authorize a deposit or withdrawal transaction at the agent. When depositing money, the merchant receives cash and the system credits the client's bank account or mobile wallet. In the same way the client can also withdraw money at the merchant: through exchanging sms to provide authorization, the merchant hands the client cash and debits the merchant's account.

Kenya's M-PESA mobile banking service, for example, allows customers of the mobile phone operator Safaricom to hold cash balances which are recorded on their deposited



or withdrawn from M-PESA accounts at Safaricom retail outlets located throughout the country, and may be transferred electronically from person to person as well as used to pay bills to companies. One of the most innovative applications of mobile banking technology is Zidisha, a US-based nonprofit micro lending platform that allows residents of developing countries to raise small business loans from web users worldwide. Zidisha uses mobile banking for loan disbursements and repayments, transferring funds from lenders in the United States to the borrowers in rural Africa using nothing but the internet and mobile phones.

### **3.3) Importance of mobile banking in Bangladesh:**

Mobile banking and payments is experiencing phenomenal growth world-wide and has become strategically important for any bank in a developing country like Bangladesh where penetration of mobile phones is much higher than the reach of banking services. According to industry analysis - the worldwide market for mobile payments will grow to \$633.4 billion by 2014, up from \$68.7 billion in 2009 (source: Generator Research 2010).

For a developing country like Bangladesh, mobile banking has a very strong business potential. Currently only 13% of the people in Bangladesh has bank accounts, and this is primarily limited to urban areas, and middle-to-high income segments. On the other hand, Bangladesh already has country-wide mobile phone coverage, and 56% of the people have mobile phones. Thus there are 43% people with mobile phones, but no bank accounts. Banks now have a great opportunity to deliver banking services a portion of the unbanked 43% people using new products based on mobile phone technologies.

Progoti Systems is deploying a Mobile Financial Services (MFS) -- named Sure Cash that will offer a hosted mobile banking and payment service to ecosystem partners such as banks and financial institutions, mobile operators, retail agents, payment partners such as utility companies, merchants, retailers, employers, insurance organizations and government departments. Bangladesh already has a conducive to environment for mobile banking in many ways:

- Country-wide mobile phone coverage with 56% user penetration
- Only 13% banked population
- National ID card
- Broad awareness of financial services from country-wide micro-credit services
- Very large inward foreign remittance.



# Chapter Four

## Chapter Four

Analyze and discussion.....	20-27
Results and Findings.....	27-28

#### 4.1) Analyze and Discussion:

1. Do you think to open the mobile banking account is difficulty?

Total Respondent	YES	Neutral	No
120	71%	12%	17%

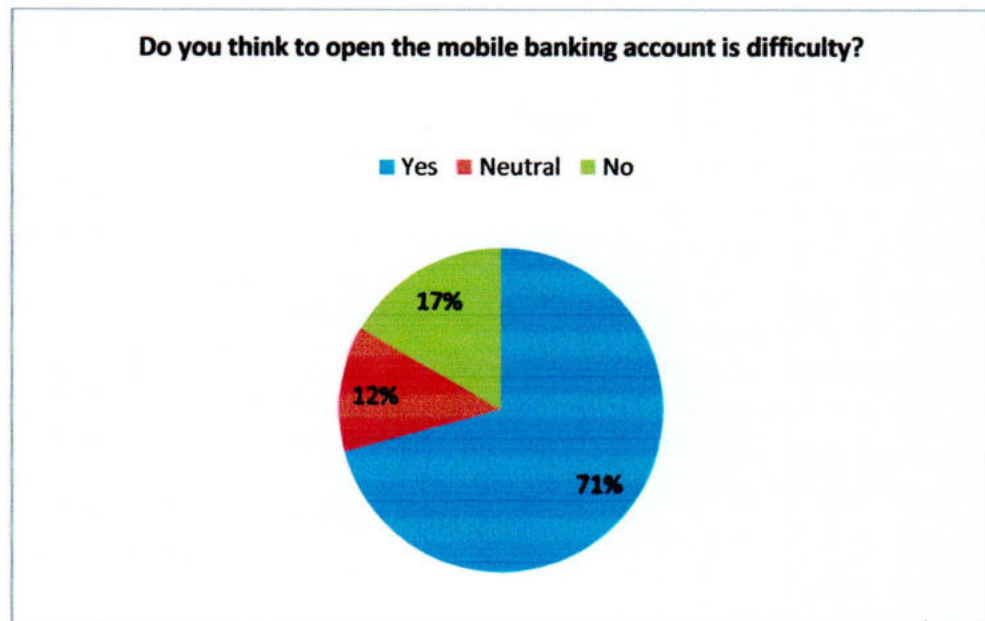


Figure 1: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 71% of the response dent feel to open the mobile banking accounts is difficulty , 17% respondent feel that there is no difficulty to open the mobile banking account and 12% of them remain neutral.



2. Do you think Mobile Banking takes much time than traditional Banking system?

Total Respondent	YES	Neutral	No
120	21%	8%	71%

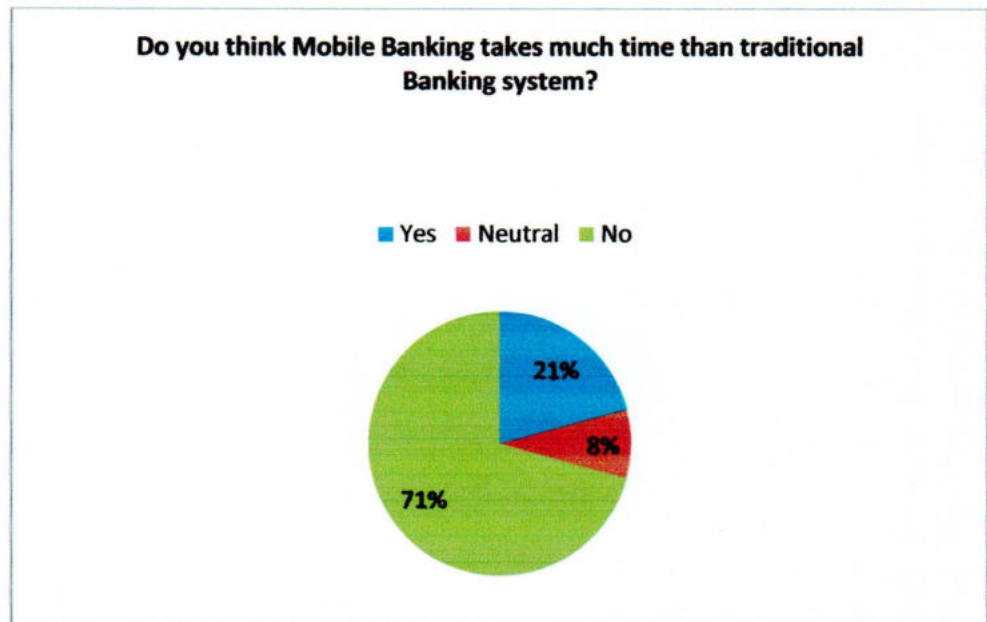


Figure 2: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 21% of the respondent think that mobile banking takes no much time than traditional banking system, 71% think mobile banking takes much time than traditional banking system and 8% remain neutral.

3. What Do You think about the cost of mobile banking is high than the traditional banking?

Total Respondent	YES	Neutral	No
120	19%	17%	64%

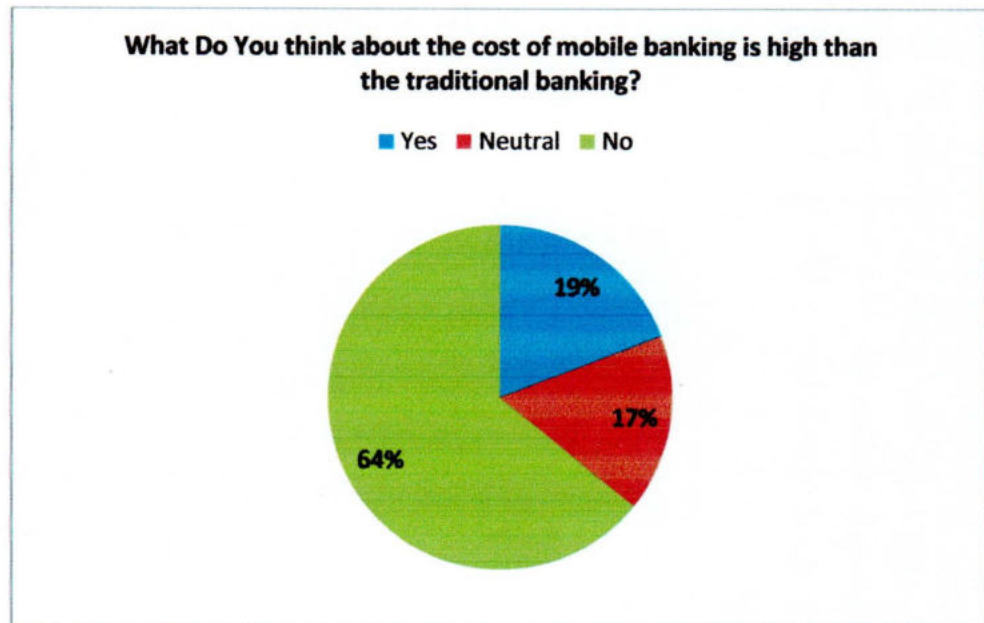


Figure 3: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 19% of the respondent think that the cost of mobile banking is no high than traditional banking system, 64% of respondent think mobile banking cost is high than traditional banking and 17% of them remain neutral.



## 4. Do you think mobile banking is speedy process?

Total Respondent	YES	Neutral	No
120	22%	13	65%

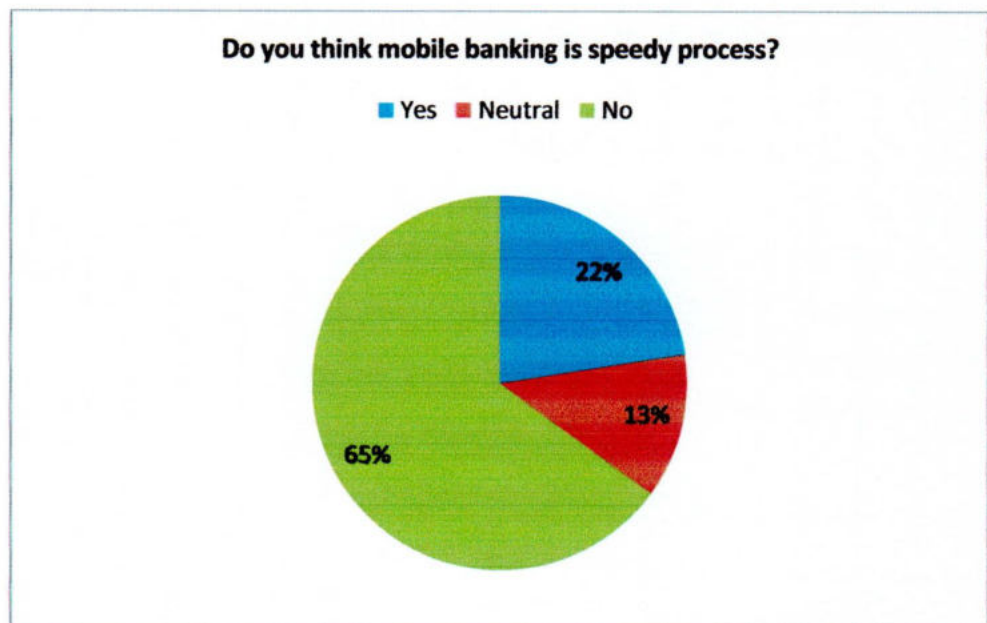


Figure 4: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 22% of respondent think that mobile banking process is no speedy process, 65% of respondent think that mobile banking process is speedy, and 13% is remain neutral.

5. Do you think it is easy to transfer fund between accounts?

Total Respondent	YES	Neutral	No
120	74%	9%	17%

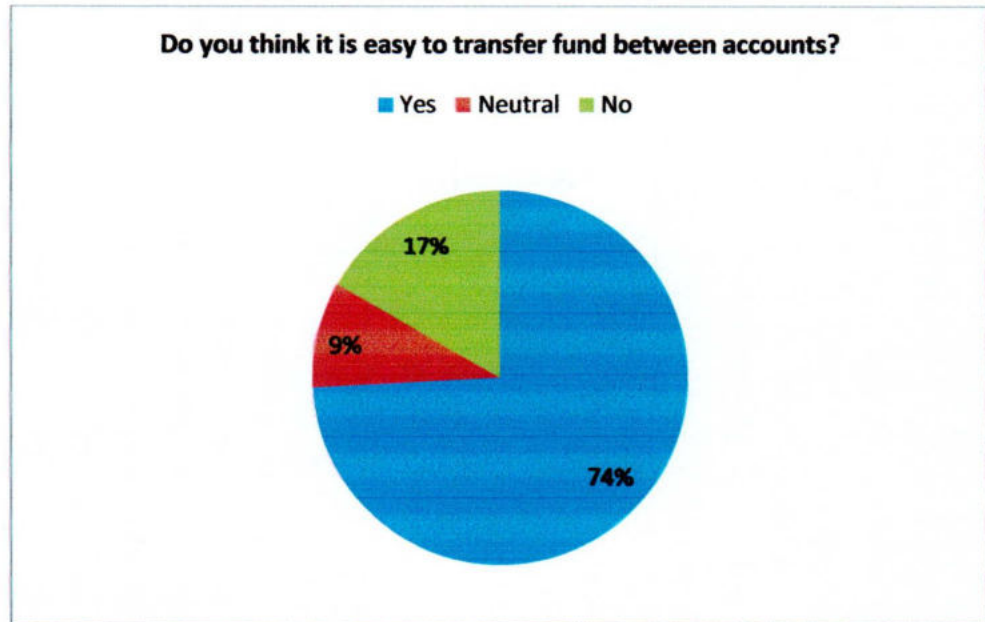


Figure 5: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 74% of respondent think that mobile banking is easy to transfer fund between accounts, 9% respondent think it is no easy to transfer the fund, and 17% remains neutral.



6. Do you think the Cost and complexity of opening an account is high than the traditional bank accounts?

Total Respondent	YES	Neutral	No
120	25%	17%	58%

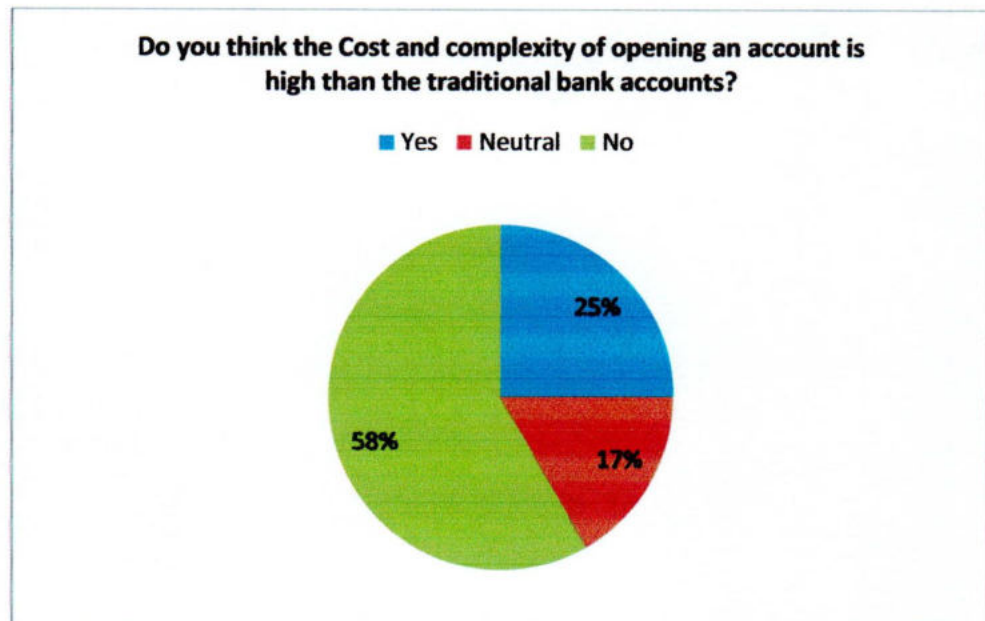


Figure 6: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 25% of think that there is no cost and complexity to open mobile banking accounts, 58% of respondent think that there is complexity to open mobile banking accounts and 17% of respondent remain neutral.

## 7. Do you think the transaction through mobile banking is safe?

Total Respondent	YES	Neutral	No
120	79%	8%	13%

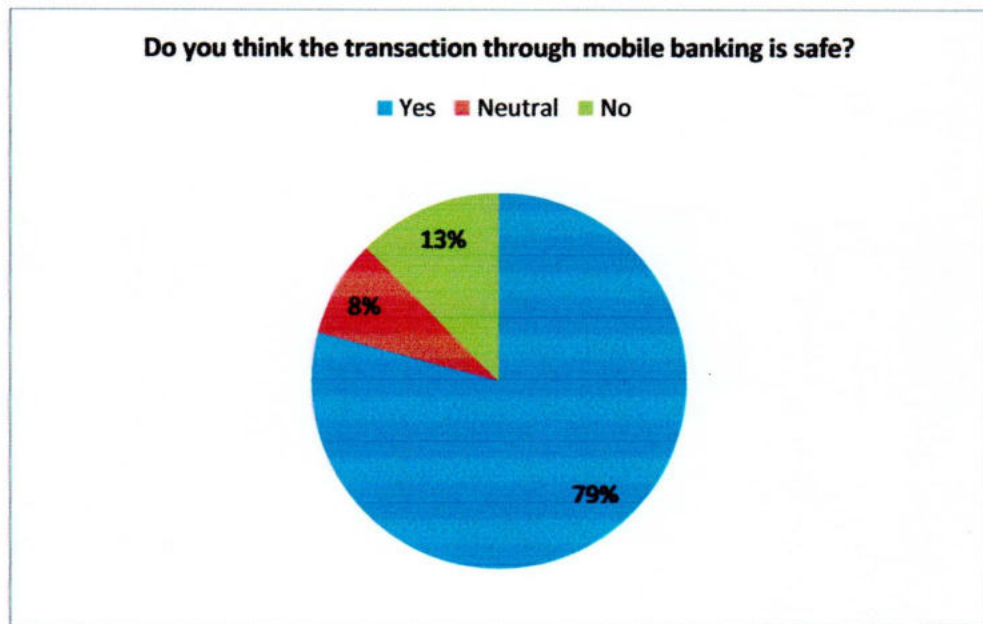


Figure 7: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 79% of respondent think that transaction of mobile banking is safe, 13% of respondents think that there is no safe transaction through mobile banking, 8% of respondent is remain neutral.



8. Do you feel mobile banking have the ability in mobile to protect your privacy?

Total Respondent	YES	Neutral	No
120	72%	10%	18%

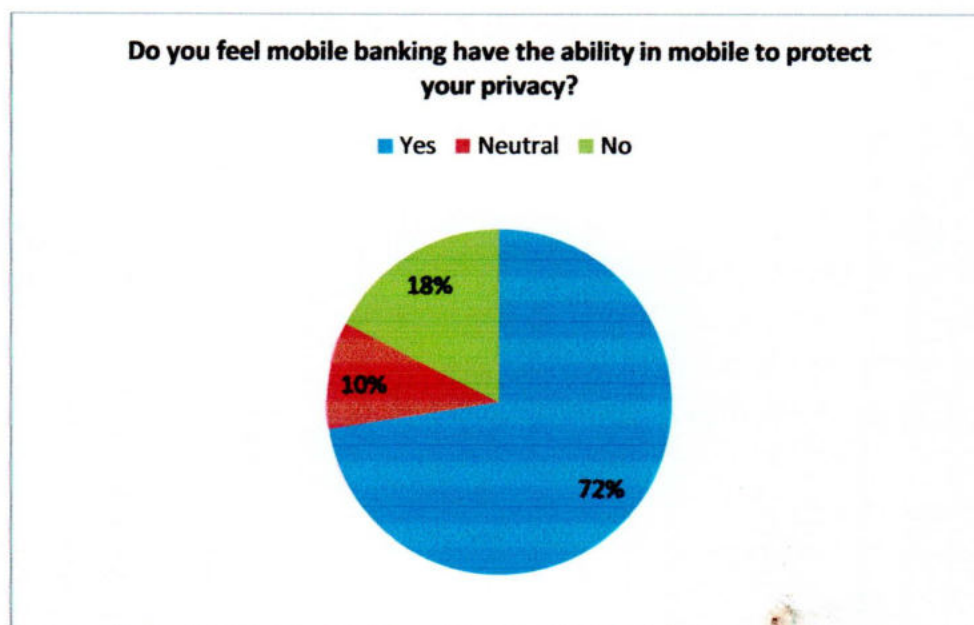


Figure 8: Customers Response

Mobile Banking accounts holder from 100 Respondent represents that 72% of respondent think that mobile banking have the ability to protect the privacy, 18% of respondent think that there is no privacy to protect the mobile banking and 10% of respondent is remain neutral.

#### 4.2) Result and Findings:

In my interview, I took 120 people as my simple random sampling. Most of them were students and others work in different Mobile Banking Company and 100% of them have said they know about Mobile Banking. So, it is clear to understand that Mobile Banking has already reached to each and every stakeholder of banking industry. Many people heard about Mobile Banking. But some of them yet have not felt that they should use it as they are happy to use traditional banking system. Some people feel interest to use it.

According to the interview procedure, I found that there have a problems and prospects of mobile Banking in Bangladesh from 47.60% the respondents, 40.20% of respondent reply

that there have no any problems prospects of mobile banking in Bangladesh and 11.875% of the respondents reply that there are remains neutral about the problems and prospects of mobile baking. So, there have a problems and prospects of mobile banking existing in Bangladesh.

**Respondent about the problems and prospects of mobile banking in Bangladesh:**

Statement	Respondent	Yes (%)	Neutral (%)	NO (%)
Do you think to open the mobile banking account is difficulty	120	71	12	17
Do you think Mobile Banking takes much time than traditional Banking system	120	21	8	71
What Do You think about the cost of mobile banking is high than the traditional banking	120	19	17	64
Do you think mobile banking is speedy process	120	22	13	65
Do you think It is easy to transfer fund between accounts	120	74	9	17
Do you think the Cost and complexity of opening an account is high than the traditional bank account	120	25	17	58
Do you think the transaction through mobile banking is safe	120	79	8	13
Do you feel mobile banking have the ability in mobile to protect Your privacy	120	72	10	18
Overall	960	47.60	11.875	40.20



# Chapter Five

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Present Prospects of mobile banking in Bangladesh.....	30-31
Future Prospect of Mobile banking in Bangladesh.....	31-32

## 5.1) Problem of Mobile Banking in Bangladesh:

There are some problems of mobile banking in Bangladesh as follows:

- For starters, short messaging service texting-which can be done on nearly any mobile phone and is often the first and sometimes only mobile service a credit union offers-is considered particularly prone to phishing attacks.
- Then there are security problems caused by banking applications created sometimes hastily before being uploaded for i-Phones, Black-Berry and Android platform phones. Furthermore, mobile phones are small and easily lost and stolen, taking their stored credentials and text messages with them.
- The steps the industry has taken so far, by simply looking to online security measures for the security roadmap it lays for mobile, are not sufficient. Mobile needs its own guidance, its own oversight and its own mandates. I know that's not something the industry likes to hear, but I think everyone would agree with the sentiment.
- Foreign and private banks offered a broad range of services over the mobile device. Public sector banks lag behind in offering wider range of mobile banking services and products.
- Security is not the main concern in mobile banking. The real issue is making m-banking viable as a business concern, in order to offer it to the unbanked.
- Bankers are aware that risks are involved; the problem is identifying those risks. When asked about malware attacks, one presenter suggested that malware attacks on mobile are possible, but because of the diversity in mobile operating systems, threats of malware are, well, not quite so significant, at least for now. Of course, that comment raised a few eyebrows, mine included.
- Banks should adopt a number of measures to ensure that adequate security controls are integrated into the heart of their mobile banking strategy; these include:
  - ✓ Consider using the in-built features of a mobile device for stronger multi-factor authentication and verification (MFA/MFV), including biometrics, behavioural analysis and relocation.
  - ✓ Monitor apps stores for any rogue apps that purport to represent your company – and kill them quickly.
  - ✓ Introduce a plan for updating mobile banking application
  - ✓ Ensure that mobile banking apps are security tested



- ✓ Integrate mobile application with other banking channels, so that security lessons learned in one channel benefit the others
- ✓ Educate users about system hygiene when upgrading their handset, and disposing of an old one.
- ✓ Networking scarcity through the transaction.

At present, there is no proper infrastructure for performing Mobile banking activities in Bangladesh. Poor telecommunication network policies and slow paced regulatory initiatives very minimum number of users of mobile device. The banking infrastructure in terms of electronic payments and inter-agreement between tele-communication industry and banking industry connectivity is poor. Limitations of supportive legal system, lack of skilled IT workforce, absence of cyber law absence of EFT (Electronic Fund Transfer) legislation.

## **5.2) Present Prospects of mobile banking in Bangladesh:**

Mobile Banking is a Banking process without bank branch which provides financial services to unbaked communities efficiently and at affordable cost. The aim of the service is to bring more people under the umbrella of banking service. Bangladesh Bank governor **Dr Atiur Rahman** inaugurated the service through deposit and withdrawal of money from two banking outlets in the city. Government thinks it has a great prospect as it is a new technology in digital Bangladesh. But in Bangladesh many people think traditionally, because they cannot think it has any facility to use mobile banking. People feel mobile banking has prospect in Bangladesh whereas they also think it has no prospect in Bangladesh as many people will not feel interest or have belief on mobile banking.

The study analyses the mobile banking market, detailing the current and future market potential for subscriptions, users and transaction volumes and values across mobile banking services; with forecasts across eight key global regions until 2013.

**It examines:**

- How many mobile subscribers will use their mobiles for mobile banking information services over the next five years?
- How many mobile subscribers will use their mobiles for mobile banking transactions over the next five years?
- Which will be the leading regions in the mobile banking market in 2014?
- What will be the size of overall mobile banking transaction values?
- What are the trends, drivers and constraints affecting the development of the market?
- How are leading banks incorporating the mobile into their distribution channel strategies?
- What are the strategies of leading mobile commerce application and financial system vendors as they address this growing market opportunity?
- What will be the trend in mobile banking traffic volumes over the next five years?

**5.3) Future Prospect of Mobile banking in Bangladesh:**

Based on the 'International Review of Business Research Papers' from World business Institute, Australia, following are the key functional trends possible in world of Mobile Banking. With the advent of technology and increasing use of smart phone and tablet based devices, the use of Mobile Banking functionality would enable customer connect across entire customer life cycle much comprehensively than before.

With this scenario, current mobile banking objectives of say building relationships, reducing cost, achieving new revenue stream will transform to enable new objectives targeting higher level goals such as building brand of the banking organization. Emerging technology and functionalities would enable to create new ways of lead generation, prospecting as well as developing deep customer relationship and mobile banking world would achieve superior customer experience with bi-directional communications.

Illustration of objective based functionality enrichment In Mobile Banking:

- ✓ Communication enrichment: - Video Interaction with agents, advisors.
- ✓ Pervasive Transactions capabilities: - Comprehensive “Mobile wallet”
- ✓ Customer Education: - “Test drive” for demos of banking services



- ✓ Connect with new customer segment: - Connect with Gen Y - Gen Z using games and social network ambushed to surrogate bank's offerings
- ✓ Content monetization: - Micro level revenue themes such as music, e-book download
- ✓ Vertical positioning: - Positioning offerings over mobile banking specific industries
- ✓ Horizontal positioning: - Positioning offerings over mobile banking across all the industries.
- ✓ Personalization of corporate banking services:- Personalization experience for multiple roles and hierarchies in corporate banking as against the vanilla based segment based enhancements in the current context.
- ✓ Build Brand: - Built the bank's brand while enhancing the "Mobile real estate".

## 6.1) Recommendation:

In order to ensure a successful practice of Mobile banking in Bangladesh, we recommend the following.

- ❖ To open the mobile banking account is difficulty free maintaining less procedure for the customer.
- ❖ A network strength must be maintains to provide the existing customer.
- ❖ Cost of the mobile banking must be feasible as per the Satisfactions.
- ❖ The speedy through the mobile banking transaction must be faster than traditional banking system.
- ❖ Cost and complexity to create an mobile banking is more simple than the traditional banking system.
- ❖ Privacy through the transaction by the mobile banking must be hidden.
- ❖ Charges of the bank and the security are another concern for account holder so it is necessary to ensure strong security and minimum maintaining cost of mobile banking.
- ❖ Government should compel the banking sectors to automate their operation and going online by a specific period.
- ❖ Provide adequate training and technological support to develop the manpower, appropriate legal framework, Proper infrastructure development. Government should implement the cyber laws to ensure proper security about customers information (i.e. Credit card number) Government should establish proper educational institution to create efficient IT-professionals to support Mobile banking in Bangladesh, and developing of integrated mobile banking software.
- ❖ Government, in collaboration with the banks, should educate and inform its citizens and customers on the workability and effectiveness of mobile banking. This will increase the confidence level of customers.
- ❖ Banks and tele-communication industry should have adequate research and technological background in this regard. Bank can charge normal profit to enlarge the market size on the electronic banking products.
- ❖ Political commitment to improve governance and institutional strength is essential for successful application of m-banking.



## 6.2) Conclusion:

Mobile banking as a vehicle to boost up trade, especially international trade has already been recognized by international business community, however m-banking and its related technologies are still in its infancy stage in Bangladesh. Since the world is moving towards m-banking everything, so we should try to overcome all the barriers and also try to develop such environment that is favorable for the development of m-banking.

Mobile banking is suspended to become the big killer mobile application arena. However, banks going mobile the first time need to step the path cautiously. The biggest decision that banks need to make is the channel that they will support their services on. Mobile banking through an SMS based service would require the lowest amount of effort, in terms of cost and time, but will not be able to support the full breath of transaction-based services On the other hand a market heavily segmented by the type and complexity of mobile phone usage might be good place to roll of WAP based mobile applications.

In order for mobile banking to continue to grow, the security and the privacy aspects need to be improved. With the security and privacy issues resolved, the future of m-banking can be very prosperous. The future of electronic banking will be a system where users are able to interact with their banks "worry-free" and banks are operated under one common standard.

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M-Banking = Mobile Banking

PDA = Personal data Assistant

MDS = Multi data services

ATM= Automated teller machine

ICT= Information and communication Technology

MFS = Mobile financial services

SMS = Short message service

PU= Perceived usefulness

PEOU= Perceived ease of use

RA= Relative advantages

PI= personal Innovativeness

SN= Social norms

TAM= Technology acceptance Model

TPB= Theory of planned behavior

MB= Mobile Banking

PIN= Phone Identification Number

IFC= International Finance corporation

MFA= Multi-factor authentication

MFV= Multi- factor verification

EFT= Electronic fund transfer

## *Questionnaire for the research titled*

### *“Problems and prospects of Mobile banking in Bangladesh”*

The information of the questionnaire will only be used for my academic purpose. I won't disclose your given information in anyway. It will be kept highly confidential.

**(A) Please fill up your personal details:**

Name:..... Gender (M/F):.....Age:.....

Occupational status (put  $\checkmark$  mark):  Student  Employed  Unemployed  Others

**(B) Mobile Number:** .....

**(C) E-Mail Account (If any):** .....

**(B) Please answer (put  $\checkmark$  mark) by considering the following factors to determine the ‘Problems and prospects of Mobile banking in Bangladesh’.**

❖ Do you think to open the mobile banking account is difficulty:

YES	NEUTRAL	NO
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❖ Do you think Mobile Banking takes much time than traditional Banking system:

YES	NEUTRAL	NO
-----	---------	----

❖ What Do You think about the cost of mobile banking is high than the traditional banking:

YES	NEUTRAL	NO
-----	---------	----

❖ Do you think mobile banking is speedy process:

YES	NEUTRAL	NO
-----	---------	----



❖ Do you think It is easy to transfer fund between accounts:

YES	NEUTRAL	NO
-----	---------	----

❖ Do you think the Cost and complexity of opening an account is high than the traditional bank account:

YES	NEUTRAL	NO
-----	---------	----

❖ Do you think the transaction through mobile banking is safe?

YES	NEUTRAL	NO
-----	---------	----

❖ Do you feel mobile banking have the ability in mobile to protect Your privacy:

YES	NO	NO
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If you have any comments or suggestion regarding the **“Problems and prospects of Mobile banking in Bangladesh”** please provide to me without any hesitation & I will be much obliged.



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.....  
Signature with date