United International University

An Internship Report on The Case Study of NAGAD Payment Campaign

Prepared for

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Letter of Transmittal

June 01, 2023

Dr. Khandoker Mahmudur Rahman

Professor

School of Business and Economics

United International University

Subject: **Submission of the Internship Report**

Dear Sir:

With all due respect, I would like to inform that I have successfully conducted and completed my internship report titled ‘The Case Study of Nagad Payment Campaign.’ as my internship report for the completion of the degree of Bachelor of Business Administration. Which has been prepared as a requirement for the completion of the BBA Program of United International University.

NAGAD is poised to become an essential component of Bangladesh’s financial fabric. In 2017 marked the agreement of a contract between "Third Wave Technology Ltd" and Bangladesh Post Office (BPO) for MFS. Third Wave Technologies Ltd was renamed as Nagad Ltd in February 2019 allegedly without informing BPO. In March 2019, Nagad Ltd started out as the Mobile Financial Services (MFS) of the Bangladesh Post Office (BPO) as "Nagad" brand.

While Working on the report I have found some reliable results based on the research I have conducted. I express my special gratitude to you for dedicating your valuable time, expert guidance, and support. I have tried my best to complete the report appropriately as much as possible. I shall be pleased to answer any sort of query you may have regarding this report. Your satisfaction is my utmost desire.

Sincerely,

Golam Nazmus Sakib

ID: 111 191 109

ACKNOWLEDGEMENT

To proceed, I'd like to thank Almighty Allah for giving me the strength to carry out my duties as an intern and complete this report.

I would also like to express my humble gratitude towards my internship supervisor, Dr. Khandoker Mahmudur Rahman, Professor & Director, BBA & BBA in AIS, School of Business & Economics United International University, who has guided me in the completion of this study through his experience and enlightened guidance. I've learned a lot about the several elements, approaches, steps, and practices involved in constructing a thorough report. My supervisor's assistance has helped me gain new perspectives and a wider viewpoint. I'd like to express my gratitude to Mr. Sadat Mainuddin, Head of Payment at Nagad Ltd. I'd also like to thank Mr. Shahriar Ananda, Senior Manager of Payment & Mamun-or-Rashid, Key Account Manager of Payment at Nagad Ltd, for providing me with all the information I needed for this report and his constant guidance throughout the process of preparing this report.

Finally, I'd like to thank everyone at NAGAD LTD. who helped me conduct the survey, allowing me to collect more credible data and finish my internship report successfully.

DECLARATION

I am Golam Nazmus Sakib, a student at United International University's School of Business and Economics (Marketing), in Bangladesh, hereby declare that the internship report on **"The Case Study of Nagad Payment Campaign"** is an original work that has never before been submitted for a degree, or other type of recognition.

………………………………..

Golam Nazmus Sakib

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School of Business & Economics

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Executive Summary

Effective marketing and promotion are crucial in today's competitive business environment for any industry to thrive. As a result, every organization is focusing on improving its promotional & marketing processes to augment its productivity. Evaluating potential risks and eliminating them reduces the risks of conducting business. Nagad Ltd. has been doing business for over three years and they must outcompete their competitors in meeting customer demands. Customers must be familiar with the company's services to do so.

For using Nagad to pay bills, recharge mobile phones, and make online purchases, the campaign offered a variety of incentives, including cashback rewards and discounts. Additionally, the business introduced a referral program in which users could receive rewards for referring friends and family to use Nagad. The Nagad platform saw an increase in the number of digital transactions and new users thanks to the payment campaign. The volume of transactions increased significantly as a result of the campaign, according to Nagad, and more than 3 million new users joined the platform.

This internship report focuses on understanding the importance of payments campaign in MFS industry. And the context of Nagad a popular digital financial service in Bangladesh. To achieve ta study objectives we conducted a survey of Nagad merchants and also the users on their satisfaction levels and the factor that influence it. Though the survey we identified variables such as offer percentage, product features, customer demands etc. In addition, the survey also revealed that merchants have certain expectations from Nagad in terms of service quality, promotion materials and future updates. Specifically, they highlighted the importance of regular updates to the portal, as well as the need for good customer service and engagement with cashback offers and collaborations.

Overall, the corporation used the Nagad payment campaign as a strategic move to support digital payments and spur development in Bangladesh's mobile financial services sector.

Chapter 1: Background of the Study

1.1 Introduction

Nagad is a state-owned mobile financial service (MFS) provider in Bangladesh that was launched in 2019 under the Postal Act 2010. It aims to provide easy, quick and secure money transactions and payments to its customers, especially in rural areas where conventional banking channels are hard to reach. Nagad has become the second-largest MFS provider in Bangladesh, after bKash, with more than 7 cr registered users and over BDT 100 crore daily transaction amount. Nagad also offers various payment solutions for merchants and businesses, such as online shopping, utility bills, e-commerce platforms, courier services etc. Nagad has partnered with more than 12,000 companies as merchant partners to expand its payment ecosystem (Business Inspection BD, 2020). However, despite its rapid growth and success, Nagad faces challenges and competition from other MFS providers and digital payment platforms in the market. Payment or any campaign is a critical component in any business. But in MFS industry payment campaign is now a big event. Based on this campaign MFS industry thrive and growth their business and promote themselves in MFS industry. Payment campaigns in the MFS industry can help drive adoption of digital payment methods and increase customer engagement with mobile payment platforms. These campaigns can also help mobile payment providers to differentiate themselves from competitors and build brand loyalty among customers. In payment campaign merchant satisfaction is a critical component of any business, as it affects customer loyalty, retention, and profitability. Several studies have highlighted the importance of measuring merchant satisfaction in the mobile financial service industry. Nagad is also carrying out many campaigns and activities to bring the people of remote areas of the country under the banking service. Such as Bijoy Campaign, Eid Campaign, Utility and Bills related campaign, Cashback campaign there are main focus campaign in Nagad which are most satisfied to our Nagad users and merchants end also. In recent years, Bangladesh has seen significant growth in the Mobile Financial Services (MFS) industry, with providers like bKash, Rocket, and Nagad leading the way. Payment campaigns have played a key role in driving adoption of MFS in Bangladesh, with providers using a range of incentives to encourage customers to use their platforms for digital transactions. A study by the **Bangladesh Institute of Development Studies (BIDS)** examined the impact of payment campaigns on the adoption of MFS in Bangladesh. The study found that payment campaigns were effective in increasing the adoption of MFS, with customers responding positively to incentives like cashback rewards, discounts, and referral bonuses. According to the report, payment ads were particularly successful in persuading people to use MFS to pay bills and recharge their mobile phones, two of the most popular uses for mobile payments in Bangladesh. The study also discovered that MFS adoption was increased by advertisements that targeted particular customer demographics, such students or rural clients. Overall, the study came to the conclusion that payment campaigns are a useful strategy for boosting MFS adoption in

Bangladesh. To guarantee that their initiatives get the desired results and prevent unexpected consequences mobile payment providers must carefully plan and carry out their programs.

1.2 Topic of the report

The report's topic needs to be chosen. What will be covered throughout the report is revealed by a topic that is clearly specified. The topic has been assigned “A Case Study of Nagad Payments Campaign”

1.3 Origin of the report

Academic education itself will not prepare a student for the competitive environment of today's world or help him or her achieve their goals without exposure to the outside world. The report that provided insight into how one specific organization operates their payments campaign in different strategy to fulfil customer and merchant satisfaction and their organizational goals.

1.4 Objective of the report

Every report must have a focal point of analysis. Whether or not a report is successful depends mostly on how well it meets its goals. Basically, two 2 objectives have been defined here: the primary objective and specific objectives.

1.4.1 Primary Objective

The study’s main objective is to acknowledge the importance of Nagad’s Payment Campaign and what strategy they followed to launch a campaign.

1.4.2 Secondary Objective

- To identify the factors that influence the satisfaction of Nagad’s merchants.
- To identify the areas of improvement for Nagad’s services.
- To identify the level of awareness of payments campaign services to satisfied Nagad merchants and the users.

1.5 Data Collection

This study is being carried out based on data that I have gathered from various sources utilizing specified approaches. The tools I used: Interview of the key contact person related to the Merchants and also visit the respective outlets to know the customer feedback.

Information was collected from two sources-

- Primary data
- Secondary data

1.5.1 Primary Sources

- Direct Survey from the Key Contact Person with the help of Key Account Managers
- Direct communications with the employees at the workplace.

1.5.2 Secondary Sources

- Literature reviews of relevant topics.
- Overview of the official website of Nagad - Reviewed reports published on related topic.

This interview was piloted with the Key contact person of the Merchants and Key Account Manager in Nagad who oversees the merchant account opening and merchant onboarding also communicating with the B2B merchants for any need. I also spoke with Nagad Campaign Management and reporting team and asked question which was related to payments campaign and other campaign in Nagad.

1.6 Scope of the study

The scope of this study is to understand the level of payment campaign satisfaction with Nagad, a popular mobile financial service in Bangladesh, and identify the key factors that affect their satisfaction. The study aims to explore the factors that positively or negatively impact merchant satisfaction with Nagad's campaign services, including the ease of use, customer service, fees and charges, and overall value proposition. By examining merchant satisfaction and Customer satisfaction in campaigns with Nagad, this study aims to provide insights into areas where Nagad can improve its services and enhance the overall customer experience. The study also aims to help other mobile financial service providers operating in Bangladesh to better understand the needs and preferences of their merchant customers and develop strategies to improve their satisfaction.Ultimately, the findings of this study will contribute to the body of knowledge on mobile financial services in Bangladesh and help businesses in the industry to better serve their customers and compete more effectively.

1.7 Limitation

In preparing this report certain limitation were faced.

- Lack of sufficient sources prevented verification and privacy
- Some aspect of the report may be considered confidential by the organization.

Chapter 2: Overview of The Organization

2.1 Brief Story

Nagad is a digital financial service (DFS) in Bangladesh that operates under the authority of the Bangladesh Post Office (BPO), an attached department of the Ministry of Post and Telecommunication (Bangladesh). It is the new version of the previously introduced Postal Cash Card and Electronic Money Transfer System (EMTS) of the BPO. Nagad was launched by Prime Minister Sheikh Hasina on March 26, 2019, to lead the country's booming DFS revolution. The core philosophy of the service is to attain a plethora of potential possibilities and enhance the lives of people by empowering them with financial flexibility.

Nagad was initially operated by Third Wave Technologies Ltd, a private company that made an agreement with BPO for mobile financial service (MFS) in 2017. However, in February 2019, Third Wave Technologies was renamed Nagad Ltd allegedly without informing BPO. In June 2021, BPO declared that it will own 51% share of Nagad Ltd, while the remaining 49% share will be held by the private company. Now, the government has set out to form a new subsidiary to help it secure a full-fledged license from the central bank.

2.2 Introduction of The Organization

Nagad is a mobile financial service that allows users to perform a variety of transactions, including money transfers, bill payments, mobile top-ups, and online shopping. Nagad started its journey with basic services like cash-in, cash-out, send money, and mobile recharge. Later, it added more popular services like bills payment, e-commerce payment gateway, and government-to-people (G2P) payments. Nagad also introduced several innovations that ease customer onboarding and transaction processes. For example, it developed the first electronic-Know Your Customer (e-KYC) process that uses Bangla OCR, automated identity verification, and localized data to minimize customer acquisition and life cycle time. It also partnered with mobile phone operators to enable basic phone users to access Nagad's facilities.

It is a subsidiary of the Bangladesh Post Office, which is a government-owned organization that has been providing postal services in Bangladesh for over 150 years. Nagad's mission is to promote financial inclusion and provide convenient and affordable financial services to all. Nagad has achieved remarkable growth in a short span of time. It has acquired a customer count of 7 Crores registered customers, Uddokta count of 2.40 lakhs, and a daily transaction of BDT 100 Crores. Besides that, the option of opening a Nagad Account just by dialing *167# was a revolutionary innovation by Nagad, that enabled customers to easily open a Nagad Account who even use feature phones and gained a 25-percent market share in the MFS sector. It has also won several awards for its innovative DFS solutions.

2.3 Policy of the organization

Nagad's policy is centered around providing easy, secure, and affordable financial services to the people of Bangladesh. The organization is committed to promoting financial inclusion and empowering individuals and businesses through its services. Nagad's policy is to comply with the relevant laws and regulations of Bangladesh, as well as the international standards and best practices of DFS. Nagad's policy covers various aspects of its operations, such as:

- **Customer Protection:** Nagad is committed to protecting the rights and interests of its customers, by ensuring transparency, fairness, privacy and security of their transactions. Nagad also provides customer education, grievance redressal and dispute resolution mechanisms to enhance customer satisfaction and trust.
- **Agent Network:** Nagad relies on a network of agents who act as intermediaries between Nagad and its customers. Nagad's policy is to select, train and monitor its agents based on certain criteria and standards, such as location, liquidity, compliance and service quality. Nagad also provides incentives and support to its agents to motivate them and improve their performance.
- **Product Development:** Nagad offers a range of products and services to cater to the diverse needs and preferences of its customers, such as cash-in, cash-out, send money, mobile recharge, bill payment, e-commerce payment gateway and more. Nagad's policy is to design and launch its products based on market research, customer feedback and innovation. Nagad also ensures that its products are userfriendly, accessible and affordable for its customers.
- **Risk Management:** Nagad recognizes the potential risks and challenges associated with DFS, such as fraud, cybercrime, money laundering, terrorism financing and operational failures. Nagad's policy is to implement a robust risk management framework that identifies, assesses, mitigates and monitors the risks on an ongoing basis. Nagad also adopts preventive and corrective measures to ensure the safety and security of its system, data and transactions.
- **HR Policy:** For the internal employees, Nagad has certain HR policies which are must to be followed. The HR policies include a code of conduct, office hours policy, leave policy, transfer policy, disbursement policy etc. These policies are provided in several PDF files in a certain folder in every laptop used by Nagad’s employees.
- **Social Responsibility:** Nagad believes in contributing to the social and economic development of Bangladesh, by promoting financial inclusion, empowerment and literacy among its customers. Nagad's policy is to support various social causes and initiatives that align with its vision and values, such as women empowerment, education, health, environment and disaster relief.

2.4 Mission & Vision of Nagad

- **Mission**

  To become a leading mobile financial service provider in Bangladesh by offering innovative and secure digital financial solutions that meet the needs of people from all walks of life.

- **Vision**

  To empower people in Bangladesh with convenient and affordable digital financial services that enable them to participate in the digital economy and improve their financial well-being. Nagad envisions a future where all individuals have access to modern financial services, regardless of their location or economic status, and can use these services to achieve their personal and professional goals.

2.5 Competitors

Nagad is one of the leading players of the Mobile Financial Services sector of Bangladesh. Some of the competitors of Nagad in the Mobile Financial Services sector of Bangladesh are:

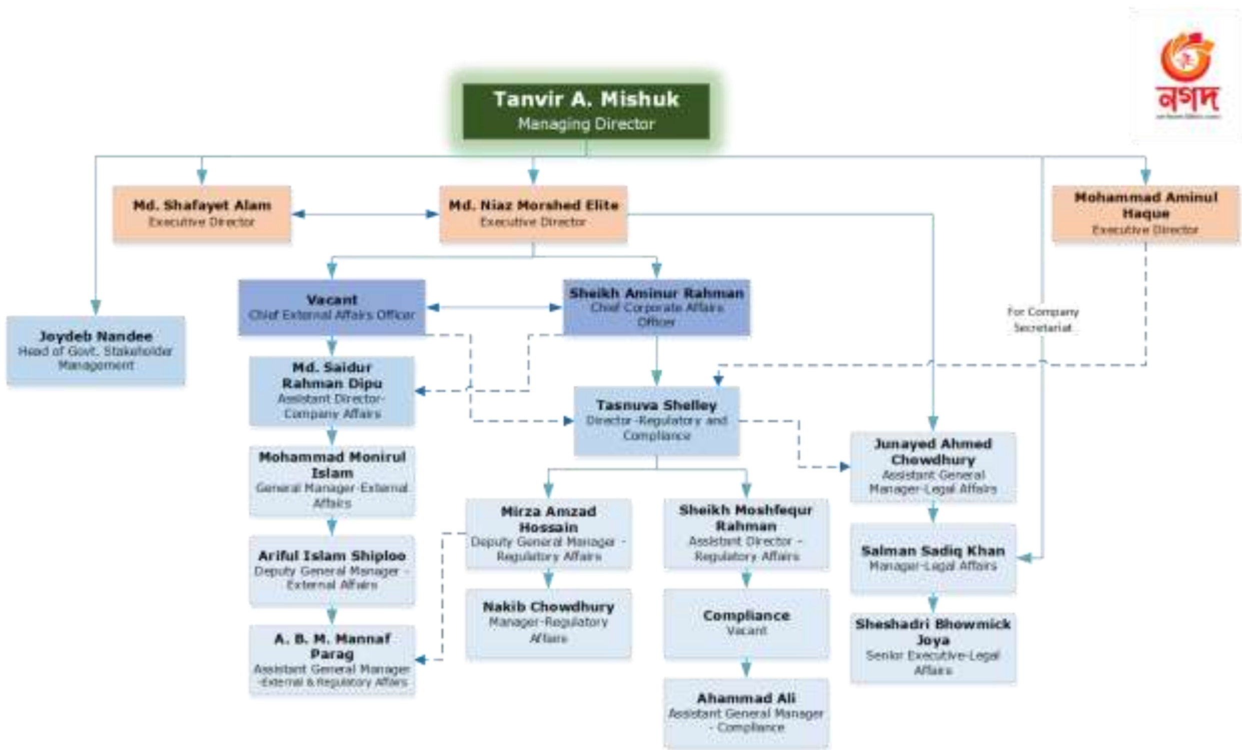
- **bKash:** bKash is the largest mobile financial service provider in Bangladesh with over 50 million registered users. It was launched in 2011 as a joint venture between BRAC Bank Limited and Money in Motion LLC. It offers services such as mobile banking, bill payment, remittance, ticketing, and e-commerce.

- **Rocket:** Rocket is the Third largest mobile financial service provider in Bangladesh with over 40 million registered users. It was launched in 2011 by Dutch-Bangla Bank Limited. It offers services such as mobile banking, bill payment, remittance, ticketing, and e-commerce.

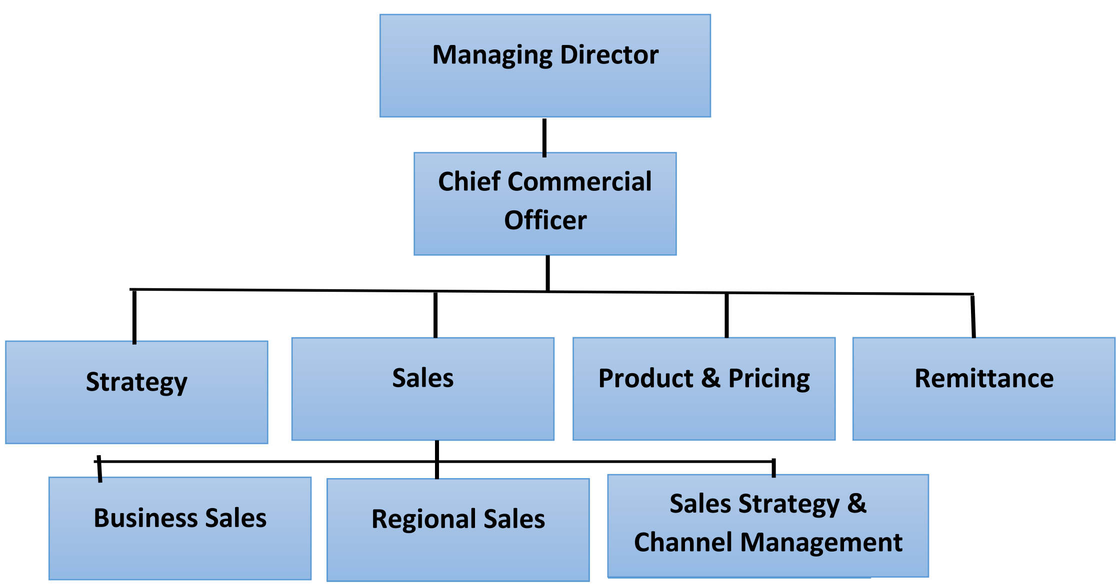
- **SureCash:** SureCash is a mobile financial service provider that operates on an open platform model. It was launched in 2014 by Progoti Systems Limited. It offers services such as mobile banking, bill payment, remittance, ticketing, e-commerce, and social payments.

- **Upay:** Upay is a mobile financial service in Bangladesh that provides a range of financial services, including mobile top-ups, bill payments, and money transfers. It is operated by United Commercial Bank Limited.

2.6 Organizational Hierarchy Chart



2.6.1 Operational Workflow Commercial Division



2.7 Main Office & Number of Employees

Nagad main office is located at Delta Dahlia Tower, 36 Kemal Ataturk Avenue, Banani, Dhaka, 1213 Dhaka, Bangladesh, it is located near the Sheraton Hotel. According to the latest information provided, Nagad has a total of 700 employees. Out of these 700 employees, 400 are based in the head office, and the remaining 300 are located across the country, including regional officers. These employees are an integral part of Nagad's operations, playing a crucial role in delivering the company's digital financial services to customers and driving its growth and success in the highly competitive mobile financial services sector of Bangladesh.

2.8 Introduction of All the Departments

Nagad LTD has four main divisions: Commercial, Operations, Technology and Finance. Each division has its own functions and responsibilities.

- The **Commercial division** is responsible for creating and implementing strategies to acquire new customers, increase market share and revenue, and enhance customer satisfaction and loyalty.
- The **Business Development division** also manages partnerships with other organizations and stakeholders, such as mobile network operators, banks, merchants and government agencies. The Technology division is responsible for developing and maintaining the software and hardware systems that enable Nagad LTD to provide its services.
- The **Technology division** also ensures the security and reliability of the systems and data. The Technology division also researches and innovates new technologies and solutions to improve the services and products of Nagad LTD.
- The **Finance division** is responsible for managing the financial aspects of Nagad LTD. The Finance division handles accounting, budgeting, auditing, taxation, treasury and financial reporting. The Finance division also provides financial analysis and advice to support the decision-making process of Nagad LTD.
- The **HR & Administration division** are responsible for managing the human resources and administrative functions of the company. The HR division handles the recruitment, training, performance evaluation, compensation, benefits, and employee relations of the staff.
- **External Affairs**, External Affairs teams are responsible for establishing and maintaining relationships with influential people and organizations, using internal and external media, as well as programs that are innovative and entrepreneurial, to promote the development efforts of the company.
- **Corporate Affairs**, the rights and responsibilities of a company's management, board, shareholders, and other stakeholders are the focus of corporate affairs. Companies' performance, market confidence, and private sector investment are all affected by how well they are run. It also ensures sponsorship opportunities for other companies.

- **Business Support**, Customers' services, digital payments, inquiries, and complaints are all handled by this position. They also get advice about products and services, update the records of customers, and make tele sales and market research call to new and existing customers.

2.9 Components on the Organizational Structures

The Nagad's organizational structure is a hierarchical one, with a clear division of roles and responsibilities among different levels and departments. The structure allows for a centralized decision-making process, which can ensure consistency and efficiency in the implementation of the company's vision and strategy.

However, the structure also has some drawbacks, such as a lack of flexibility and innovation, a high degree of bureaucracy and red tape, and a possible disconnect between the top management and the lower-level employees. Therefore, I would suggest that the Nagad's organizational structure should be revised to incorporate some elements of a flat or matrix structure, such as cross-functional teams, decentralized authority, and more frequent communication and feedback channels. This would help to foster a more collaborative and creative culture within the company, as well as to increase employee engagement and satisfaction.

Chapter 3: A Case Study of Nagad Payment Campaign

3.1 Introduction

The Nagad Payment Campaign is a case study that explores the efforts of Nagad, a digital financial service provider in Bangladesh, to promote financial inclusion through its mobile payment platform. The campaign aimed to address the challenges of limited access to financial services in rural areas and increase the adoption of digital payment solutions across the country.

The mobile financial service industry brought revolutionary changes to the country's economy. As a part of achieving vision 2021, Bangladesh Bank provided license to operate mobile financial services to a few banks in 2011 with an aim to increase financial inclusion9. Within a very short time the service industry grew tremendously as the service was affordable, easy and secure.

3.1.1 Background

Bangladesh, with its large rural population, faced significant challenges in ensuring financial inclusion for all citizens. Limited banking infrastructure, low financial literacy, and the absence of convenient payment solutions hindered the participation of many individuals in the formal economy. In response to these challenges, Nagad, a subsidiary of the Bangladesh Postal Department, was launched in 2018 as a mobile financial service provider. Being relatively new industry, unfortunately, there are not enough literature about this industry from our country's perspective. In the past two years, this industry has made record worthy changes in the pattern of financial activities in people's day to day lives. Internet banking, a very similar service's usage was only popular among literate and privileged people. But the mobile financial service has been extremely popular and one of the preferred ways of transacting on a daily basis. Every type of people is availing services offered by MFS whereas the financial activities through bank is very limited to people and not easy for daily using on daily basis. The charge incurred is also very lower for the MFS services. Money transfer for P2P, payment of salary and disbursements, allowances and paying grants through MFS have been the most availed services and the transaction trend indicates that this industry can be a key to boost the growth rate of the country. As important as the industry is, there are very less studies conducted from different perspective. However, Nagad Ltd. being one of the very new companies of the countries, it has grown like no other MFS of the world and shows great possibility of contributing in this industry's development and growth. It is the second largest MFS of Bangladesh and one of the most preferred MFS companies by the people of the country. Till today there is no literature available showing quantified contribution of the company on the countries MFS Industry and in the country's growth and financial inclusion.

3.1.2 Objective

Broad Objective:

- To determine the contribution of the Mobile Financial Service (MFS) industry of Bangladesh in promoting Financial Inclusivity based on Nagad Ltd.'s contribution.

Specific Objective:

- Giving an overall idea about the internship experience at Nagad Ltd.
- To evaluate the contribution of this company in the MFS industry of Bangladesh.
- Finding out preference of people to determine the extent of the inclusivity the company has created.

The Nagad Payment Campaign set out to achieve the following objectives:

- **Promote financial inclusion:** The campaign aimed to increase access to financial services for individuals who were previously unbanked or underbanked.
- **Drive digital payment adoption:** The campaign aimed to educate and encourage individuals to adopt digital payment solutions, reducing reliance on cash-based transactions.
- **Empower rural communities:** Nagad targeted rural areas to ensure that individuals in remote locations could benefit from easy and secure financial transactions

3.1.3 Strategy & Execution

The Nagad Payment Campaign employed a multi-faceted approach to achieve its objectives:

Extensive Awareness Campaign: Nagad launched a comprehensive awareness campaign utilizing traditional and digital channels to educate the target audience about the benefits of using the Nagad platform. This included television commercials, radio broadcasts, social media campaigns, and outdoor advertisements in key locations.

Agent Network Expansion: Nagad expanded its agent network, especially in rural areas, to ensure convenient access to cash-in and cash-out services. These agents, often existing retailers or local entrepreneurs, helped facilitate transactions and provide necessary support to users.

Collaboration with Government Institutions: Nagad collaborated with various government institutions, such as the National Board of Revenue and the Bangladesh Road Transport Authority, to integrate its payment solutions into government services. This partnership facilitated the adoption of digital payments for utility bills, taxes, and other government-related transactions.

Mobile Financial Services Training: Nagad conducted extensive training programs for individuals, including users, agents, and merchants, to familiarize them with the features and benefits of the Nagad platform. These programs aimed to improve financial literacy and build trust in digital financial services.

User Incentives: The campaign introduced various incentives, such as cashback offers, discounts, and prize draws, to motivate users to transact through Nagad. These incentives not only encouraged adoption but also helped create a habit of using digital payments.

3.1.4 Results & Impact

- **Increased Adoption:** The Nagad Payment Campaign witnessed a significant increase in the adoption of digital payments, with a growing number of individuals and businesses opting for Nagad as their preferred payment platform.
- **Financial Inclusion:** The campaign contributed to greater financial inclusion by providing accessible financial services to previously unbanked individuals. Nagad's user-friendly interface and simplified account creation process made it easier for users to join the digital economy.
- **Economic Growth:** The shift towards digital payments facilitated faster, more secure transactions, reducing inefficiencies and costs. This, in turn, contributed to the growth of Bangladesh's economy, promoting business expansion and entrepreneurship.
- **Trust and Security:** Nagad emphasized robust security measures, building trust among users and addressing concerns regarding digital payments. Their focus on secure transactions and data protection helped in overcoming initial skepticism.

3.1.5 Lesson Learned

- **Collaborative Ecosystem:** Partnering with government agencies, businesses, and service providers played a crucial role in expanding Nagad's reach and establishing a comprehensive payment ecosystem.
- **User Education and Engagement:** Investing in user education and awareness campaigns is essential to drive adoption and build trust among users.
- **Incentives and Rewards:** Offering incentives and rewards can significantly influence user behavior and encourage the adoption of digital payment platforms.
- **Continuous Innovation:** Nagad's success stemmed from its commitment to continuous improvement, incorporating user feedback and introducing new features to enhance the user experience.

3.2 Methodology

A mixed approach was followed to conduct this study. Data for this study is derived from both primary source and secondary sources and both quantitative and qualitative data was used.

As I have done 3 months of internship in the company, I got to know about the operations of the company and was exposed to insider insights of the industry. Moreover, I have interviewed the senior managers of the company to know more about Nagad’s contribution in the industry and the campaign also. Apart from the data from the industry leaders, I have also conducted an interview with random 10 merchants of different backgrounds to know about people’s acceptance, perspective and preference towards the mobile financial services offered by Nagad Ltd.

For the analysis, I worked with secondary data derived from the internet. Few of the data have been taken from the Bangladesh Bank website and published news articles as most of the literature published about financial inclusivity resulted from the emergence of MFS in Bangladesh is done based on the largest MFS company of Bangladesh; bKash. In order to find out the contribution of the mobile financial service industry and to get a clearer picture of the growth of the industry and acceptance of the service, a comparison is done between similar service; mobile banking and Mobile Financial Services, showing each sectors contribution by monthly transaction, number of registered accounts, number of payments in different sectors using each service. Data and insights about the operations and business practices, marketing and recruitment practices are taken by interviewing official persons of Nagad Ltd. **To find out the contribution for every service offered by Nagad Ltd. in the MFS industry of Bangladesh, the figures are calculated using estimated percentages of contribution taken by the suggestions of the company insiders of Nagad Ltd.** as the actual data is highly confidential and cannot be disclosed at any circumstances to anyone outside the company.

3.3 Findings & Analysis

Traditional Banking activities generally include deposit taking, providing personal loans and business loans, bill payment services, money transfer from one account to another, service of check writing, saving money etc. All of these services can be availed by vising physical branches through interaction with persons in charge of any bank. Internet banking is an electronic payment system that allows customers of certain banks and financial institutions to conduct financial activities using mobile phone or using computer using the website of designated banks. To take the advantage of the internet banking service, one must have an active bank account in the scheduled commercial banks of the country. As, most of our country's people are not educated with such knowledge to avail banking services this sector could not cover most of the citizens in the financial inclusion. Moreover, the banking activities are complex and having a bank account costs a bit which may not be bearable for every lower income holder citizen. This is the main limitation of the banks of our country that the reach for their services is very limited to certain type of customers. Whereas MFS makes it very easy for people to engage in financial activities. All one needs is a NID to open an account. That too is simpler when it comes to opening an account. One can just dial *167# and enter a 4-digit pin and the account is ready to use. Customers can also use the app to open an account in only 3 steps; scam one's NID, take a selfie and put digital signature and finally set the 4-digit pin. The process is very simple and does not take any hassle. Also, there is no charge for opening and operating the account. People who do not have a bank account can still transact using their MFS wallet. The most popular services are send money, cash in, cash out, mobile recharge, bill payment, merchant pay. Despite of having own website and mobile banking facilities, many of the registered banks have their services integrated with top MFS companies for the widespread flexibility of the service.

The Nagad payment campaign was a successful initiative that helped to increase awareness of Nagad's services and encourage people to use them. The campaign was well-targeted, creative, credible, and engaging, and it used a variety of media to reach its target audience. The campaign also benefited from the backing of the Bangladesh Bank, which lent credibility to Nagad and its services.

Here are some of the key findings and analysis of the Nagad payment campaign:

- The campaign was well-targeted. It was aimed at people who were likely to be interested in using mobile financial services, such as those who were unbanked or underbanked, those who lived in rural areas, and those who were looking for a convenient and affordable way to make payments.
- The campaign was creative. It used a variety of media to reach its target audience, including television, radio, print, and social media. The campaign also used a variety of creative materials, such as jingles, videos, and infographics.
- The campaign was credible. It was backed by the Bangladesh Bank, the central bank of Bangladesh. This lent credibility to Nagad and its services, and made people more likely to trust the company.

- The campaign was engaging. It used a variety of methods to keep people interested, such as contests, giveaways, and social media engagement. This helped to create a buzz around the campaign and encourage people to learn more about Nagad

Below is the comparison of the registered users, transaction count and transaction amount of MFS and internet banking of Bangladesh. The data used to compare both services' performance is taken from the Bangladesh Bank website. The comparison is done taking the growth and changes in the amounts in the last 3 years considering August'19 as the base month.

Number of Users of IB & MFS

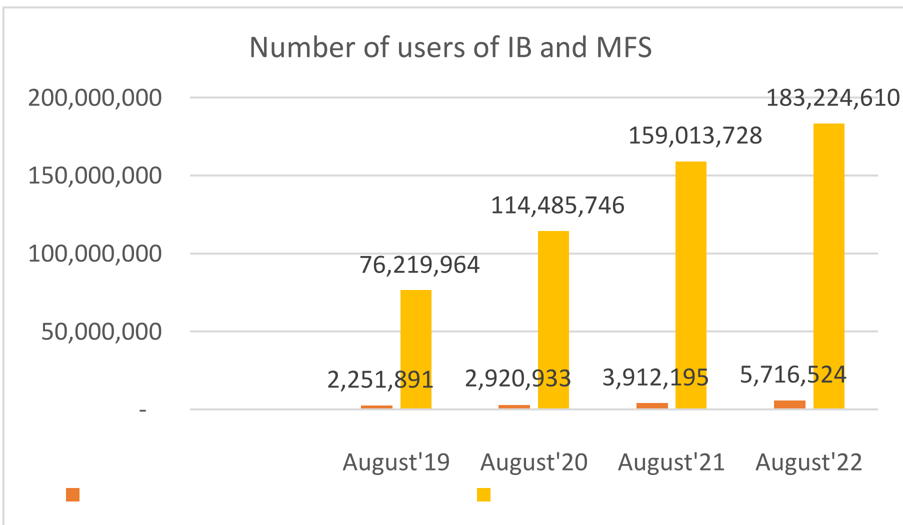


Figure 1: Number of IB & MFS Users

The above economic data of Bangladesh Internet Banking and MFS performance derived from the Bangladesh Bank website shows, as of August, 2022, there are more than 183 million registered users of MFS increasing from over 76 million in August, 2019, whereas the number of internet banking users are only almost 6 million starting from over 2 million in August, 2019. Despite of the high growth rate of the Internet banking users, the amount of the users is very less compared to the registered MFS users.

Number of Transactions of IB & MFS

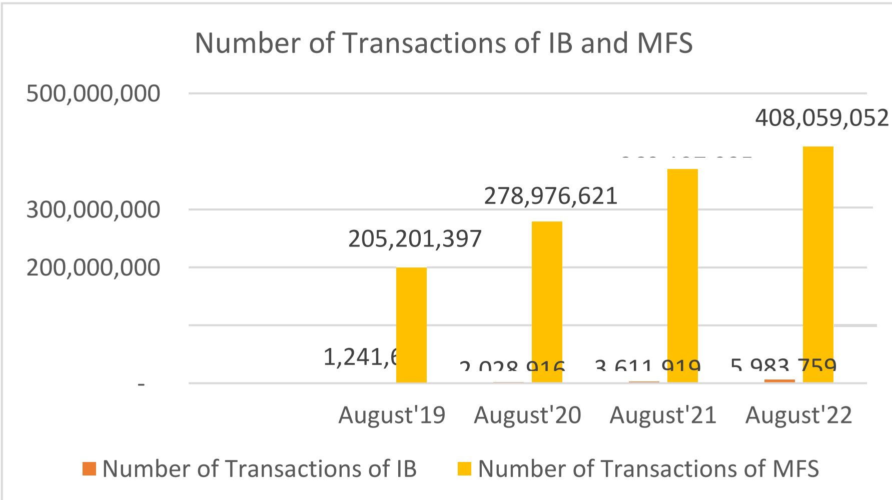


Figure 2: Number of Transactions IB & MFS

The data from Bangladesh Bank's graphic above demonstrates that the same pattern holds true for the quantity of transactions carried out by IB and MFS users. In August 2022, the gap between the IB growth rate and the MFS transaction count was over 40 million.

Amount of Transactions IB & MFS

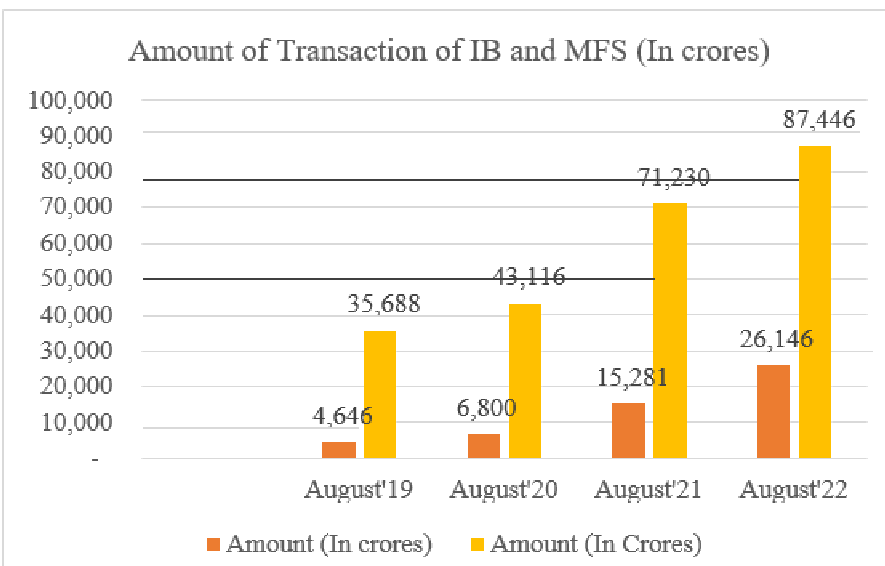


Figure 3: Amount of Transaction IB & MFS

According to information obtained from the Bangladesh Bank website, the transaction amount for August 2022 for MFS was above 87,446 crore BDT, compared to 26,146 crore BDT for online banking. Users of internet banking will find the growth rate of 463% impressive, although the overall picture favors the MFS. The Covid-19 epidemic, which forced all banking service customers to convert to online banking, is one of the factors contributing to the faster growth rate for internet banking. Being a relatively young industry, MFS's contribution to Bangladesh's economy has revealed a new potential sector for growth and a step toward the country becoming a cashless society.This data demonstrates clearly that MFS is a more popular and practical method for consumers to transact on a daily basis.

Merchant & E-Commerce Payment

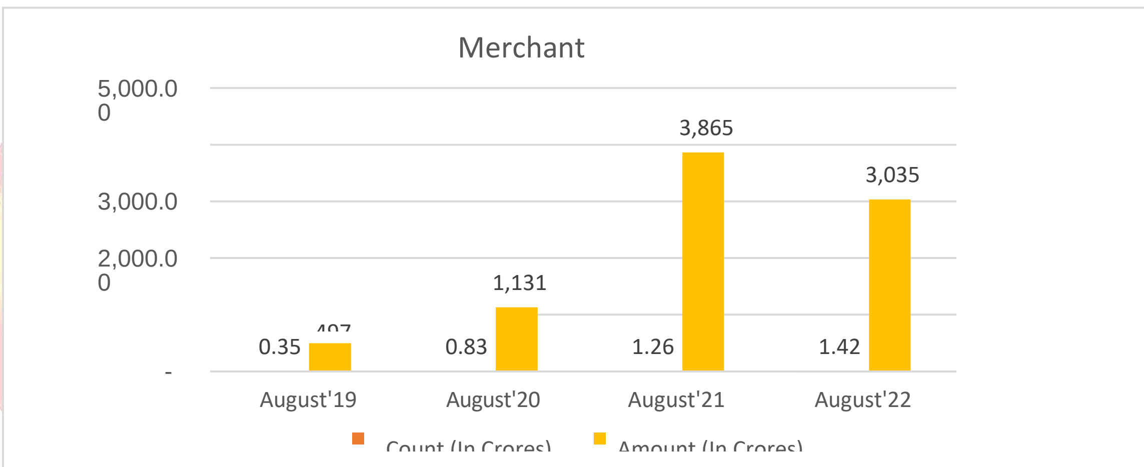


Figure 4: Merchant & E-Commerce Payment

People have been quite adaptable to the MFS providers for merchant payments and E-commerce transactions, especially on occasions when the transaction volume increases. A record-breaking MFS transaction reached 93,0033 Crore BDT13 during the most recent Eid al-Fitr, with merchant contributions totaling more than 2,500 Crore BDT10. According to the most recent information obtained from the Bangladesh Bank website and shown below, the MFS transaction for merchant payments exceeded 3,000 crore BDT.

Nagad Contribution in MFS Industry

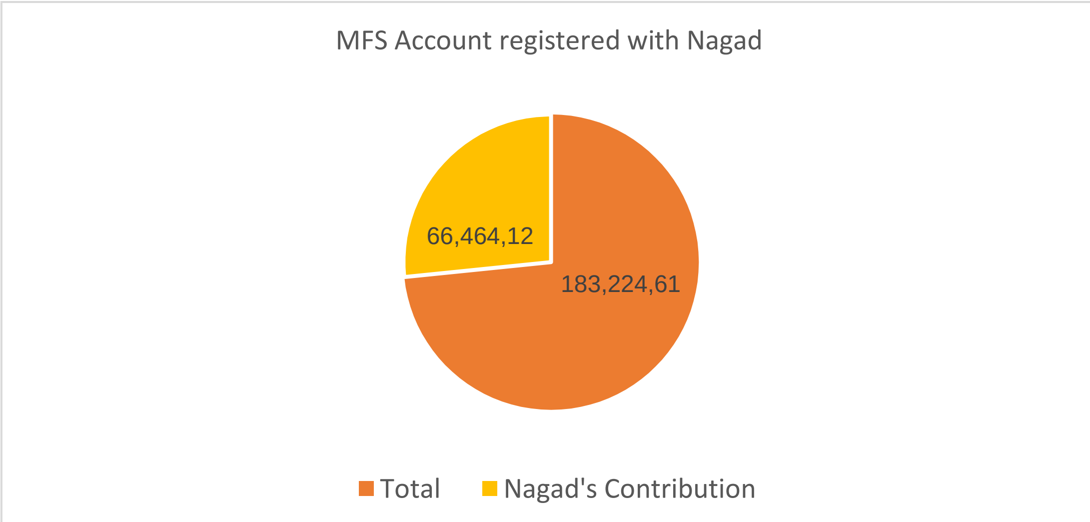


Figure 5: Nagad MFS Account Holder Against Total MFS Account Holder

According to upper business officials, 36% of the total MFS accounts that are registered as of August 2022, as reported by Bangladesh Bank, are registered with Nagad Ltd. In just three years of operation, Nagad has amassed more than 60 million subscribers, making it the MFS provider with the quickest growth.

3.3.1 Nagad Contribution in Merchant Payment

Out of the total Merchant Payment, MFS transaction of August 2022 stood up to 3,035 crore BDT depicted by Bangladesh Bank. Nagad has contributed for approximately 8% of the transactions amounting up to 234 Crores BDT, according to the company officials of Nagad Ltd.

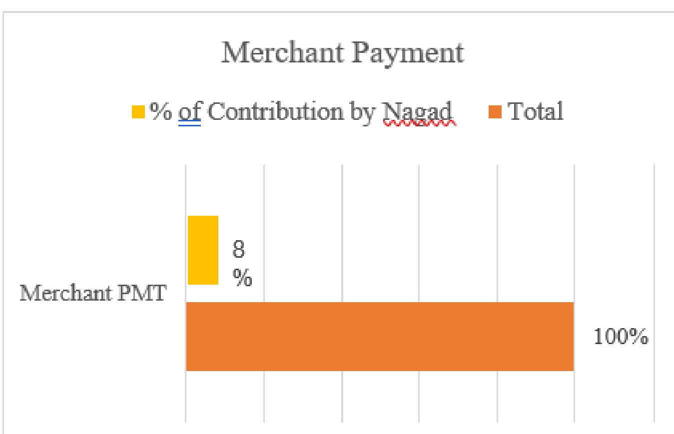


Figure 6: Merchant Payment Transactions AMT by Nagad Ltd. Against the total of the MFS Industry

3.5 Summary & Conclusion

Despite Nagad Limited has a market share of approximately 20% of the industry, it is clear from the study and conclusions above that the company still has a long way to go. The organization still has a significant number of potential clients to bring under the service they are currently offering, which is clearly indicating promise for future, faster growth. When compared to a service like mobile banking, which accounts for less than 20% of all transactions in our nation, the MFS industry's rapid growth is particularly evident. The amount of different services offered by the MFS providers like transfer money or P2P, cash in, cash out, utility bill payment, merchant payment, talktime purchase etc. have been increasing at a record worthy rate.

While Merchant Payment using MFS is on the rise while the campaign is running but the other service should be more promoted. Nagad has greater opportunity. Having the resources that Nagad currently has, if utilized the company can reach milestones.

3.6 Recommendation

Introducing ATM Cash out Service

Nagad can absolutely leverage this service to retain more consumers because it has the lowest pay out fee in the industry. At the moment, Upay offers the lowest cash out fee for cashing out from an ATM booth, whereas bKash and other industry competitors like Nagad Ltd. do offer the cash pout service using ATM booths. Nagad Ltd. should investigate the situation and implement this service in order to grow its clientele and encourage more business in the MFS sector.

Introducing Customer Service using Chatbot or by texting

The sole form of customer care offered by Nagad is by phone call, which can be very troublesome for any consumer to use in this hectic time. Always seeking the simplest solution, people. When clients experience problems, it will be simple to contact them if a chatbot is provided. A similar choice is a platform for direct messaging with customer service representatives.

Introducing Nagad UPI System

Unified Payments Interface (UPI) is a real-time payment system developed by the National Payments Corporation of India (NPCI). It is a popular payment infrastructure in India that facilitates instant fund transfers between bank accounts through mobile devices. UPI enables users to link multiple bank accounts to a single mobile application and make seamless peer-to-peer (P2P) and peer-to-merchant (P2M) transactions. We see in India Paytm has UPI system. So anyone can payment through UPI in using any QR. Its an very useful things and in our country if nagad launch this system it will definitely go for cashless transaction.

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- Some details are take from Nagad Website: https://nagad.com.bd/
- Few Details are taken from Internal Souces.

Appendix A

The below tables are developed by the author, presenting the comparison of growth and contribution of IB and MFS data taken from BB website.

Period	No. of Internet Banking Customers	Internet Banking Transaction	
		Number of Transactions	Amount (Tk. in Crore)
August'22	5,716,524	5,983,759	26,146
August'21	3,912,195	3,611,919	15,281
August'20	2,920,933	2,028,916	6,800
August'19	2,251,891	1,241,670	4,646

Period	No. of registered account of MFS	All Transaction (MFS)	
		Number of Transactions	Amount
August'22	183,224,610	408,059,052	87,446
August'21	159,013,728	369,127,935	71,230
August'20	114,485,746	278,976,621	43,116
August'19	76,219,964	205,201,397	35,688

Period	Merchant Payment	
	No.	Amount
August'19	3,532,221	497
August'20	8,265,183	1,131
August'21	12,572,129	3,865

Appendix B

Some Picture of Nagad Payment Campaign