Shahjalal University of Science and Technology

Sylhet-3114.

A Research Proposal on

"MFS in Bangladesh; Measuring Customers Attitude & Opportunities on Perspective of its Rapid Growth"

Course Name: IT Support for Office Management

Submitted to

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4th year, 2nd semester

Department of Business Administration

Session-2019-20

Submission Date: 28th January 2024

Contents

INTRODUCTION

PRELUDE

In the present world of rapid innovation, mobile finance services (MFS) have entered a new era of growth and innovation. Due to their unique characteristics such as mobility, availability, and personalization, mobile phones have rapidly seeped into the market of not only developed countries but also tangentially in most developing countries by overcoming geographical and socio-economic barriers. Since its beginning, the MFS sector's optimistic expansion has been aided in Bangladesh by a tech-savvy community, mobile connectivity, and internet ingress (Chakroborti, 2018). Mobile financial services are getting increasingly popular, as customers prefer convenience, secure and control over their usage of financial services (Thakur, 2014). This enables not only customers but also other financial services a degree of convenience and control over their ancillary financials (Kumar, 2017). However, most MFS are still years away from having optimum infrastructure and maintenance (Evans, 2014). This recent rise in its relevancy has propelled MFS into the forefront of research and examinations in the financial world. In the context of Bangladesh, not only has this rise given a boost to economic inclusion in the country at large but has also been a great tool in financial inclusion in the neglected rural areas of the country. Services like bKash, Nagad and the development of m-banking of most established banks has led to nearly 20 million people in gaining access to on-spot financial services. The financial services provided through mobile phone are known as Mobile Financial Services, which is completely different from the traditional concept of SMS Banking because of it, has used a very new procedure to conduct various services (Ali, 2010). Bangladesh Bank has presented approval for Mobile Financial Services on July 2011 to promote market development.

STATEMENT OF THE PROBLEM

While MFS is not a new term in the world of online finances, it's recent revaluation has created a huge wave of research and examinations around it. Even with a limited scope almost all aspects of MFS have been the subject of scholarly interest, including the service quality of m-banking in Bangladesh (Khan, 2018). However, despite nearly 80% of the mobile finance services in Bangladesh being cornered by financial services like bKash, Nagad and Rocket, due to their convenience, (S. Yesmin, 2018) research regarding their service quality and customer satisfaction is still to be conducted in any significant degree. The few studies that do exist choose to focus on a more compact range of only a single mobile financial service (Mannan, 2017). This has resulted in a research gap of the MFS field as only the larger services get serviceable examination of their services but the overall picture of their current situation does not exist in any empirical sense and only get by on word of mouth of their effectiveness.

OBJECTIVE

Mobile Financial Services (MFS) in Bangladesh have been growing rapidly in recent years, and the country has emerged as a global leader in this field. To analyze the current state of MFS adoption in Bangladesh and the attitudes of customers towards MFS. The main objective of the study is to explore the Mobile Financial Services (MFS) in Bangladesh by measuring customer's attitude and opportunities perspective of rapid growth.

LITERATURE REVIEW

Being the unique blend of both technology and finance, MFS has drawn its appeal from its synthesis to tackle the problems and challenges of regular financial activities. Schmidt states that this generalized approach has allowed MFS to revolutionize not just regular finances but the sectors of the global economy as well (Schmidt et al., 2018). According to Iwasaki, this has yielded massive affects in solving the financial health of these countries and has even contributed to raising the solvency of the individual (Iwasaki, 2018). In addition, Morgan found that the development of financial inclusion in both the ASEAN and the Indian subcontinental countries has emboldened MFS as the future of financial development in these countries (Morgan, 2022). While MFS is only tangentially significant in developed countries, yielding only marginal gains in finances, its unique structure has turned into a blessing for many developed countries, including Bangladesh (Iwasaki, 2018). MFS has also been recognized as a reliable method of propagating financial inclusion (Sihvonen, 2006). As it enables them to turn their already robust mobile finance industry into a national industry, thereby boosting financial inclusion and stability (Arner et al., 2015). Due to their tendency to target both SME's and middle-income countries, MFS is surpassing traditional banking in terms of financial customers. As a result, Lee & Shin's research resulted in that they (traditional banks) have been reexamining their business models in order to keep their established advantage (Lee & Shin, 2018). As a result, Kuddus, Saha & Rahman found that even the government often endorses MFS companies in their quest to bring financial inclusion to rural areas in Bangladesh (Kuddus, Saha & Rahman, 2020). Moreover, financial inclusion has always been the major driving goal of the established MFS sector in Bangladesh, which results in (as per Scott-Briggs) most companies going out of their way in to aid in the digital growth and financial stability of the country at large (Scott-Briggs, 2020). According to Rahman, Ahmed & Shakil, MFS has one of the highest growth rates among all E-commerce sectors of Bangladesh but the established business models and constant data storages problems have been their biggest hurdles. Moreover, the capital cost (both human and financial) of these relatively small companies are its biggest challenges. (Rahman et al., 2021). Hassan, Sobhani, Nasir, Mahmud & Zahra used a EVF and UTAUT to calculate the Bangladeshi consumers' trust of MFS systems and found an almost positive correlation with usage and trust. One of the biggest reasons for this trust is a lack of understanding of the risks associated with using mobile MFS applications. This results in the user more concerned with the perks of MFS than its cons (Hassan et al., 2022).

RESEARCH GAP

There's limited research on how various **socio-economic factors** (e.g., income levels, education, rural-urban divide) influence the adoption and use of MFS.

RESEARCH METHODOLOGY

RESEARCH DESIGN

In order to measure customer attitudes towards MFS and explore the areas of opportunity in Bangladesh customer perception would be numerically evaluated. Exploratory research aiming at collecting numerical data through creak surveys. Such design enables systematic collection and analyses of data as a way of creating a conducive environment when developing insights about customers' perceptions and or behaviors about MFS.

SAMPLING STRATEGY

Stratified random sampling will be used to ensure representation across different demographic segments such as age, gender, income levels, and geographic locations (urban and rural areas). Divide the population into sections based on key demographic variables. Randomly select respondents from each section to ensure diversity and representativeness.

DATA COLLECTION

To collect relevant and existing data on MFS usage, customer attitudes, and market trends in Bangladesh secondary data sources:

1. **Government Reports:** Data from Bangladesh Bank, Ministry of Finance, and other regulatory bodies.
2. **Industry Reports:** Publications from financial institutions, MFS providers (like bKash, Nagad, and Rocket), and market research firms.
3. **Academic Journals:** Peer-reviewed articles and research papers on MFS, financial inclusion, and customer behavior.
4. **Online Databases:** Data from reliable online sources such as World Bank, International Monetary Fund (IMF), and reputable financial news websites.
5. **Previous Seminar Paper:**

DATA ANALYSIS

The quantitative data will be analyzed using statistical tools such as SPSS or MS Excel. The analysis will include:

- **Descriptive Statistics:** To summarize and describe the main features of the data, including measures of central tendency (mean, median, mode) and measures of dispersion (standard deviation, variance).

- **Correlation Analyses:** To examine the relationships between various demographic factors (e.g., age, gender, income level) and customer attitudes towards MFS. This will help identify significant correlations and potential patterns in the data.

- **Regression Analyses:** To identify and quantify the relationships between independent variables (e.g., ease of use, trust, security concerns) and the dependent variable (customer satisfaction with MFS). This will help determine the factors that significantly influence customer satisfaction.

- **Other Factor Analysis:** To identify underlying factors influencing customer attitudes towards MFS.

ETHICAL CONSIDERATION

- **Data Credibility:** Ensure that the secondary data sources are credible, reliable, and appropriately cited to maintain the integrity of the research.

- **Proper Citation:** All secondary data used in the research will be properly cited to acknowledge the original sources.

EXPECTED OUTCOMES

1. **Customer Attitudes:** Provide a detailed analysis of customer attitudes towards MFS in Bangladesh, highlighting factors like ease of use, trust, and security concerns.
2. **Key Drivers and Barriers:** Identify the main factors encouraging or hindering the adoption of MFS, helping providers understand areas needing improvement.
3. **Adoption Trends:** Reveal which MFS services are most popular and why, along with transaction patterns and integration into daily financial activities.
4. **Growth Opportunities:** Identify potential areas for MFS expansion, especially in underserved regions, and suggest strategies to enhance services.
5. **Knowledge Contribution:** Fill existing research gaps with a comprehensive overview of the MFS landscape, offering practical recommendations for stakeholders.
6. **Financial Inclusion:** Provide insights to help formulate strategies for enhancing financial inclusion, meeting the needs of unbanked and underbanked populations.

These expected outcomes will offer a robust understanding of MFS in Bangladesh and cover the way for improvements and innovations in the sector.

LIMITATIONS

Data Availability: The study is dependent on the availability and quality of secondary data.

Relevance: Secondary data may not be specifically tailored to the current research questions, requiring careful selection and analysis to ensure relevance.

Generalizability: Findings from secondary data may be influenced by the context in which the data was originally collected and may not fully capture current trends.

WORKS PLAN

No	Activities	Description	Duration in Months
1.	Preparation for the study and draft inception report	Research topics selection, Literature selection, consult with academicians, researchers, primary discuss selected social media live steaming company, define research questions/objectives.	1.5
2.	Methodology and questionnaire Development	Developing survey questionnaire, work plan, pre-testing and finalizing the questionnaire and finalize research methodology.	1
3.	Data collection	Conducting the survey to collect required data; continuous visit and supervision of data collection.	1.5
4.	Data processing and data entry	Data entry, Editing, coding and filtering.	.5
5.	Data analysis and report	Analysis of the collected data, quantitative estimation, analysis of result, preparation of a draft report	.5
6.	Changes/revision of the draft report	A draft report will be prepared on the basis of the analysis and writing final draft of research paper	1
7.	Finalizing report and preparing scientific paper(s) for publication	Submission of final research paper	.5

BUDGET ALLOCATION

Budget Allocation (in BDT) for Research Study on MFS in Bangladesh-

No.	Expenditure Heads	Total
1.	Personal Cost	8,000
2.	Data collection (costs for accessing secondary data sources (e.g., government reports, industry publications)	20,000
3.	Data Analysis Software (licensing fees for statistical software (e.g., SPSS, R)	15,000
4.	Miscellaneous (expenses Travel, communication, and other unforeseen expenses)	5,000
	Total Budget	48,000

SIGNIFICANCE AND IMPLICATIONS

Significance:

1. **Enhances Understanding:** This research will provide valuable insights into customer attitudes towards Mobile Financial Services (MFS) in Bangladesh, filling existing knowledge gaps.
2. **Informs Stakeholders:** Findings will benefit MFS providers, policymakers, and financial institutions by highlighting key factors influencing customer satisfaction and adoption.

Implications:

1. **Policy Development:** The results can guide policymakers in creating supportive regulations to enhance the growth of MFS.
2. **Service Improvement:** MFS providers can use the insights to improve service quality, address customer concerns, and develop targeted strategies to expand their user base.
3. **Financial Inclusion:** By understanding the barriers and drivers of MFS adoption, strategies can be formulated to enhance financial inclusion, particularly among the unbanked and underbanked populations.

CONCLUSION

Using secondary data allows for a comprehensive analysis of customer attitudes towards Mobile Financial Services (MFS) in Bangladesh and the identification of growth opportunities. This approach leverages existing data to provide valuable insights without the need for primary data collection, making it a cost-effective and efficient method of research.

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