

**PRACTICES OF BLUE OCEAN STRATEGY
IN MOBILE FINANCIAL SECTOR OF
BANGLADESH -A STUDY OF bKASH**



**PRACTICES OF BLUE OCEAN STRATEGY IN MOBILE
FINANCIAL SECTOR OF BANGLADESH – A STUDY OF
bKASH**

Thesis submitted in fulfillment of the requirement for the Degree

of

DOCTOR OF BUSINESS ADMINISTRATION (DBA)

by

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Dept. of Doctor Business Administration

Batch- 1st

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DEDICATION

**THIS NOBLE WORK IS DEDICATED TO
MY PARENTS,
MY BELOVED WIFE AND MY TWO SONS**

DECLARATION

I hereby declare that the work which is being presented in the dissertation **“Practices of Blue Ocean strategy in mobile financial sector of Bangladesh – A study of bKash”** is an authentic record of my own work. I also declare that the matter contained in this thesis has not been submitted for the award of any other degree or diploma at any other university or institution.

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CERTIFICATE OF THE SUPERVISOR

This is to certify that the thesis **“Practices of Blue Ocean strategy in mobile financial sector of Bangladesh – A study of bKash”** submitted by Mohammed Shakhawat Hossain to University of Dhaka, is a record of original research work carried out by him under my supervision in the department of Doctor of Business Administration (DBA), University of Dhaka. Mohammed Shakhawat Hossain has sincerely done his duty for preparing his thesis and the thesis is, in my opinion, worthy of consideration for the award of degree of Doctor of Business Administration in accordance with the rules and regulations of this University. I believe that this research work is really a unique one and has not been submitted elsewhere for the award of any degree.

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ABBREVIATION

AVE - AVERAGE VARIANCE EXTRACTED
BG - BUSINESS GROWTH
BOS - BLUE OCEAN STRATEGY
BTRC - BANGLADESH TELECOMMUNICATION REGULATORY COMMISSION
CA - CRONBACH'S ALPHA
CID - CRIMINAL INVESTIGATION DEPARTMENT
CO - COMPLEMENTARY OFFERINGS
EOW - EMPOWERMENT OF WOMEN
EPT - EFFECTIVE PROMOTION TECHNIQUES
FCB - FINANCIAL SECTOR OF BANGLADESH
FE- FINANCIAL EXCLUSION
FGD- FOCUS GROUP DISCUSSION
FI - FINANCIAL INCLUSION
GDP – GROSS DOMESTIC PRODUCT
GSMA- GLOBAL SYSTEM MOBILE ASSOCIATION
ICT - INFORMATION AND COMMUNICATIONS TECHNOLOGY
IFC – INTERNATIONAL FINANCE CORPORATION
IMT - INFORMAL MONETARY TRANSACTIONS
IRI - INFORMATION REGARDING ISSUES
ITU - INTERNATIONAL TELECOMMUNICATION UNION
LVC - LATENT VARIABLE CORRELATIONS
MBO - MOBILE BANKING OPERATION
MBS - MOBILE BANKING SECTOR
MFIS - MICRO-FINANCE INSTITUTIONS
MFS - MOBILE FINANCIAL SERVICES
NAG - NETWORKS AND AGENTS
NBFIS - NONBANK FINANCIAL INSTITUTIONS
NMS- NEW MARKET SPACE
ONI - OFFERING NEW IDEAS
PDA - PERSONAL DIGITAL ASSISTANT

PESTLE - POLITICAL, ENVIRONMENTAL, SOCIAL, TECHNOLOGICAL, LEGAL AND ETHICAL
PLS - PARTIAL LEAST SQUARES
PTP - PROMOTION TECHNIQUES AND PROCEDURES
ROS- RED OCEAN STRATEGY
SD - SUSTAINABLE DEVELOPMENT
SPSS - STATISTICAL PACKAGE FOR THE SOCIAL SCIENCES
SR - SALES REPRESENTATIVES
SWOT - STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS
UMS - UNCONTESTED MARKET STRUCTURE.
VI - VALUE INNOVATION
VIP - VARIANCE INFLATION FACTOR
WAP – WARLESS APPLICATION PROTOCOL

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ABSTRACT

In the history of the business world, the practice of rivalry was observed by the organizations to enjoy competitive advantages. In the same way companies, today are simultaneously managing products and services as well as are creating relationships with a targeted audience to enjoy these competitive advantages. The acute situation is similar either it is developed or subsistence economy, everywhere hundreds of thousands of brands with almost the same features and qualities continuously are fighting against each other within the cramped market for capturing their best position. Relief from this severe competitive situation organizations have been searching for the best possible alternatives.

Blue Ocean strategy, on the contrary, is beyond this concept of competition rather the practice of this strategy is to stop competition with competitors, wins the competition and make it irrelevant by adding value innovation to the products or services or in both. Blue Ocean strategy helps an organization or person to bypass competition by creating a radical or disruptive innovation. This strategy shows how an organization identifies the pain points of the customers in an industry and then attracts the tier and non-tier customers by eradicating these pain points and creates a strategic canvas where others can't reach immediately or cannot copy the executed plan. Four action framework with the support of utility map is such a model that helps a person or organization to create a new value curve that ultimately recognize as Blue Ocean.

The market of Bangladesh is not beyond this traditional competitive phenomenon where cut-throat competition is going on and the result is a bloody ocean where sales, growth, market area, percentage of profit, everything shrinkages due to the confined boundary of the respective market. However the mobile financial services sector in Bangladesh has been showing revolutionary performance in the financial market by engaging unbanked and underprivileged poor, unbanked in the rural areas and gradually it has been capturing the customers of both urban and rural areas of Bangladesh.

Bank-led MFS activities launched in 2011 by some commercial Banks like Rocket, by Dutch Bangla Bank, bKash by Brac Bank Limited, mCash by Islami Bank Limited, Ucash by UCB, Sure Cash by Progati Systems Limited and so on. Among the half a dozen MFS operators bKash is being recognized as the giant market leader who has occupied more than 80% market share and thus has shown a remarkable performance that very much resembles with Blue Ocean Strategy. Within five to six years of its operations, the sales volume, growth, profit margin, marketing strategy, more than 50 million customers, more than 0.5 million agents, operational phenomena and continuous new path of investment are the strong elements that closely match with phenomena of Blue Ocean strategy.

From this study it has found that the strategies of bKash very much adapted with the principles of Blue Ocean strategy and these "Reconstruction of market boundaries, Reach beyond the existing demand and Overcome key organizational hurdle."

Being an organization of third world country how bKash has achieved this performance, what variables were playing the role and why other MFS operators couldn't reach in a very competitive position was really a pertinent issue of the research. Here the exploratory research design was followed primarily as the qualitative part and then it turned to the descriptive design by incorporating quantitative approach. To reach the stated objectives of the study, to know the substantiality of bKash and to know the internal and external environmental position of this organization, SWOT, PESTEL and Porter five forces also have discussed briefly. The tool used for quantitative data analysis was SPSS. PLS model also used for evaluating the four action framework that determines how bKash could follow the features of Blue Ocean strategy in the MFS market of Bangladesh.

From the analysis of primary and secondary data it has found that initially 95% MFS activities confined with just Cash In and Cash Out transactions and gradually phase by phase new services were incorporated as per the demand. bKash from the very beginning targeted the unbanked and underprivileged people of rural areas and accordingly decorated all the operational and promotional strategies and conquered the heart of the rural people by providing very easy, informal, convenient, secured, ultra-modern technology, low-cost, all-time service facilities. bKash also got the first-mover and fast-mover advantage though Rocket introduced this service three months before than bKash. However due to some strategic lacking Rocket as well as other three-four MFS operators could not reach their targeted goal though initially they rightly targeted their market segment. Thus an unparallel competition bKash has created with other MFS operators by ensuring low-cost value-added service facilities and this strategy also resembles Porter's hybrid generic strategy.

Key words- Blue Ocean, bKash, Mobile financial service, MFS

PRACTICES OF BLUE OCEAN STRATEGY IN MOBILE FINANCIAL SECTOR OF BANGLADESH- A STUDY OF bKash

1.0 INTRODUCTION

1.1 Background

The world of Business is extensively familiar with the word competition. Everywhere it is the buzzword of discussion how companies compete with the leader, defeat the peers; attract the customers of niches in the market. Decade after decade competitive strategies has been being practiced, viewed and evaluated by the organizations to enjoy the competitive advantages. As Kotler (2008) states organizations do just not manage the product rather they create a profitable relationship with customers to gain a competitive position in the market and their orientation of marketing strategy is to win the fierce ongoing competition. In the language of Reimann and Jacquelyn (2010), the nature of competition is as a fight from behind. Players want to play the game from the back foot. The uniqueness they mostly show is in the marketing approach. In this nature of competition, products offering is mostly the same but different promotional tools and techniques are seen adopted by the firms.

Over the passage of time and changing market environment, the concept of competition has been changing. With the blessing of technological advancement, innovative idea and value addition sometimes products or services become unparalleled in the market. The organizations which have the power of innovation break the existing boundary of the market or create such an innovative product, services or idea that they become substantially different from others in the context of profit margin, growth, and turnover. Such an untapped market space with high-profit potentiality and growth is considered as Blue Ocean. The term 'Blue Ocean' is defined by Kim and Mouborgne (2006) as the wider market space that is vast, deep and not yet explored. The competition does not work here as the rules of the market yet to be set. In contrast, another ocean of the market universe is the Red Ocean which is full of blood due to the extreme cutthroat competition among the rivals of the market with almost the same products, values and in confined areas.

According to the guidelines in terms of article 7A (e) of Bangladesh Bank Order 1972, the market of mobile financial services (MFS) started in 2011. 28 (Twenty-eight) organizations specially scheduled banks, applied for having permission from Bangladesh bank to serve the unbanked, banked and underprivileged people of the country and finally 16 banks got

permission (Ashraful Islam, 17 December 2016). Among them, not more than half a dozen organizations have more or less been running and competing with each other. However, the evolving of bKash in the MFS market was something different. A newspaper article published in Bengali daily newspaper Prothom Alo by Ashraful Islam (December 17, 2016) states that in 2015 the market share of bKash was 82% solely where the DBBL market share was only 18%. The other two competitors MCash and Ucash occupied less than 1%. Naturally, bKash has been playing the strongest role in the MFS market of Bangladesh. In that article, it was also shown that the MFS activities are confined in Cash Out and Cash In and the rate is 96% where the part of bKash is 89%-91%. So, it seems that bKash has created a Blue Ocean in the mobile banking sector of Bangladesh. Through a couple of services with the support of more than half a million agents, bKash included the poor, unbanked, underprivileged and the people of the rural and remote rural areas with the mainstream of the economy. Another article on mobile banking published in the daily star by Muhammad Zahidul Islam (January 23, 2016) states that in 2016, BDT 300 crore disbursed as salary, BDT 200 Crore paid as different bills and the daily average transaction reached BDT 4.6 billion through the process of mobile banking by utilizing 7.1 lac agents for 4.1 crore account holders. So, it is an indicating point that people are now showing the tendency to complete almost all sorts of transactional needs like money transfer, mobile recharge, salary disbursement, purchase of goods and services, savings, remittance, and many more financial facilities. A huge untapped market opportunity is still knocking the door. It's a magical revolution that has enhanced the productivity of the marginal people, their income, savings and also consumption capability that lead the better living standard of the people of the country making life easy and dynamic. The creative marketer is now searching for the new market space to stop the traditional phenomena of competition.

1.2 Issues

The terms Blue Ocean and Red Ocean are anonymous of each other in the space of competitive Business where Blue Ocean indicates a market space where competition is considered to be irrelevant and Red Ocean reflects a market space where huge number of competitors are available and their tendency is to defeat others to occupy the position in the market (Kim & Mauborgne, 2004). This acute competition makes the ocean bloody. Red Ocean actually reflects the scenario of war among the rivals who always try their level best to capture the market by any means (Kim & Mauborgne, 2004).

The history of Blue Ocean concept is not new rather it has been practicing in unstructured form by the organizations for hundred years in the shape of differentiation and innovation in their products and services to grab the targeted audiences. During this decade, the practice of Blue Ocean is one of the contemporary issues in the competitive business world as today people are not enough concerned about brand image rather they are usually more concerned about how much values with innovative features marketers or producers add with their products or services with affordable cost. Blue Ocean is such a concept that ensures the highest level of value innovation with minimum cost so that a product/ service can be adopted by a large number of masses. In developed countries, many research activities have already been done regarding the pros and cons and on the practice of Blue Ocean. However, the research on this topic is hardly found in developing and underdeveloping countries like Bangladesh.

Conversely, mobile banking practices have introduced in Bangladesh within a couple of years. By this time it has created a revolution in the financial sector of Bangladesh by engaging 32 million unbanked and underprivileged mostly living rural areas with mobile financial services (Kabir, 2017). A new pace of life has been created in the unbanked and underprivileged masses who were decade after decade hardly welcomed by any bank or financial institutions. Thousands of millions of informal monetary transactions now have been including with the mainstream of the economy and thus enhance the velocity of money, source of the revenue of the government and of private organizations, employment opportunity, living standard of the rural people, empowerment of women and so on. So, it's a very pertinent issue of study.

bKash Limited, a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA. It has created a semblance of Blue Ocean in the mobile banking sector of Bangladesh by occupying more than 85% of the market share (Source: Bangladesh Bank). A dramatic change has been made in the culture of the rural society where people are very comfortable transacting their financial activities related to personal, social and even any charity activities with the support of bKash and other MFS operators. bKash among them has a special focus to serve the low income, unbanked and underprivileged masses of the country to achieve broader financial inclusion by providing fast, convenient, affordable, informal, instant and reliable services. In view of the above study on bKash and its creation of such a flourishing position is very much resemble with the strategy of Blue Ocean in the mobile financial sector of Bangladesh can be considered as an important topic for research.

1.3 Objectives

1.3.1 Broad Objective

The broad objective of the study is to analyze the practices of Blue Ocean strategy in the area of mobile financial services in Bangladesh.

1.3.2 Specific Objectives

The specific objectives are the representative parts of the broad objective comprises of:

1. To analyze the concept and practices of Blue Ocean Strategies.
2. To study the evolution and market competitiveness of mobile financial service operators in Bangladesh.
3. To identify the strategies of Mobile financial service operators in Bangladesh.
4. To determine the components for creating Blue Ocean strategy in the mobile financial sector.
5. To evaluate whether the strategy of bKash was conducive to the creation of Blue Ocean in the mobile financial sector in Bangladesh.

1.4 Research Questions

The key research questions of the study are:

What is Blue Ocean?

What are the criteria for creating a Blue Ocean strategy in the mobile financial sector of Bangladesh?

How far bKash has created Blue Ocean?

How mobile financial services (MFS) market emerged in Bangladesh?

What are the strategies followed by the mobile financial service operators in Bangladesh?

1.5 Rationale

Mobile financial service is a very attractive, time befitting concept that already created a revolution by extensively engaging the unbanked, underprivileged, vulnerable poor people in the rural areas as well as the existing banked population. According to Rahman. A (2013), the former Governor of Bangladesh Bank, all over the country about 37.5 million people have been enjoying the mobile financial services led by bKash, the subsidized organization of Brac Bank

Limited. More than BDT 2346.91 million financial inclusion in a year (Bangladesh Bank, 2016) with the formal economy indicates a very positive trend that has been created to boost up the financial stability of the country. Within half of the decade, the mobile financial services industry created a revolutionary development where bKash by Brac Bank, Rocket by Dutch Bangla Bank, Sure Cash, mCash and some other players have been continuously playing a very strong role. Among the mentioned players bKash has occupied the lion share of the market. According to IFC (2013) Out of the total population, the percentage of rural people of Bangladesh is 72% and the rate of unbanked is 64% who is a very lucrative market segment for banking services. The key purpose of bKash was to provide financial services through mobile phones to both the unbanked and unwelcomed masses across the country. The performance of bKash has turned to the fact that they might have created the Blue Ocean opportunity in the financial sector of Bangladesh.

This new and applied model followed by bKash would be (partly or fully) helpful for the other MFS players who like to create a differential space in the market where competition would be bypassed. It can also be a very inspiring example for the other related organizations that are applying their best effort to escape from a severe competitive environment and simultaneously desire to enjoy substantial growth. Some influential variables of this study would be helpful for the peer organizations and also for the banks and e-commerce organizations who are also dealing with mass level people almost in the same manner. Moreover, tomorrow people may not go to a bank or in a financial organization, rather the clients will solve their financial, non-financial or business problems by applying artificial intelligence (AI) with the support of mobile or mobile instruments. Massive banking activities can be substantially done by adding or reducing some variables of the model followed by bKash. Therefore, the study will contribute to strategic planning in designing Blue Ocean strategy in the financial sector.

Initially, mobile banking was confined with only Cash In and Cash Out dealings. Total transactions were oriented with these two transactions. However today it is huge in number from sending and receiving money to purchase rail ticket, air ticket, merchant payment, salary disbursement, and remittance, pension payment, electricity, gas bill all are confirmed by mobile banking. Today transaction limit, volume, everything has been being increased due to the demand of the market. So, the coming days of banking would be the shape of mobile banking. This study also will inspire customers to find MFS as a strong alternative of debit card, credit card, and even for hard cash as bKash and other MFS organizations have been providing very

extended services in a simple and convenient way. This knowledge also can be followed by the Government to make a country like Blue Ocean.

The findings of this study also might support other financial institutions to take the strategic advantages of how financial inclusion or mobile banking can create a new path of growth and expansion. Moreover, the mobile phone operators might get a very good notion of investment with the support of mobile financial service providers. Government agencies like, Bangladesh Bank, finance ministry and BTRC would enjoy the benefits in regards to preparing the policies, rules, and regulations that will serve the stakeholders, especially the masses of the country. The term “Blue Ocean” is a very contemporary and new concept to most of the people in the society of developing countries like Bangladesh. Mobile Banking in the financial sector of Bangladesh has been made the same craze as Blue Ocean. However, very little research has been conducted in this area. So, the academic practitioners will get very good support from this study for the further development of new opportunities and new courses of action.

1.6 Scopes and limitations

The focal point of the study was to define the position of bKash as the most potential player in the mobile financial sector in the country, having the highest option for exploring, growth, and expanding currently and in the future. The microeconomic research will also focus on understanding Blue Ocean, its way of creation and how it can be identified for the organizations of Bangladesh. It is also important to understand that there are new opportunities which keep coming up and they can help open up new doors of Blue Ocean and growth prospect of organizations. The area of the primary sources of data collection confined to Dhaka, Chottagram, Comilla, Gajipur and Vola. These areas were considered as the representatives of the whole country.

In this study, it is a very common scenario that the officials usually tried to hide some information regarding income, turnover and some other related issues. Strong difficulty is found in the issue of Blue Ocean as maximum people don't know this concept and thus they frequently felt confusion to convey any message. To confirm the appointment of the members for focus group discussion as well as the experts was a really tough task. As the experts are busy enough they could not manage time for an interview. This is why in some FGD the total participants were 7-8 instead 12-13. Another challenge in this research was the published sources. Since there are very limited research papers on Blue Ocean and mobile financial

services especially in the context of developing and underdeveloped countries created difficulty to obtain market information. Moreover, in most of the countries mobile financial services (MFS) are solely operated by the mobile phone operators and affiliation of a bank is not at all formal issue, whereas in Bangladesh the MFS services are regulated and controlled by Bangladesh bank and the license of operation are sanction to bank not to any mobile phone operators. So, the total depiction of the sector highly differentiated from the other part of the world.

Last, not the least, the given duration and my knowledge for such a vast study of Blue Ocean and mobile financial services were really inadequate and obviously, the monetary budget was the usual challenge for the research.

1.7 Conceptual framework of Blue Ocean for bKash

The conceptual framework defined by Miles & Huberman, (1994), “The system of concepts, assumptions, expectations, beliefs, and theories that support and inform the given research and explain the key factors, or variables either in graphical or in narrative form.” In the same way, philosophy is the view or belief that belongs to the mind of the human being regarding any object in the world.

1.7.1 Philosophy of the study- There are different categories of research philosophies practice in the world of research like Ontology, Epistemology, Logic, and Ethics and the perspective of this study is related to Ontology and Epistemology. Ontology refers to the knowledge-based beliefs that established in the mind of people regarding some objects in the surroundings and this knowledge might create the beliefs of objectivism and constructivism.

In the same way, Epistemology is also divided into three categories like positivism, Realism, and Interpretivism. In this study, constructivism has been followed under the subcategory of ontology and Interpretivism belongs to the philosophy of Epistemology. The paradigm interpretivism recognizes that all participants involved, including the researcher, bring their own unique interpretations of the world or construction of the situation to the research and the researcher needs to be opened to the attitudes and values of the participants or more actively, suspend prior

cultural assumptions (Hammersley, n.d.; Mackenzie & Knipe, 2006). According to Elliott & Lukes, 2008; Torrance in Somekh & Lewin, (2005). Interpretivist research methods include focus groups, interviews, research diaries, that is, particularly methods that allow for as many variables to be recorded as possible.

1.7.2 Deductive Vs inductive theory- The study was based on the existing theory of Blue Ocean has already been practiced in the market, naturally followed the deductive theory of research. The deductive theory represents that the study starts from theory and then end with findings where existing theory might be revised due to the addition or subtraction of new variables and concept. Conversely, inductive theory starts with some findings or observations and finishes with new theory. This study followed both deductive and inductive approach as it was started with the base theory of Blue Ocean and justified whether bKash was relevantly followed this theory or not and the impact of the results was found and given new approach in the context Bangladesh. The graphical model of deductive and inductive approach is given the following:

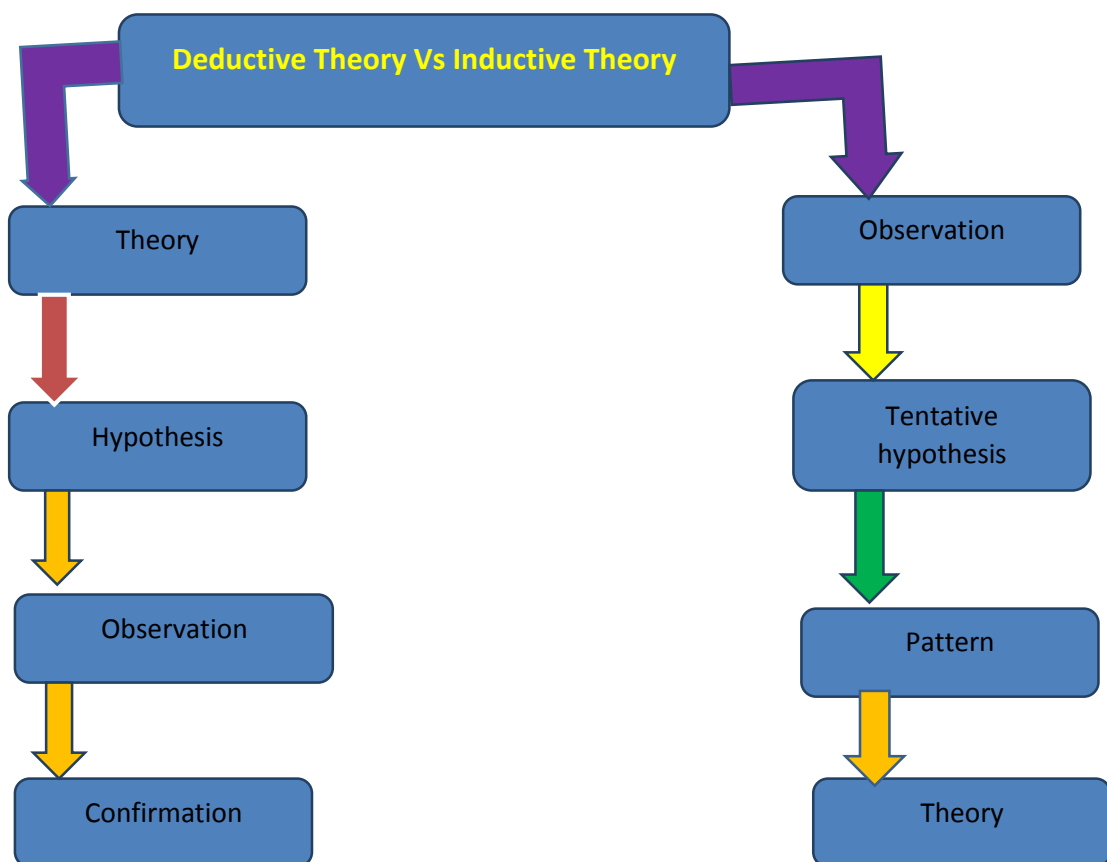


Figure 1.1: Differentiation between Deductive and Inductive Theory

1.7.3 Qualitative and quantitative study- This research study also followed both qualitative and quantitative approaches to reach the fine-tuned objectives. Quantitative means the translation of content into numerical values such as frequencies or percentages (Marsh & Furlong, 2002, p. 17). As they try to produce causal explanations or even scientific laws they not only refer to the notion of natural science in their ontology and epistemology but also employ the same methods. In the end, the methods always result in numbers, which are then analyzed for a proper result. Typical methods of quantitative research are surveys or statistics. By contrast, qualitative research can be interpreted as a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data. It does focus on inductive approach to the relationship between theory and research and emphasis on the generation of theory.

1.7.4 Depiction of the variables of the model

The variables of the study that is shown in figure 1.2 in the following were fixed to understand the course of actions that influence the formulation of the Blue Ocean strategy for bKash. The result of the analysis and testing of these variables would reveal the prospects of the Blue Ocean strategy for a given market like the mobile financial service (MFS) sector in Bangladesh. The conceptual framework for bKash has prepared basically with three parts, The first part is comprised of the attributes of Blue Ocean strategy, and the second part is comprised of growth and value innovation. The last part of this framework is the consequence of two remaining parts of this model. Here, the attributes of Blue Ocean strategy will be evaluated by primary and survey data and the growth part will be evaluated by secondary data of past years.

The building block of Blue Ocean attributes is organized by four constructs like raise, reduce, eliminate and create. All constructs are considered as independent variables that contain twenty-two simple variables. The dependent variable of this model is revolution through bKash contains five simple variables. Now it is being depicted the variables of this model.

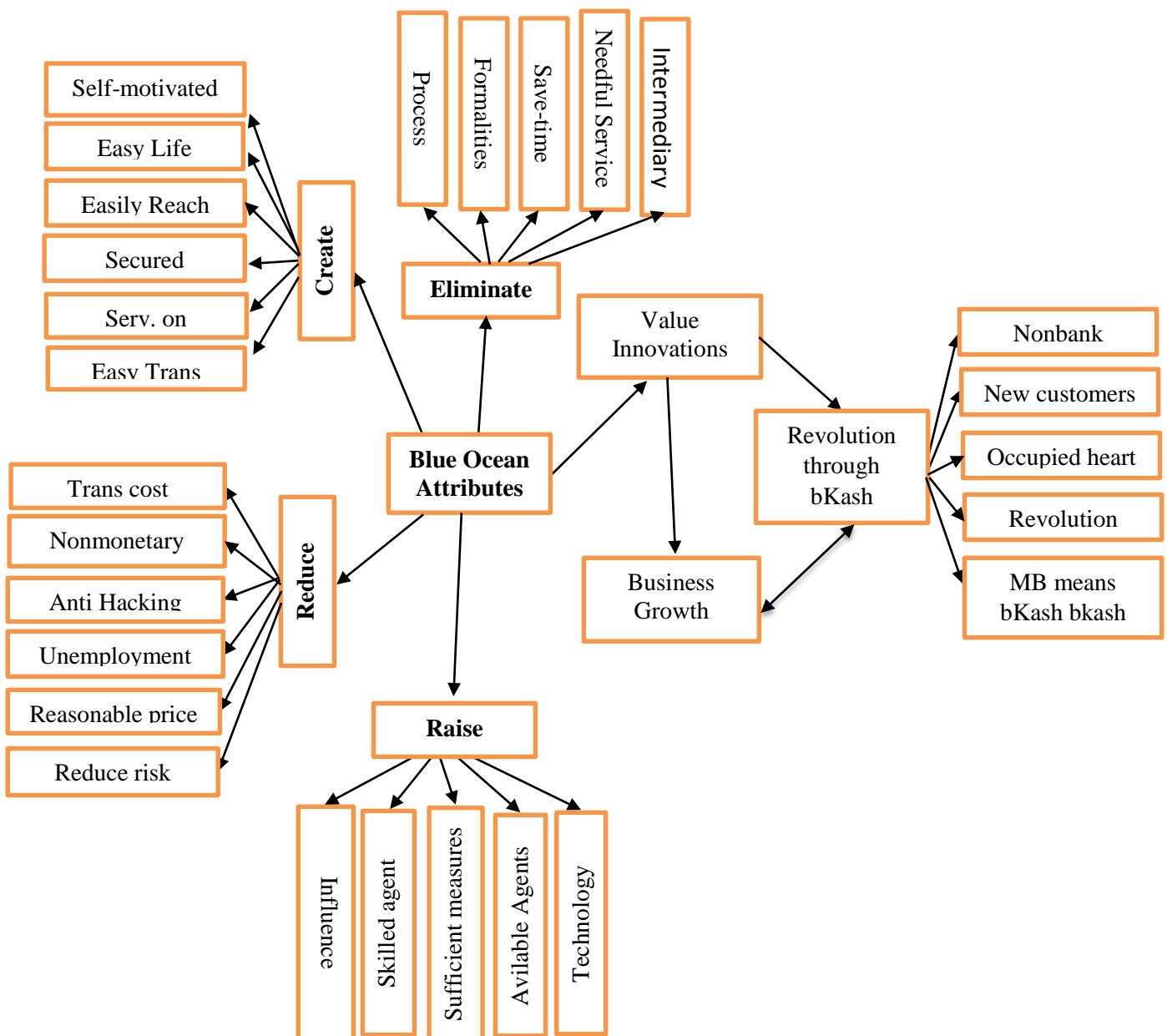


Figure 1.2: Conceptual Framework of Blue Ocean for bKash

1.7.4.1 Factors under the construction of Eliminate

i) Less time for process a transaction- Here the variable 'process' indicates how much bKash takes time to process a transaction. Within a couple of seconds, a transaction can be completed by an agent of bKash.

ii) Eliminate banking Formalities- The procedures to be followed before establishing a robust product can also determine the prospects of the creation of an uncontested market.

A formality means the procedures that have to be followed by a client for opening account under bKash. The scenario for opening an account is almost the same for all mobile banking operation but the timing for managing these formalities by bKash is very less. Within a few minutes, clients of bKash get the confirmation of registration and can enjoy the facilities of opening an account whereas for other operators it takes a few days for the same.

iii) Eliminated the influence of middlemen- Once the middlemen either they were postman, village member or anyone made a huge disturbance in case of receiving money in the villages. Hardly the money sent by the person received by his or her family member in time. Now it is out of concept a village women can receive her money instantly without any intervention of any middlemen. Though initially, some agents made some unfair means but now everyone is very conscious regarding the issue.

iv) Provide Needful service- The retailer or agents of bKash provide the services to the customers as and when needed. Without any time and formalities, a seamless service is open for all time either it is online or offline.

v) Saves time – Instant service by the more than 5 lac agents, 44000 merchants and individual himself can send money to his/her desired person or to any businessmen within a couple seconds just by pressing over few digits in his or her mobile. The service is for 24/7 days seamlessly to anywhere in the country. In compare with other alternative media like Bank, SA paribahan or post office, the service of bKash is unparalleled to save the time of a client in banking transactions.

1.7.4. 2 Factors under the construction of Create:

i) Easy transaction - The very strong feature of the service of bKash is that it ensures the service to the customer by agent spreader all over the country within a couple of seconds whether it is sending, receiving the amount, mobile recharge or any other services. It does not bother whether the person does have an account or not. Anybody from anywhere can enjoy the service very easily. bKash has eradicated all hassles of transactions that cause suffering for the customers by the conventional banks and other financial intermediaries.

ii) Provide services as per demand- The countrywide huge numbers of agents or over the counter (OTC) facility, sales representatives and dealers of bKash provide the needful services as per the demand of the customers. While in other alternative channels like post office, SA Poribahan and other medium may cause a huge time, energy, financial and non-financial cost for a single transaction.

iii) Remittance facility - The management of bKash made an agreement with Western Union for receiving foreign remittance through the account of bKash. About in 200 countries, Western established their local branches and the Bangali wage earner can enjoy the facility so that their family members or relatives receive the money at their home thus relief from the huge suffering to receive from any traditional bank branch in urban areas.

iv) Secured- In the context of sending and receiving money through bKash people feel it secured as they can easily verify whether the money received by the right person. With the extended network services with more than 5 lac agents, anyone can send or receive his or her money safely by bKash.

v) Easily reach to agents- As the huge number of channel members are variable all over the country, a customer can reach easily to any agent without any effort. It is not at all possible for other MFS operators.

vi) Agents are self-motivated- It depicts that the agents of bKash suppose to be self-motivated as they provide seamless services to the customers. Another reason for their self-motivation is profitability within a few months.

1.7.4.3 Factors under the construction of Reduce:

i) Transaction Cost/ Charge- is another very vital issue being the product considered a convenient product associated with mass people who are very much concerned about the price of the respective product. In this study, cost means here both monetary and non-monetary like physical cost, psychological cost, time cost, and energy cost.

ii) Reduces the non-monetary cost- To go for depositing or withdrawing money to any traditional bank branch, a person must consider three different psychological costs like time cost, energy cost and the conveyance to be required to go to the place. bKash drastically reduced such cost by making money transactions so convenient that a person can send or receive the money at his doorstep as there are half a million agents of bKash available to serve the customers with the highest facilities.

iii) Measures against hacking-This statement state that bKash has sufficient technological capability to safeguard the interest of the consumers from the attack of the different hackers rounding in the visual world.

iv)Reduce unemployment problem- An agent without any substantial capital or very large initial investment can earn a minimum of BDT,15000 to BDT, 20000 per month and there 5 lac agents about 1500 official direct employees would increase the burden of the scale of unemployment.

v) Reasonable price- The price of MFS operators on different products and services are fixed up Bangladesh Bank. However, the price is supposed to be reasonable to the targeted audiences as they have been receiving extraordinary facilities like an ample number of agents, service, available funds, ultra-modern technology and so on.

vi) Reduce the risk of carrying cash- Cash carrying is now continuously reducing as people now feel safe to deposit money in the mobile account.

1.7.4.4 Factors under the construction of Raise:

i) Agents influence customers- MFS in Bangladesh is largely agent-oriented due to the system established from the very beginning. So, frequently it is being observed how agents influence the customers to transact through bKash instead of others.

ii) Skilled agents- The agents of bKash supposed to be skilled as the authority arrange formal training programs from time to time, the respective dealers guide them how they should communicate and how a particular transaction can be performed by an agent.

iii) Available Agents- are other major factors to get value innovation in the market. For example, bKash has created a vast network of resources among the general people. Word of mouth has created such values and image as to bKash, people of all spheres of the society now use bKash comfortably for reaching money to their family members or relatives. The network with the support of all mobile operators along with more than 0.5 million agents reaches bKash to every door of the people of Bangladesh. This is so strong communication that no competitor is able to replicate their activity which provides them with a great leap of success in the market and create an uncontested market structure.

iv) Sufficient Measures for fraud- Management of bKash uses ultra-modern technology to check the fraud occur at the mass level.

v) Technology- is now shaping the destination of a person, organization, society and even a country as well. A major factor that can be effective to enable the development of innovative products in the market and ensure business growth. With the use of effective technology, the company can avoid risks and problems and provide the customers with the best services. Technology with the proper touch of innovation can ensure sustainable development of a product or services in the respective market and thus they might be able to create uncontested market space. bKash is such an organization that has introduced a time befitted simple communication technology that is very cordially accepted by every class of people in every society. The prime objective of bKash was to reach just to the vulnerable and underprivileged masses. With the blessing of the ultramodern technology seamlessly bKash has been offering new ideas, opportunities, and values to the existing and potential customers and reaching in the apex position of the market.

1.7.4.5 Factors under the construction of the Revolution through bKash:

i) facility to non-bank people - More than 2.5 billion people in the developing countries who have no access to formal financial services often regarded as 'financially excluded' majority of them are women and rural poor(GSMA and Cherie Blair Foundation for Women, 2013)

ii) New Customers- Phase by phase bKash has been incorporating a new tier of customers. In the initial stage, it was confined within Cash In and Cash Out and gradually the category of services has increased for existing and potential customers.

iii) Won the heart of the people – In the field of mobile financial services, the name “bKash” is very nearest and dearest to the poor and unbanked people as they have got an instant banking service facilities through the agent or OTC of bKash. The most innovative service with reasonable cost was beyond their dream. So they have taken the service of bKash very cordially and thus made the customer loyal and even blind.

iv) Created revolution- According to BB (2016) the amount of transaction is BDT 236,691.79 crore in the mobile banking industry and bKash has occupied more than 90% of the market share. The total number of mobile bank subscribers has reached 1.70 crore where 91% or 1.06 crore belongs to bKash and the daily average transaction is more than 500 crore by bKash and yearly growth rate is 48.75% (Source: Prothom Alo, December 17, 2016)

v) Mobile banking means bKash- More than 90% of the MFS market share already occupied by bKash. It has created such a brand image like Honda, Toyota and pampers in the mind of the people of Bangladesh specially the rural, underprivileged and unbanked people. The alternative name of mobile banking is bKash to them.

1.7.5 Business growth- This is one of the very crucial factors to create an uncontested market for the business. The customers support the business which is prominent in the market. Ensuring business growth can keep the goodwill of the customers and ensure their support in this sector. When the company outgrows its competitors, the competition becomes irrelevant in the market.

1.7.6 Value innovation- is another factor that can stop competition and create uncontested market space. In the space of Blue Ocean, value innovation is considered as the cornerstone that influences both the cost and values of an organization (Kim and Mobourgne, 2005).

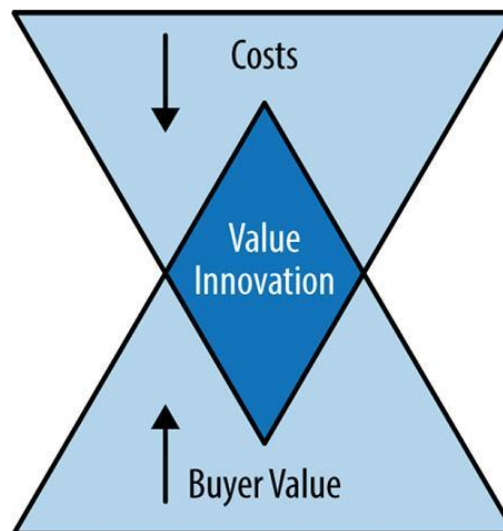


Figure 1.3: Value innovation: The cornerstone of Blue Ocean strategy (Source: Kim and Mobourgne, 2005)

The company can ensure better success in the market and impose a greater impact on the minds of the customers with their value innovation approaches. These variables were selected to address the variety of stimuli like the extended services up to the door of the remote rural people with very reasonable charge, the touch of ultra-modern technology that can even serve through a very usual mobile phone of BDT 1000, very easy and instant services without any single hassle and remittance facility for the foreign residence and so on are the factors created innovative values and thus bKash recognized to the audiences as the distinguished actor of the market of the mobile financial services (Houston, Day and Ullom,1980).

2.0 METHODOLOGY

Research methodology is the scientific process that directs the researcher to solve a research problem systematically. Kothari (1990) also depicts that research methodology helps to find out the way or ways to solve the defined problem and the logic behind the methods to be followed. It supports the audience regarding the validity and reliability of the study and the same support can be enjoyed by other research practitioners.

2.1 Nature of the research

This study was descriptive in nature as the subjects of Blue Ocean and mobile financial service operators were determined and evaluated by quantitative data for reaching decisions and recommendations. This descriptive research was followed by exploratory study as it focused on the insights and understanding of the issues of Blue Ocean and Mobile banking practices from the perspective of Bangladesh. According to Malhotra (2011), “Conclusive research is to design to assist the decision in determining, evaluating, and selecting the best cause of action to take in a given situation.” Conversely, Malhotra asserts “Exploratory research is one type of research design which has its primary objectives the provision of insights into a comprehension of problem situation”. Shortly it means to provide insights and understanding of the problem. It was examined and described the nature and feature of Blue Ocean strategy in the context of Bangladesh and was also studied how much the activities of mobile financial services, resembles with or is different from the contemporary concept of Blue Ocean.

This study includes SWOT analysis, PESTLE and Porter’s five forces to verify the factors containing in the internal and external environment of MFS operators in Bangladesh. The SWOT is comprised of strengths, weaknesses, opportunities, and threats. Accordingly, PESTLE analysis demonstrates the macro-environmental factors like political, environmental, social, technological, legal and ethical environment. These factors replicate the internal and external relative positions of the organizations.

Both qualitative and quantitative approach was applied in this research. Qualitative research was used to study the concept and components of Blue Ocean in the context of Bangladesh. The following Table 2.1 shows how the respective objects of the study were attained by using related tools.

Table 2.1: Depiction of specific objectives and related tools applied to reach the objectives

	Specific Objectives	Related Tools
1	To analyze the concept and practices of Blue Ocean Strategies in developed and developing countries.	Literature Review
2	To study the evolution and market competitiveness of mobile financial service operators in Bangladesh.	Literature Review
3	To analyze the strategies of mobile financial service operators in Bangladesh.	Literature Review, FGD of experts, agents, and customers
4	To identify the components for creating Blue Ocean strategy in the mobile financial sector.	Literature Review, Interview of top management and middle management
5	To evaluate whether the strategy of bKash was conducive to the creation of Blue Ocean in the mobile financial sector in Bangladesh.	Literature Review, survey of Customer

2.2 Data collection

Data collection basically started when a researcher defined the research problem and portray the research design. The method of data collection also depends on the nature of the research (Kothari, 1990). In this research, the data were collected from both primary and secondary sources.

2.2.1 Primary sources

Primary data are associated with experimental and descriptive research for the purpose of an experiment of the variables or to perform survey for obtaining data Kothari (1990). Here primary data were collected by using in-depth and personal interviews, focus group discussion (FGD) and questionnaire survey.

2.2.1.1 In-depth interview (Expert opinion) - An individual depth interview can be defined as “an unstructured personal interview which uses extensive probing to get a single respondent to talk freely and to express detailed beliefs and feelings on a topic” (Webb, 1995, p. 121). It helps to discover the personal and sensitive topics (Robson and Foster,

1989). Focus the proper selection of samples by controlling the respondents (Cassell and Symon, 2004). And it is also good tool for getting the expected outcome from the comprehensive information (Hedges, 1985). Berent (1966). In this study in regards of collecting information on mobile financial service (MFS) Blue Ocean and bKash it was taken in-depth interview of the higher officials of Ministry of ICT, Ministry of Finance, BTRC, Bangladesh Bank, higher officials of different banks and bKash and also with the agents of bKash. Personal interview was with the experts of mobile phone operators, academics and other corporate users. Details of the interviewees are given in the flowing table:

Table 2.2: Sources of Primary Data

SL	Sources of Primary Data	Numbers
1	Officials of the Ministry of Telecom	2
2	Officials of the Bangladesh Bank	3
3	Officials of Telecom operators	4
4	Banks Officials	4
5	Officials of bKash	4
7	Academics	3
8	Agents and Dealers of bKash	20
	Total	42

2.2.1.2 Focus Group Discussion (FGD): A focus group can be defined as “a group of individuals selected and assembled by researchers to discuss and comment upon, from personal experience, the topic that is the subject of the research” (Gibbs, 1997, p. 1) Focus group discussion is a technique where a researcher assembles a group of individuals to discuss a specific topic, aiming to draw from the complex personal experiences, beliefs, perceptions, and attitudes of the participants through a moderated interaction (Cornwall & Jewkes, 1995; Hayward, Simpson, & Wood, 2004; Israel, Schulz, Parker, & Becker, 1998; Kitzinger, 1994; Morgan, 1996).

Focus group discussion is perceived to be a “cost-effective” and “promising alternative” in participatory research offering a platform for differing paradigms or worldviews (Guba & Lincoln, 1994; Orr, 1992). The link between people’s perceptions and their

socio-cultural situation is critical to decision-making on natural resources since most people derive their notions, mental constructions and interpretations from their immediate surroundings and develop these from experiential knowledge (Berkes, 2004). Krueger (1994) suggests that participants should share similar characteristics: gender group, age-range, ethnic and social class background. Most researchers, although they would not disagree with the concept of homogeneity, recommend that participants should not know each other, thus encouraging more honest and spontaneous expression of views and a wider range of responses. It also prevents set behaviors relating to pre-existing relationships and patterns of leadership in the group (Thomas et al. 1995)

The concept of mobile financial services (MFS) is new in developing countries like Bangladesh and this is way enough literature was not available. Moreover, the operational process of mobile financial services in Bangladesh is largely differentiated from the MFS system of the other part of the world. In most of the country's MFS is provided by mobile phone operators (MPO). In Bangladesh, this service is controlled and regulated by Bangladesh Bank and the operation method is bank-led. This is why literature in this respect was not adequate. The details of the focus groups are given below in Table 2.2: In the FGD a common question is asked to the audience and then find out respective variables from comments of the members of the FGD and this method of obtaining data is differentiated from a questionnaire survey, interview or observation. In this study six FGD conducted.

Table 2.3: Details of focus group discussion

SL.	Participants	Members	Location	No. of FGD
1.	Agents	7	Cumilla	2
2.	Users	8	Cumilla	
3.	Agents	7	Dhaka	1
4	User	8	Dhaka	2
5	User	10	Chattogram	1

In three different cities where two FGD in Cumilla, three in Dhaka and one in Chattogram. The reasons for choosing these districts were considered as representative

of the whole country. Moreover, it was observed that the people who are working in the urban areas largely engage in mobile financial services to send the money and there a huge number of migrant people are staying in these cities. In the discussion, the peer members were selected on the basis of their engagement with mobile banking practices. Students of

College and universities, Businessmen, farmers, Rickshaw puller, Day laborer and Service holders were the members of the different FGD. In the context of demographic variable ‘age’ it was considered 15 to 30 years and above so that a person can properly understand the issue of discussion and enjoy by participating with others. The income group here considered monthly BDT 5000 to BDT 20,000 as mobile banking basically focused the unbanked and underprivileged masses and education level was within SSC to Post Graduate.

Table 2.4: Findings of focus group discussion and In-depth Interview

Particulars	Variables Found
FGD with customers and agents	Easy, Comfortable, instant services, easy registration, no formality for transactions, available agents, know bKash only as the operator of mobile banking, eliminated middlemen influence, safe, secured, empowered rural woman, expert agents, save time, save energy, reduce non-monetary costs
FGD with expert	Agents peruse the customers, creating job opportunity, hassle-free, enjoy instant profit, a very little capital required for starting the business, profitable within the shortest period, no infrastructure required for starting the business, very little formalities, Freedom and so on
Interview of agents, Dealers, and experts of different fields	Brand image, profitable, huge demand, innovative product and seamless services for the customers, strategic decision, Teamwork, leadership capability, promotional campaign.

Very enthusiastically different levels of people revealed their opinion over the performance of the MFS operators. Key comments of the audience in different FGD and in-depth interview were arranged in the following Table 2.3:

2.2.2 Secondary sources

Secondary data were obtained from published papers in different authentic journals, annual reports of bKash and other mobile financial services organizations, research publications, news articles in newspapers, internet and websites. Literature was reviewed to acquire information required for specific objectives 1 to 5.

2.3 Sampling design and procedure

Under the data collection process, it must be properly drawn a sampling design and procedure for reaching flaws less result in the data analysis part. A simple procedure of sampling design is given in the following figure 2.1:

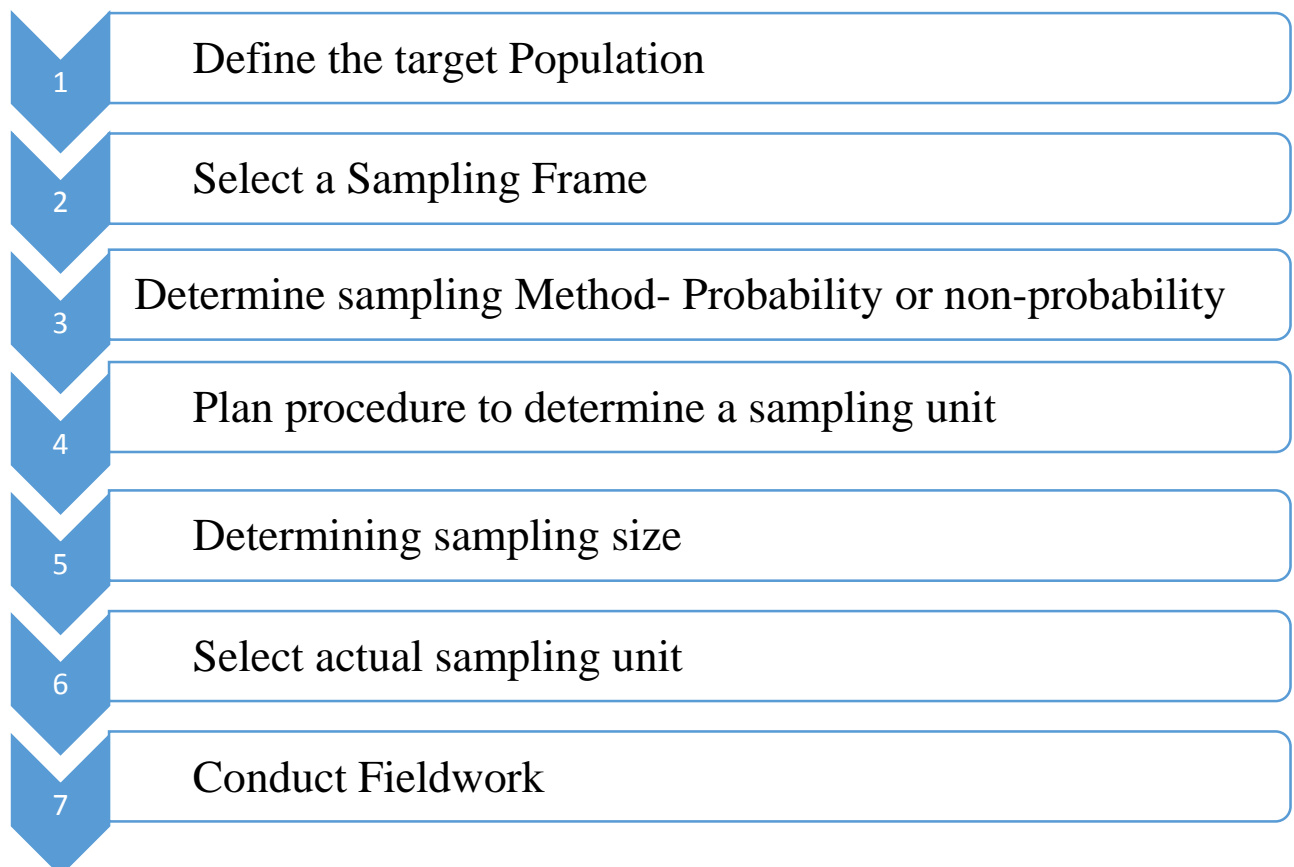


Figure: 2.1 Sampling Design and Procedure

2.4 Target population

According to the University of Missouri (2017) Population is a complete set of elements (persons or objects) that possess some common characteristic defined by the sampling criteria established by the researcher. The populations of this study are the valued users of mobile financial services all over the country. According to Kabir (2017), a total number of clients in

the mobile financial service market is 32 million and the survey samples were collected from this total population as per the standard formula used for sample size determination.

2.5 Sampling frame

According to Malhotra and Das (2013) sampling frame is a list of representative elements of the target population. It provides a good direction for the researcher to find out the target population. This process might carry some error if the list omits relevant elements or include irrelevant ones. The process of sampling frame follows the following stages

2.6 Sampling technique

Judgmental sampling technique is used for interviews and FGD while a convenient sampling technique was applied for the questionnaire survey. According to Malhotra (2011), convenient sampling does mean that the sample is drawn from the part of the population that is available but representative. In the concept of convenient sampling, data can be collected from shopping malls, supermarket and even in the street if the researcher feels it convenient, readily available and representative for the respective study. Judgment sampling is also considered a convenient sampling technique used to identify the best possible individuals who can provide the right information (Sekaran, 2009).

2.7 Sample size

As a general rule, the minimum sample size is to have at least five times as many observations as there are variables to be analyzed, and the more acceptable size would have a ten-to-one ratio (Hair, Anderson, Tatham, and Black, 1998).

This sample size was determined according to the sample size table by the research advisor (2006). According to the table when population size is above 10, 00,000 then the sample size should be 384 at the 5% level of confidence. The sample size of this study was 393.

Formula for calculating sample size- $n = z^2 P(1-P)/d^2$

$$n = (1.96)^2 \cdot .5(1-.5)/(.05)^2$$

$$n = 3.84 \cdot .25 / .0025$$

$$n = .96 / .0025$$

$$n = 384$$

Where

n = sample size

z = reliability (depends on level of significance)

p = percentage of the population using MFS services

d = Precision (the accuracy or sampling error that the researcher is willing to accept)

Table 2.5: Sampling frame

SL	List of the elements of the target population	Population
1	No. of mobile phone users	130 Million
2	Total no. of MFS users	17.1 Million
3	No. of customers of bKash	10.6 Million
4	No. of agents of bKash	0.51 Million
5	No. of Experts	10
6	No. of employees of bKash	1300
7	Total Population	

2.8 Questionnaire Development

A questionnaire survey was conducted to collect the data from the respondents, especially the users of the mobile banking services and the agents who are simultaneously users as well as service providers. The data were collected from the various part of the country like Dhaka, Chattogram, Gajipur, Cumilla, and Bhola and here it was focused on all classes of people like students, businessman, service holder, day laborer, farmers, rickshaw pullers, garments employees and so on were focused. This was done to make the data more representatives. There was no gender discrimination made in this survey as males, females all were simultaneously considered. The actual questionnaire survey was conducted after completing the pretesting over 30 respondents.

2.8.1 Pretesting: Pretesting of survey questionnaire is usually conducted to the target population to justify whether there is any differentiations exist in the questions and the sequence of question, errors or wording problems (Czaja, 1998). According to Malhotra

and Das (2013) pretesting refers to test the questionnaire on a small scale to identify the potential problem in questions like question content, wording, sequence, form, layout and so on. A general rule of pretesting is that it should be conducted with the same population of actual surveys. In this study, the pretesting was made with 30 representative respondents who were the usual client of mobile financial services. Among them, 20 respondents from rural areas and 10 respondents from urban areas comprised 10 students, 8 employees, 12 Rickshaw pullers, day laborer, farmers and so on. The male and female ratio was 4:1. The pretesting was successfully completed without any whine from respondents.

2.8.2 Information affiliated with questionnaire: There were three sorts of information involved in this questionnaire, i) Basic ii) Classified and iii) identification information. The basic information raised in this section directly relates to the research problem addressed by the researcher. Classified information used to identify the classes of the respondents. Here demographic information represents the features and attributes of the respondents. This section was included age, educational qualifications, income, occupations, areas of the respondents and whether they were bank and unbanked. Identified information indicates the identification of the respondents by having the addresses of the respondents like name, mobile number, mail address, email, facebook address and so on. The close-end questionnaire was prepared from the reviewed of the existing literature, interviewed the experts and focus group discussion (FGD). The items in the questionnaire were also gained by adapting existing measures validated by other researchers in mobile banking, mobile transaction and mobile financial services. The key purposes of the questionnaire development were to gain the quantitative knowledge regarding the perceptions of the consumers of the MFS field of Bangladesh, their liking, disliking, comparative performance and positions of MFS operators and finally their demographic positions. The five-point liker scale used to measure the choice of the respondents. In this scale the choice of the respondents ranges from 1 to 5 where 1 denotes as strongly disagree and 5 denotes as strongly agree.

2.8.3 Factors of survey question

2.8.3.1 Mobile banking means bKash-

More than 80% of the MFS market share already occupied by bKash. It has created such a brand image like Honda, Toyota and pampers in the mind of the people of

Bangladesh specially the rural, underprivileged and unbanked people. The alternative name of mobile banking is bKash to them.

2.8.3.2 Created revolution in the financial sector of Bangladesh - According to BB (2016) the amount of transaction is BDT 236,691.79 crore in the mobile banking industry and bKash has occupied more than 90% of the market share. The total number of mobile bank subscribers has reached 1.70 crore where 91% or 1.06 crore belongs to bKash and daily average transaction is more than .500 crore by bKash and yearly growth rate is 48.75% (Source: Prothom Alo, December 17, 2016)

2.8.3.3 bKash created savings habit of the people -This statement indicates that now people deposit their money at the mobile wallet rather than keep in the hard cash at hand or under a pillow as the mobile banking operators declared interest on savings and created a safe place of savings. According to Iskenderian (2011), poor people including women become reluctant to save about 20% of the income due to lack of safe place for keeping or depositing the money. Rahman (2012) states that the tendency of people in a country likely to be increased if they can enjoy easy access to banking activities.

2.8.3.4 Transaction through bKash is very easy- The very strong feature of the service of bKash is that it ensures the service to the customer by agent spreader all over the country within a couple of seconds whether it is sending or receiving the amount. It does not bother whether the person does have an account or not. Anybody from anywhere can enjoy the service without any formalities.

2.8.3.5 Transaction through bKash is safe - Safety refers here to in regards to transaction by any agent. To receive or payment of the cash by agent of bKash is very safe for the customer. There is no option to create any hindrance in case of receiving payment of money that has been transacted either it can be P- B or B-P.

2.8.3.6 Banking facility to non-bank people - More than 2.5 billion people in the developing countries who have no access to formal financial services often regarded as 'financially excluded' majority of them are women and rural poor(GSMA and Cherie Blair Foundation for Women, 2013)

2.8.3.7 Available agents -The number of branches of commercial banks was 6.9 per 100,000 adult populations in 2010(Bangladesh Bank, 2011:1). As per Bangladesh Bank report (2014), the total number of agents for MFS services are more than 7 lac and the share of bKash is 80% of the total market.

2.8.3.8 Mobile banking means bKash - It indicates that the brand image of bKash has occupied the minds of the audiences of the mobile financial services sector of Bangladesh. BKash is now the brands like Honda, Flexi load and pampers where people recognize the brand as the actual product even to some extent people don't know the general name of the product.

2.8.3.9 The dealing through bKash is secured- In the context of sending and receiving money through bKash people feel it secured as they can easily verify whether the money received by the right person. With the extended network services with more than 5 lac agents, anyone can send or receive his or her money safely by bKash.

2.8.3.10 Remittance facility of bKash- The management of bKash made an agreement with Western Union for receiving foreign remittance through the account of bKash. About in 200 countries, Western established their local branches and the Bangali wage earner can enjoy the facility so that their family members or relatives receive the money at their home thus relief from the huge suffering to receive from any traditional bank branch in urban areas.

2.8.3.11 Adequate measures against hacking-This statement state that bKash has sufficient technological capability to safeguard the interest of the consumers from the attack of the different hackers rounding in the visual world.

2.8.3.12 Banking without bank– bKash has been providing banking facilities to all levels of customers without any formalities of a bank. An agent or a person himself or herself can perform a lot of financial transactions any time, any days instantly without the so-called procedure of a bank follows.

2.8.3.13 Women empowerment- According to Buku and Meredith (2013), the study of mobile banking in Kenya revealed that M-PESA played a very influential role to reduce the

impact of poverty for women and children in rural Kenya by facilitating household income and ensuring higher saving and acting as a safe medium of money transfer and storage. Here in Bangladesh bKash did the same. Now women in the rural areas are getting money regularly from their husbands, sons or daughters working in the urban areas or in foreign countries through bKash and thus they are investing the surplus money for productive purpose like cattle, small shops, cottage products, handicrafts or producing something else and thus they are gaining economic stability that helps them to be economically and socially empowered.

2.8.3.14 Rural economic development- the unbanked community is basically the people in the rural and remote rural areas are getting banking facilities to meet up there any financial need through the seamless service of bKash and other mobile banking operators and gradually their purchasing, savings facility and the ability of consumption increasing.

2.8.3.15 Transaction through bKash is very easy- bKash has created a very innovative hassle-free very informal and instant transaction system where no requirement of pen and pencil, not required to stand behind long queue.

2.8.3.16 bKash saves the time of people – Instant service by the more than 5 lac agents, 44000 merchants and individual himself can send money to his/her desired person or to any businessmen within a couple seconds just by pressing over few digits in his or her mobile. The service is for 24/7 days seamlessly to anywhere in the country. In compare with other alternative media like Bank, SA paribahan or post office, the service of bKash is unparalleled to save the time of a client in banking transactions.

2.8.3.17 bKash reduces the non-monetary cost of people- To go for depositing or withdrawing money to any traditional bank branch, a person must consider three different psychological costs like time cost, energy cost and the conveyance to be required to go to the place. bKash drastically reduced such cost by making money transactions so convenient that a person can send or receive the money at his doorstep as there are half a million agents of bKash available to serve the customers with the highest facilities.

2.8.3.18 bKash has won the heart of the people – In the field of mobile financial services, the name “bKash” is very nearest and dearest to the poor and unbanked people as they have

got an instant banking service facilities through the agent or OTC of bKash. The most innovative service with reasonable cost was beyond their dream. So they have taken the service of bKash very cordially and thus made the customer loyal and even blind.

2.8.3.19 bKash has played the role to reduce unemployment problem- An agent without any substantial capital or very large initial investment can earn a minimum of BDT15000 to 20000 per month and there 5 lac agents about 1500 official direct employees would increase the burden of the scale of unemployment.

2.8.3.20 bKash eliminated the influence of middlemen- Once the middlemen either they were postman, village member or anyone made huge disturbance in case of receiving money in the villages. Hardly the money sent by the person received by his or her family member in time. Now it is out of concept a village women can receive her money instantly without any intervention of any middlemen. Though initially, some agents made some unfair means but now everyone is very conscious regarding the issue.

2.9 Statistical tools used

Inferential statistics were used in order to examine and interpret the data. Statistical Analysis in Social Science (SPSS) was widely used for descriptive statistics such as cross tabulation, frequencies, percentage statistics, means, Chi-square test, regression analysis, cluster analysis and so on.

Chi-square used to determine whether the demographic characteristics (age, gender, education, household income, etc.) and psychographic characteristics (lifestyle, value, personality, social status, etc.) of the respondents have any effect on their choice of service provider.

In this study, PLS SEM techniques was used to justifying the reliability and validity of the indicators and constructs of the four-action framework model for bKash. Then the path coefficient examined under the structural model. According to Becker et al. (2012), this model gives the measurement of indicator loadings, AVE (average variance extracted), composite reliability, discriminant validity, multicollinearity of indicators, etc.

3.0 PORTRAY OF BLUE OCEAN STRATEGY

3.1 Concept and Definition of Blue Ocean and Red Ocean

The term Blue Ocean generally refers to the creation of an uncontested market space that makes competition irrelevant and creates new consumer value often while decreasing costs. Similarly, the untapped market space of a product or service full of opportunities and ensure a long-term substantial growth and profit is considered as Blue Ocean. According to Kim and Mouborgne (2004), Entering a new market space with innovative values and setting up a strong differentiation strategy that creates a substantial growth and profit can be treated as Blue Ocean.

The application of the Blue Ocean Strategy is immense in the case of the current context because in a country like Bangladesh, capturing the market is a very big deal for enterprises (Agnihotri, 2015). The word Blue Ocean is a very new concept in the world of Business. Coined by professors Kim and Mauborgne (2005) in their book "Blue Ocean Strategy", How to Create uncontested market space and make the competition irrelevant" Blue Oceans are associated with high potential profit.

From the last decade, two concepts of competition are being practiced by the business world in the form of Blue Ocean and Red Ocean. The competitive environment of the product or services where every competitor in the market tends to beat others and occupy the market share and the head to head fighting makes the ocean bloody and this practice of competition is called the red ocean (Kim & Mauborgne, 2004). The area of the competition is confined to a huge number of competitors in the red ocean and the result is the shrinkage of growth and rate of profit.

On the other hand, Blue Ocean in the eyes of Kim & Mauborgne (2004), is a strategic process by which companies can create an uncontested market atmosphere that makes the competition irrelevant. With the tuned touch of technology, innovation, added values of the product or services create a distinct position in the market where others cannot reach easily and sometimes could not be thought by others in the market and this distinct position is recognized as the Blue Ocean. Thus before starting the game organization can enjoy a massive growth and profit margin and this is the core theme of Blue Ocean. According to Sheehan Vaidyanathan (2009), Blue Ocean means the option of the unique values created by a manager for his customers." Morris (2007) on the other hand defined Blue Ocean, "Demonstrate organizations using Blue Ocean strategy to meet the challenge of innovation will bring themselves substantially

advantages with their innovation.” Many organizations generally create the opportunity of Blue Ocean by extending the line of the existing products or services by adding values.

The Blue Ocean Strategy renders the companies to develop new and innovative products in the market, which ensures their sustainability. The companies would like the change the playing field in the market, which gets in their favor. The companies following the Blue Ocean Strategy in the market believes in the philosophy of creating value to the market by eliminating attributes of the products or services, which created less value to the target audiences. According to (Boyer & Verma, 2009; Ziesak, 2009; Aaker, 2011)), the companies bypass competition by creating a product or service with radical or disruptive innovation that gives them the opportunity of Blue Ocean. Here they create this opportunity by setting the benchmark as an early mover in the given segment. Moreover, the Blue Ocean strategy encourages the companies to find values in the market that surpasses the conventional market segmentation. The previous system was also reputed for adding value to the market and lower the cost (Siegemund, 2008). However, a renowned educator named Charles W. L. Hill claimed that the model of Porter that was used to create market segmentation was evidently flawed because the achievement of low cost is possible with the differentiation in the market. With the formulation of innovative and low-cost products, the companies can create a new market that would be free from the competition (Kim and Mauborgne, 2015). The companies are recommended to establish a product that invokes change in the behavior within the minds of the customers.

Obviously, the Blue Ocean Strategy can empower a company with its tools and frameworks to evade competition in the market (Borgianni, Cascini, and Rotini, 2012). The company can create an uncontested market space by renovating their own strategies and policies. It has to generate an arsenal of frameworks and analytical tools to effectively reach to the goals of the Blue Ocean Strategy. The patterns of the market provide appropriate directions to the decision-makers of the company which allows them to formulate methodologies, frameworks, and tools to ensure their success in the market. The framework is so strong and complex that it confronts all the traditional approaches in the market and provides own theories and conceptual ideas. A roadmap and critical visual guidance is generated from this process to pursue the value innovation in the market in a systematic way.

So, from the above discussion regarding the definition and concept of Blue Ocean strategy, it has been found that the total Blue Ocean strategy is then decorated by the four points like,

- I. Stop competition;
- II. Creation of new market space;
- III. Concentrate on potential customers and Noncustomers
- IV. Value innovation.

If an organization can accommodate the above points they may enjoy the opportunity of Blue Ocean strategy subject to the smooth functioning of the other factors.

3.2 Comparative features of Blue Ocean and Red Ocean strategy

Blue Ocean is mostly an extended line of a product or service of the existing market with added values that create differentiation from others. There is a very close relationship between Blue Ocean and the Red Ocean concept with distinctive features. According to Kim & Mauborgne, (2004) the landscapes of the two oceans are given in the following Table 3.1:

Table 3.1 Comparative features of ROS and BOS

Blue Ocean strategy	Red Ocean Strategy
The key theme of Blue Ocean Strategy is to stop the competition to win the competition. It does mean that the secrets of uncontested market space lies in the strengths of stopping competition with each other.	Competition with each other is the core attribute of this market strategy
The inception of Blue Ocean is by creating and capturing new demand, new customers with innovative and attractive values for the targeted audiences.	Highly concern about existing demand-supply trade-off.
The player of the Blue Ocean belongs to such a pace of growth of revenue, sales volume or turnover of the product or services that make a huge distance from others.	Players of this market usually try to enjoy the game by cutting the throat of others and always try to beat the competition

Break the value/cost break off	There is a positive trend between the value added by the organization and the cost associated.
Align the whole system of a company's activities in pursuit of differentiation and low cost	Align the whole system of a company's activities with its strategic choice of differentiation or low cost
Focus on the interest of non-customers along with existing customers	High light the interest of the existing and potential customers

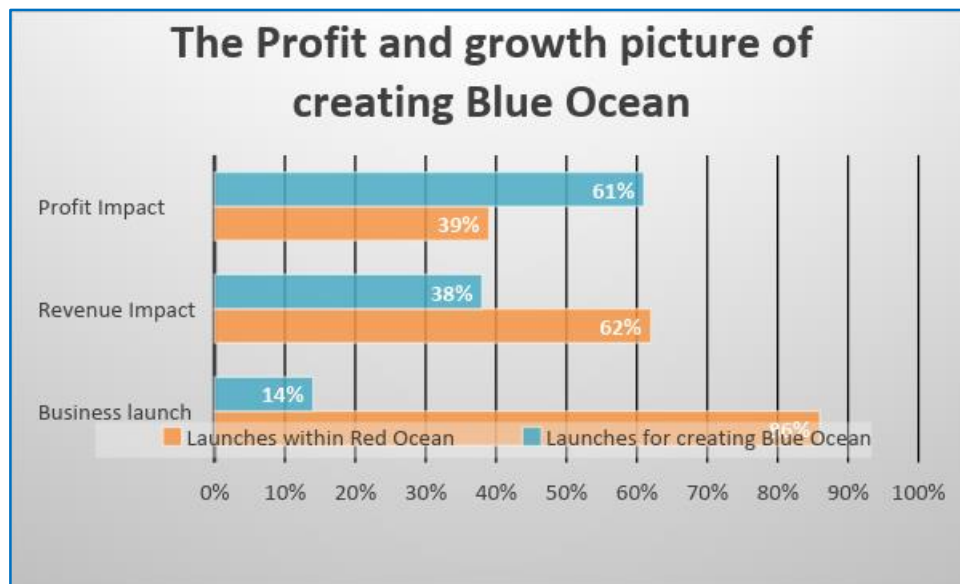
3.3 The significance of creating Blue Ocean by an Organization

According to Kim and Mauborgne (2005), after a thorough analysis it was found and shown in the following Table 3.2 that among the 108 companies 86% basically launches business by extending their line of product or services in the existing market boundaries mean business are running within the confined boundaries of Red Ocean and only 14% organizations can enjoy the taste of Blue Ocean. The organization emerged from the existing Red Ocean market space and usually enjoy 62% of the total revenue and more importantly in the context profit the rate is only 39%. On the other hand the remaining 14% organization those who create real Blue Ocean their total income percentage is very low i.e only 38% but enjoy 61% of the total profit of the income on an average. Finally, the organizations belong to the blue water strategy enjoy their outcome of performance. The results of profit and revenue in the context of creating Blue Ocean is depicting by the following figure 3.2:

Table 3.2 Profit and Growth picture of creating Blue Ocean

	Launches within Red Ocean	Launches for creating Blue Ocean
Business launch	86%	14%
Revenue Impact	62%	38%
Profit Impact	39%	61%

Source: The profit and growth picture of creating Blue Oceans (Kim and Mauborgne, 2005)



(Source: Kim and Mauborgne, 2005)

Figure 3.1 The Profit and growth picture of creating Blue Ocean

The above figure shows that a company can enjoy an outstanding profit growth if it can create the opportunity of Blue Ocean in any market space. So, in the hyper-competitive market world where people now very reluctant regarding the product rather than concern about price and values (Kim and Mauborgne, 2005) how much added by an organization creating Blue Ocean or structuring new market space is the claim of time.

3.4 Six paths of Blue Ocean strategy

Kim and Mauborgne (2005) depicts in their book “ Blue Ocean Strategy” the growth history of one hundred companies under thirty industries established within last one hundred years, how an organization created the phenomena of Blues Ocean by following either of the six different paths. A single path can be enough for an organization to open the door of Blue Ocean. A few cases are being depicted by considering paths stated by Kim and also be given the comparative routes that was followed by bKash:

One of the basic principles of Blue Ocean Strategy is to find out new market boundaries as very often the existing market is saturated by hundreds of similar products and services (Kim and Mauborgne, 2005). They also reveal that identification of the right boundaries of the out of the box is not very easy task as there is risk of choosing the wrong one. So, Kim and Mauborgne, (2005) suggest six alternative paths framework that can be a very successful notion

of creating Blue Ocean by any organization. A single path can be enough to reach to the new boundary from the existing Red Ocean. A brief depiction of the said paths are given in the following:

3.4.1 Path 1: Look across alternative industry

Kim and Mauborgne (2005) have written in their book that companies very often face competition with other alternative industry(s) along with the products or services of the existing industry and the range of alternative products is more extended than the substitute product. But marketers hardly consider the alternative product as their competitors. For example, though zoos and movies or movies and restaurants are alternative industry products, their purpose is the same. People usually go to the movie or restaurant for refreshments. Kim and Mauborgne (2005) depicts that a shift in price a change in model and a new campaign can create a huge response for existing product, the same action in alternative industry usually go unnoticed but can create a market of Blue Ocean.

3.4.1.1 Apple's iPhone Success History by focusing substitute industry

The world's most exciting brand 'iPhone' introduced by Steve Jobs, the co-founder and CEO of Apple Inc., in 2007 by creating a new market boundary. Kim, and Mauborgne. (2005) states that Apple looked across three substitute industries like the smartphone industry, the portable music industry and the internet communication industry with three categories of products (the smartphone, music player, and Internet communication) of similar functionalities (Giachetti, and Marchi, 2017). Though there was the existence of rivals in the smartphone market but no one could incorporate these three functional utilities as per the need of the targeted audience.

The popular services apple rapidly offered as the part of extending its market to the existing and non-tier audience. The very time befitted services like social network, mobile game, location-based services, banking and ticket purchases offered by apple as the complementary part. Thus iPhone successfully concentrated the attention of the customers of the world market (Yoffie and Cusumano, 2015). The Blue Ocean model, four action frameworks of Apple in the mobile industry is being depicted in the following (Kim, and Mauborgne, 2005). The key variables that created the bulk of

differentiation from others in the industry are the elements of four action framework models.

Table 3.3 Four Actions Framework of Apple in the Mobile Phone Industry

<p>Eliminate</p> <p>Physical keyboard (and stylus for smartphones)</p> <p>Phones sold with subsidies by telecom carriers (only for the first iPhone)</p> <p>Phone working with multiple telecom carriers (only for the first iPhone)</p>	<p>Raise</p> <p>Price</p> <p>Ecosystem of application developers (number of applications)</p> <p>Ease of use</p> <p>Music player functionalities</p> <p>Distribution in the firm's mono-branded stores</p>
<p>Reduce</p> <p>Product line length</p>	<p>Create</p> <p>Multi-touch interface</p> <p>Unique design</p> <p>A platform (OS) used also in related products owned by the firm</p>

3.4.1.2 A case study on Net Jets Private Airlines Company created Blue Ocean in the aviation industry in the USA

Net jets private airline company purchased by Berkshire Hathway in 1998, today is a multibillion-dollar business in the USA growing at 30-35 percent per year from 1993-2000. It created the Blue Ocean by applying the theme of fractional jet ownership. Ownership of a private jet with the freight price of a commercial aircraft.

In the aviation industry, lucrative customer groups are mainly the corporate travelers who are largely the executives of the companies basically fly through commercial aircraft in business class or in first class. On the other hand, companies purchase their own aircraft for using official travel purposes.

NetJets created a very outstanding offer to their customer to be the 16th owner of private aircraft with other 15 owners just by purchasing the fifty hours air ticket per year for \$375000 the then

be one of the 16th owners of private airline of \$ 6 million with the freight price of a commercial aircraft. For instance, a commercial aircraft from New York to Austin cost for four passengers is \$19,400 where for private jet it's \$10100 only. This was the turning point Netjet clicked and successfully created Blue Ocean in the field of aviation.

Highest value innovation – (addressed pain points of customers)

Owner ship offer for the passenger

(1/16 th Ownership of Jet for \$ 6 million)

Price- 50 hrs Air Ticket -\$ 3,75,000 per year

Time save - Commercial Air takes 6 hrs netjet takes 2.1 hrs

Eliminate – food and other formality, No transit

How Net jets did this job? First of all net jets eliminated all unnecessary fixed costs like staff cost, management cost, excessive refreshment cost, time costs, hotel cost and so on. Rather they made it hassle-free, reduced substantially the travel time. Moreover, it increased number of aircraft to ensure the point to point services. Where for 70 % commercial airline flight went only thirty airports across United States, Net jets offered access to more than five thousand and five hundred airports. So, where a commercial air required 10.5 hours' time to travel from Washington, DC, to Sacramento, it's only 5.2 hours for Net jets. In the same way from Palm Springs to Cabo San Lucas a commercial airline takes 6 hours, for Net jets only 2.1 hours. So the traveling through Net jets saves more than half of the traveling time of a passenger and thus s/he can also save his hotel, meals, and other associated expenditures.

Within a couple of years, Net jets enjoyed huge financial growth and created an extraordinary position in the aviation industry in the USA market. Factors behind the tremendous success of Net jets are considered its flexibility, shortened travel time, hassle-free travel experience, substantial reduction of travel costs, increased reliability, and the strategic pricing by the management of Net jets. Finally the partial ownership concept also the turning point that helped Net jets for creating Blue Ocean in the USA aviation industry. The strategic canvas of Net jets shows what components made the differentiation in the aviation industry helps them to create Blue Ocean.

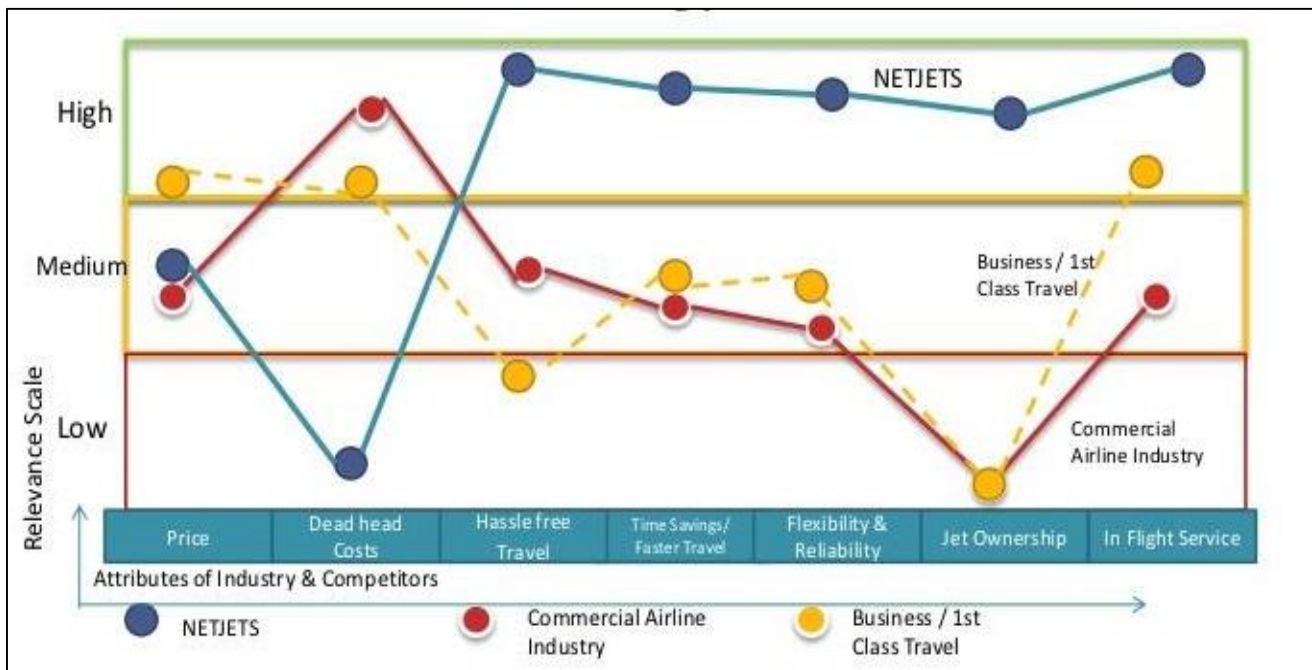


Figure: 3.2 The strategic canvas of Net Jets, the private aircraft company

3.4.2 Path 2: Look across strategic group within the industry

By Kim and Mauborgne (2005) Blue Ocean can be explored by following alternative industries when strategic groups work. Strategic groups basically focus on price and performance to make them are competing the organization form offers.

3.4.2.1 A case on curve the women fitness company in Texas

Curve the women fitness company inaugurated in Texas in 1995. By adopting the franchising approach it grown-up like wildfire within a couple of years it acquired 2 million members in six thousand outlets and income raised 1 billion marks. Every 4 hours in an average a new Curve was open anywhere in the world.

The key secret of Curve was creating huge word of mouth through reference groups like fiends, playmates and mid-level masses who were rightly targeted by the other organization in the industry. It created a low-cost business model and substantially reduced the price from \$100 (Industry average cost) \$30 per month for creating the buzz attraction of the mid-level working women. It eliminated the full range exercise and sports options and traffic jam location as the part of eliminated strategy and reduced the cost of investment from \$ 0.50to 1.00 million to only \$25000-\$30,000. So, most of the franchise started to enjoy profit within a few months of its operation.

As the raising strategy, it established a franchise in most of the towns of any size. By the end of 2004, the franchise reached 8500 and planned to expand in Europe and Latin America for creating a new Blue Ocean opportunity. Curve tagline is “for the price of a cup of a coffee a day you can obtain the gift of health through proper exercise.”

3.4.3 Path 3: Look across the chain of buyers

Purchasers and buyers might be different in respect of the use of the product or services. There are usually three parties associated with obtaining or purchasing a product like purchasers, payers and the users (Kim and Mauborgne, 2005). These three parties may overlap if the person himself or herself does and enjoy the all. It was observed that usually, an industry focus on a single buyer group and the companies target different customer segments within the respective industry.

3.4.4 Path 4: Look across the complementary product and service offering

According to Kim and Mauborgne (2005), few products and services are used in a vacuum. In most cases, other products and services affect their value. But in most industries, rivals converge within the boundaries of their industry product and service offerings. Take movie theaters, the ease and cost of getting a babysitter and parking the car affect the perceived value of going to the movies. Yet these complimentary services are beyond the boundaries of the movie theatre industry as it has been traditionally defined. Few cinema operators worry about how Blue Ocean Strategy 15 hard or costly it is for people to get babysitters, but they should because it affects demand for their business. Imagine a movie theatre with a babysitting service. Untapped value is often hidden in complementary products and services. The key is to define the total solution buyers seek when they choose a product or service. The simple way to do so is to think about what happens before, during, and after your product is used. Babysitting and parking the car are needed before people can go to the movies. Operating and application software are used along with computer hardware. In the airline industry, ground transportation is used after the flight and that is clearly part of what the customer needs to travel from one place to another.

3.4.5 Path 5: Look across the functional or emotional appeal to buyers

Usually, competition in the industry is based on the two sorts of appeals affiliated with products or services that are functional and emotional. Functional appeal is considered as rational as the organization here focuses on the price of the products or services and their ratio of utility services to the customers (Kim & Mauborgne, 2005). They also show how an organization cross the appeals and created the opportunity of Blue Ocean. From functional appeal to emotional appeal Cemex created Blue Ocean in the cement industry of Mexico. Conversely, The Body shop QB (Quick Beauty) in Japan created Blue Ocean by crossing the emotional appeal to functional in the Japanese Barbershop industry.

3.4.6 Path 6: Look across time

The demand, the shape of the choice of the customers change with the elapse of time due to the strong changing pace of technology and innovative process of competitive market. Technology today format the destination of customers, marketer and even for an industry (Kotler, 2014). According to Kim & Mauborgne (2005) trend of technology is not enough to enjoy the full opportunity of Blue Ocean for an organization rather the trend of technology over time how much changing value create for the customers and impact the company's business model can explore the new path of Blue Ocean. Looking across the time by the proper estimation of the value a market delivers today to the value it might deliver tomorrow— managers can actively create an uncontested market space in the industry where he is working. For example, CISCO, iTunes, Facebook, google created Blue Ocean in their respective fields by adapting time befitted strategic steps.

3.5 Reach beyond existing demand

Traditionally organizations reluctant to go beyond the existing market boundary rather feel happy to have existed in the red ocean puddle Kim & Mauborgne (2005). However to extend the size of Blue Ocean organization must go beyond the existing boundary and try to capture the segment of non-customer groups (Kim & Mauborgne, 2005), depicts in their book “ Blue Ocean Strategy” that there are three tiers or phases of non-customers and they are:

- i) First Tier- “soon-to-be” non-customers who are on the edge of the existing market, waiting to jump ship;
- ii) Second Tier-“Refusing” noncustomers who consciously choose against your market;
- iii) Third Tier-“Unexplored” noncustomers who are in markets distant from yours.

3.5.1 First Tier-The noncustomers who are basically customers of the existing market infrequently use products or services of the same but searching the better one. Whenever they find a better one they will just shift from the existing market. So the sense is that these groups of audiences are on the sideline of the existing market and any time an organization will lose these group people. This segment, therefore, is the cause of stagnant against the growth of the existing market very soon and thus needs to unlock new untapped demand by finding out the latent demand and desire of the said customers. The innovative value-added services can be the key weapon for breaking these hurdles (Kim & Mauborgne, 2005).

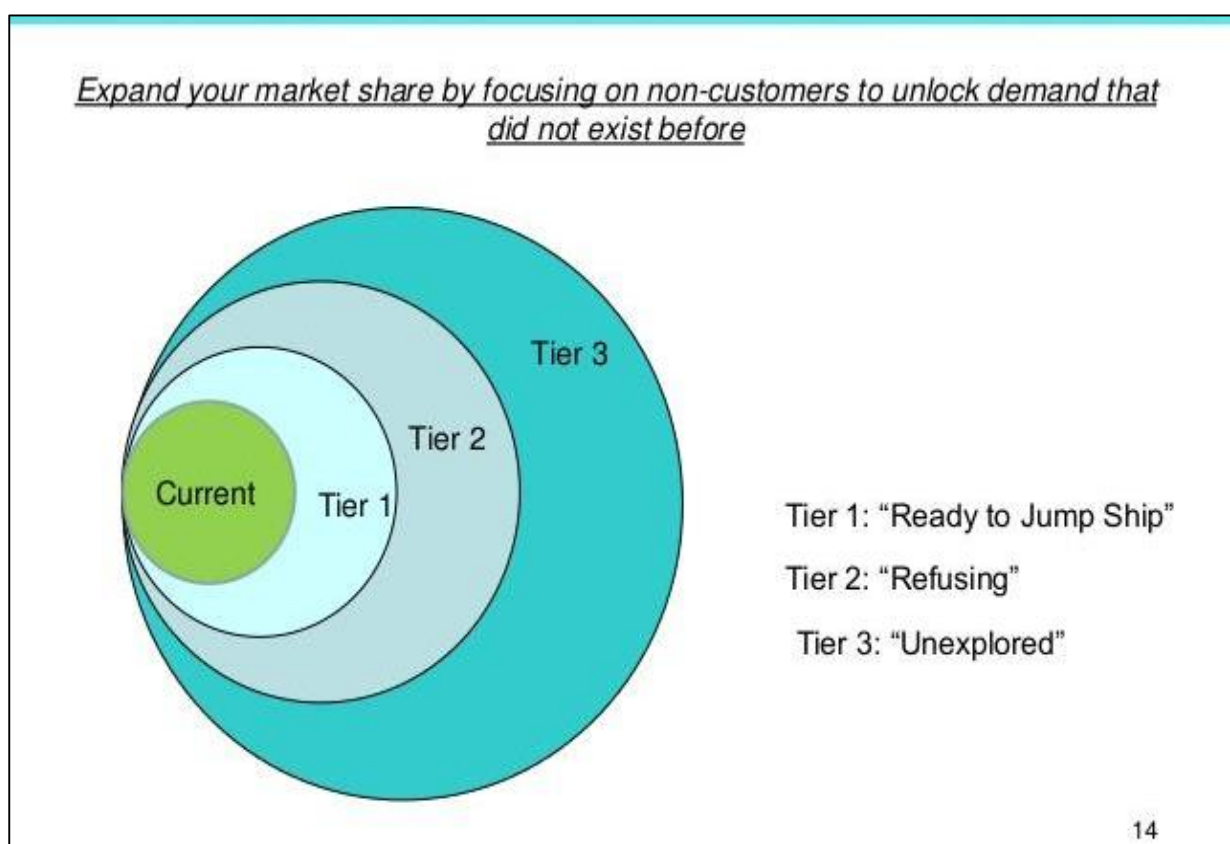


Figure 3.3 Three Tiers of Noncustomers

3.5.2 Second Tier-The non-customer group does not belong to the organization as they already refused the product or services of the organization or this is beyond their capacity. Reaching to this market segment may be a new ocean of untapped demand (Kim & Mauborgne, 2005)

3.5.3 Third Tier-The non-customer group who are far away from the existing boundary of the current market as they were not recognized by the organization as the potential market rather thought as the relevant market of other industries (Kim & Mauborgne, 2017). This unexplored group of people can be a very potential and profitable segment if they can be recognized and adopted by identifying their needs and demand. The picture of the segment, its extension and potentiality need to be plotted so that the organization can identify the range of the new ocean.

3.6 Models that navigate an organization toward Blue Ocean opportunity

Blue ocean strategy is one of the very contemporary, exceptional breakthrough strategy that established by Kim & Mauborgne in 2005 comprised of various models that display the procedure of how an organization, individual or government can apply for their own and can enjoy a superior performance in the respective market. As Hamel (1996) says “rule makers” and “rules breakers” enjoy much higher performances than “rules takers” and Blue Ocean strategy is really one of the new rule strategies to be followed by the market in near future (Kim & Mauborgne, 2005). So in the following there few models depicting for realizing and understanding the variables that would be potential for an organization:

3.6.1 Value Innovation Model: The cornerstone of Blue Ocean strategy.

According to Lindgreen & Wynstra (2005), the value can be referred to as the level of liking of a product or service by a customer on the basis of some related attributes and relativistic experience. It does mean that value reflects the trade-off between the perceived benefit and the costs associated with obtaining the product or the service. According to Browning (2002), customer value can be defined by following steps“(i) the intrinsic value of the product (or service) in terms of how well its attributes address customer needs; and (ii) any variation in the product’s value as a result of the existence of competing or alternative solutions to customer needs.” In the same way Gupta &

Lehmann say, (2005), customer value embraced three values of a product or service perceived by customers are economic, functional and psychological value.

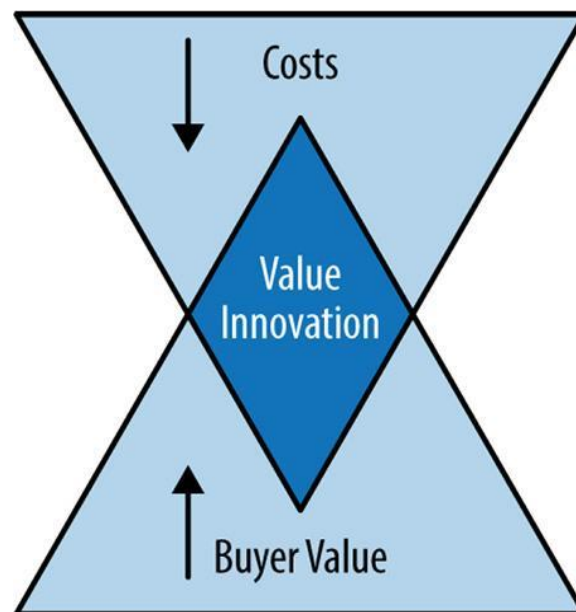


Figure 3.4 Model of Value Innovation (Source: Kim & Mauborgne, 2005)

Value innovation by Kim & Mauborgne in their book “Blue Ocean Strategy” demonstrate the same variables (cost and buyer value) as discussed earlier but the application of this concept is something differentiated from the conventional marketing phenomena. According to Kim & Mauborgne (2005), buyer value means the utility and price the company offer to the customers and it is generated from the price and its cost structure. Value innovation refers to the cost of the product to be reduced while the company increases buyer value shown in figure 3.4. In this figure, value innovation incur at the interaction point of buyer value and cost of the product or service. However, exception of Red ocean phenomena here to create value innovation the marketer focuses on increasing the buyer's perceived values and in the same way will reduce the cost (Kim & Mauborgne, 2005). So, here value innovation is more than innovation rather it's a strategy that considers as the cornerstone of Blue Ocean Strategy as it begins differentiation from others and thus makes the competition irrelevant.

3.6.2 Four action framework model

The four action framework model is associated with four issues within a respective industry required to address by an organization that desires to create a new value curve for its customers and may open the opportunity of Blue Ocean (Kim & Mauborgne, 2005).

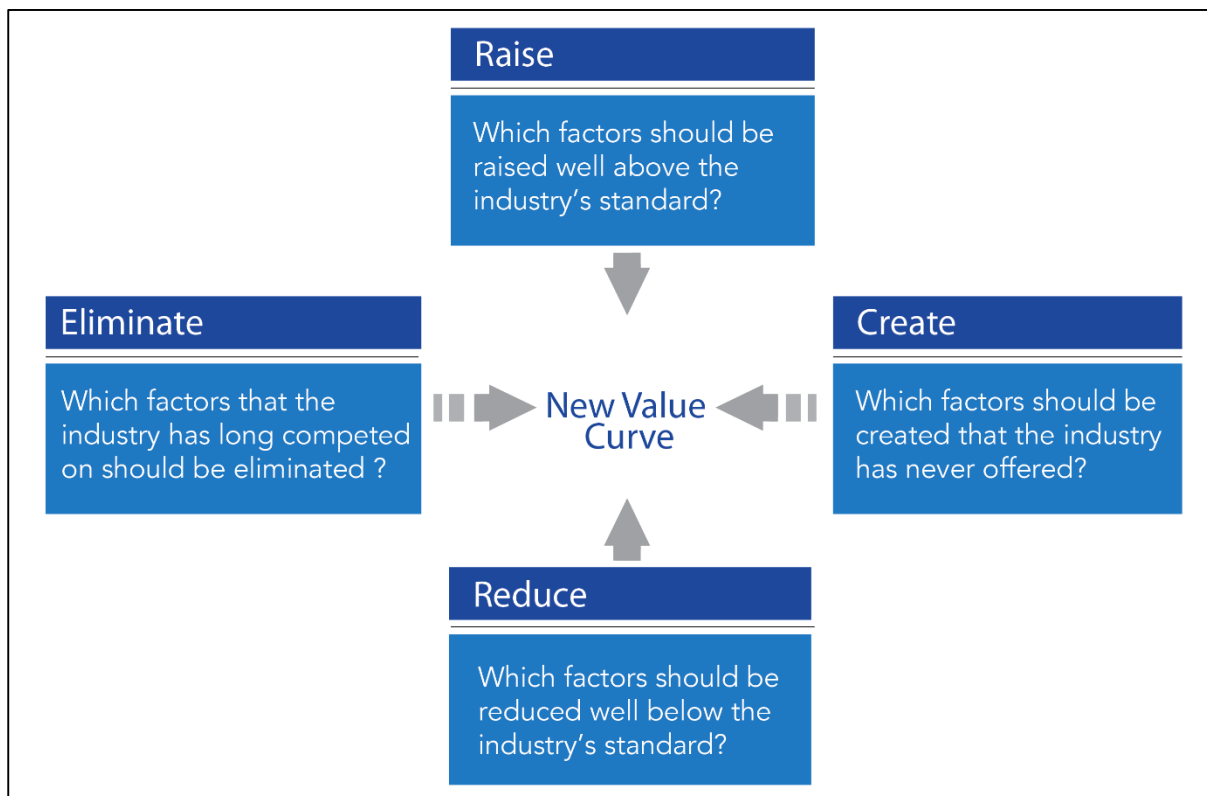


Figure 3.5 Four Action Framework Model

This model shown in figure 3.5 is comprised of four factors like, eliminate, reduce, raise and create relate with four questions. All the questions address the benchmark of the respective industry where the change to be made. The result of the proper solution of all questions will create a new value curve may represent the notion of Blue Ocean.

The first factor, '**eliminate**' indicates that some factors or variables that might be available in the industry don't carry any meaningful value for the customers of the industry rather sometimes create grating or irritating need to be eliminated. The second factor '**reduce**' is related to the question- which factors should be reduced well below the industry standard? Sometimes organizations become crazy and try to defeat competitors by all means which may not create any value to the customers. The eliminate and reduce factors actually strongly support an organization to reduce its cost line for the respective product or service.

Third element '**raise**' propose some elements that are well below in the industry but customer has more demand. This factor lifts the buyer value in the market. The fourth factor 'create' is associated totally with new value creation and thus create new demand for the product or service in the industry (Kim & Mauborgne, 2005).

The last element '**create**' refers that new ingredients or value that is not available in the industry required to be introduced for embracing a new path of opportunity. It must be ensured that the value must be well accepted to the mass people of the respective market.

Thus a collective result of the four factors creates a new experience for the customer at a lower cost. This model also reflects that the eliminate and create force the organization to cross the value maximization exercise with existing factors of competition rather establish a new value curve that makes the competition irrelevant.

3.6.3 The model represents the sequence of Blue Ocean strategy

After having the paths to reach the opportunity of Blue Ocean organization then creates a strategic canvas to articulate the potential Blue Ocean strategy. The following model 3.6 will depict how an organization can

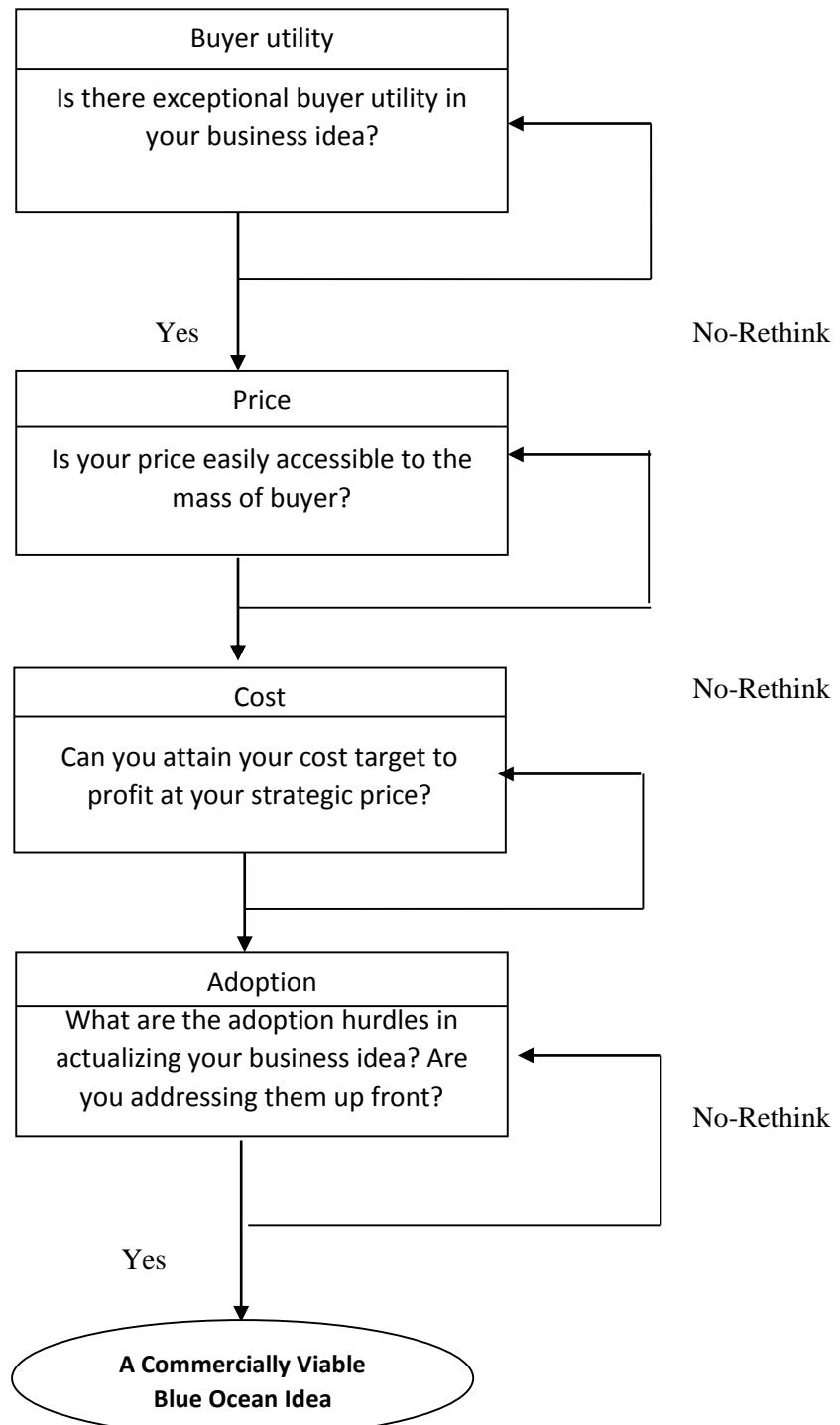


Figure-3.6: The Sequence of Blue Ocean Strategy

Implement a projected Blue Ocean strategy under a very systematic procedure. This figure is representing the fourth principle of Blue Ocean strategy, **“Get the strategic sequence right”**, comprised of buyer utility, price, cost, and adoption. As the Blue Ocean strategy always focuses on buyer welfare so, first of all, it concern with the utility of the target audience in the market. Naturally, there is a question of whether the offering creates exceptional utility for the customer or not. If not then the idea or the strategy should not proceed further because there is no possibility of creating a huge response from the end of the customers. So, it needed to rethink how this idea to be modified or stop here for-ever. If yes, then the next very concern issue is pricing and of the product or service. The way of Blue Ocean strategy the strategic pricing must ensure healthy profit with affordable prices for the masses without any reducing utility of the customers. If the strategic pricing cant matches with the precondition then it will not be possible to reach the new boundary of opportunity. According to Kim & Mauborgne (2005), value innovation is combination of three elements like strategic pricing, target costing, and exceptional utility. If the pricing and target costing can't create such values to the customers as well as to the company it is not at all the procedure of Blue Ocean rather it's required to rethink the issue. If yes then the last step is to recognize any adoption hurdle in the way of Blue Ocean opportunity. A commercially viable idea must address the adoption hurdles as it mostly rises from red ocean universe.

3.6.4 The Profit model of Blue Ocean Strategy

In the space of Blue Ocean strategy, one of the very influential role-playing model is profit model. This model represents the ingredients of strategic price, target profit, target cost, and pricing innovation.

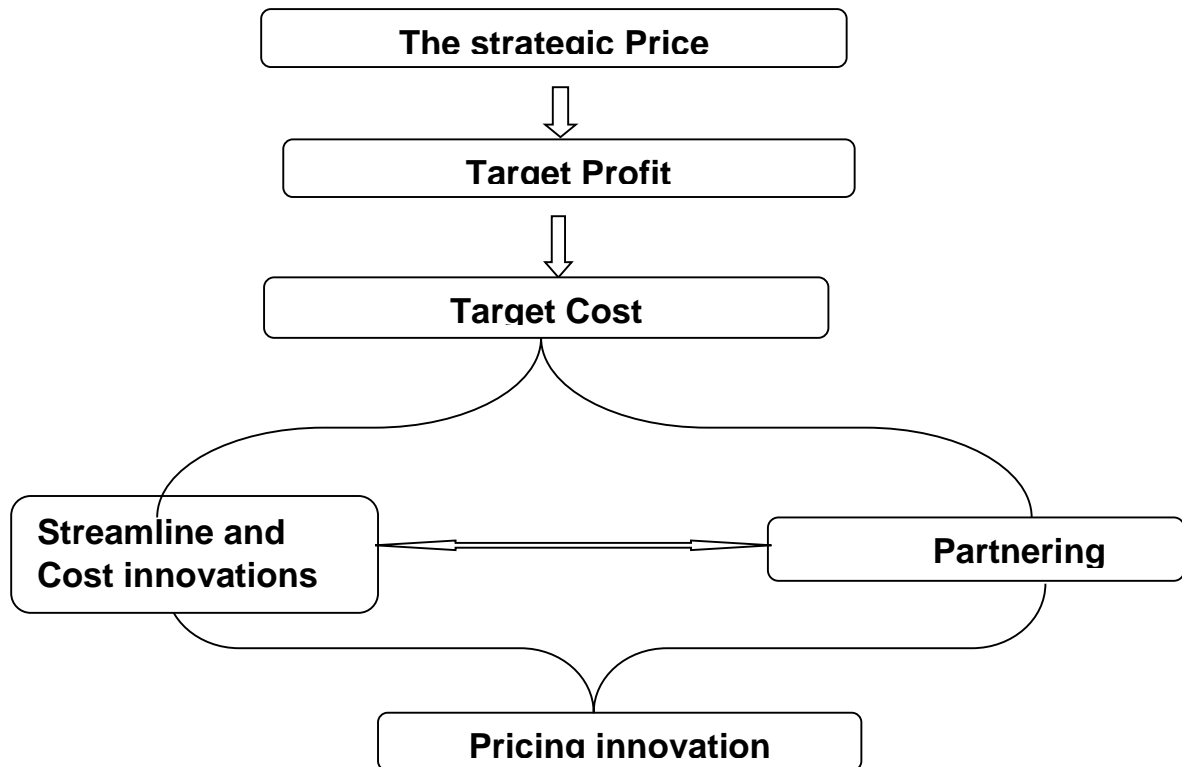


Figure 3.7 The Profit Model of Blue Ocean strategy (Source: Kim & Mauborgne, 2005)

In between target cost and pricing innovation there are three more important ingredients must be considered are streamline, cost innovations and partnering. The above figure 3.7 shows how to value innovation maximize the profit of an organization by using the above factors. Where conventionally profit is considered after deducting costs or expenses, exceptionally in Blue Ocean model profit is considered before cost. In the blue oceans strategy organization set their strategic pricing that must ensure target profit then match with target cost.

3.6.5 The Buyer utility map

According to Kim (2017), the buyer utility map tests the self-evident of the offering of the organization whether they have created exceptional values for their customers. In the market competition, the miss leading concept is bleeding-edge technology is

equivalent to bleeding-edge utility that rarely found in the research also added by Kim in their study. Rather he states in his book “Blue Ocean Strategy” that “Unless *the* technology makes buyers’ lives dramatically simpler, more convenient, more productive, less risky, or more fun and fashionable, it will not attract the masses no matter how many awards it wins.” Kim (2017) has identified six different levers that as a whole or any one of them can create exceptional utility for the targeted audiences. However, the common practice lever is ‘customer productivity’ that can make the offering faster and better. The definition of the utility levers shortly depicts in the following Table 3.3:

Productivity: The lever productivity justify the efficiency of the offering of the organization in respect of less time, effort and financial issues a buyer required to obtain the utility of the product or service.

Simplicity: Value(s) that minimize the psychological hazard of the client`

Convenience: Convenient timing and selling points or distribution networks of the offerings, like 24/7, 365.

Risk Reduction: This may be financial, physical, and emotional, including reputation.

Fun and Image: This is tangible and intangible aesthetic look, feel, attitude, and style an offering conveys.

Environmental Friendliness: how much environmentally ecological or focus the “green” issues.

Table 3.3 Buyer Utility Map

Variables	Purchase 1	Delivery 2	Use 3	Supplements 4	Maintenance 5	Disposal 6
Customer productivity						
Simplicity						
Convenience						
Risk						
Fun and image						
Environmental friendliness						

Table 3.4 Uncovering the blocks to buyer utility

Purchase	Delivery	Use	Supplements	Maintenance	Disposal
Customer Productivity	What is the biggest block to customer productivity in each stage? What are the key reasons for this block?				
Simplicity	What is the biggest block to simplicity in each stage? What are the key reasons for this block?				
Convenience	What is the biggest block to convenience in each stage? What are the key reasons for this block?				
Risk Reduction	What is the biggest block to risk reduction in each stage? What are the key reasons for this block?				
Fun and Image	What is the biggest block to fun and image in each stage? What are the key reasons for this block?				

(Sources: Kim and Mauborgne, 2017)

3.7 Organization of Bangladesh possess the features of Blue Ocean

Grameen Bank – Bank for the poor without collateral

A Giant Step Towards a Poverty Free World

Professor Dr. Muhammad Yunus, The Nobel Laureate, launched a journey in 1976 to make a bank for the poor, unbanked and basically for the landless village women, carried on giving out ‘micro-loans’, and in 1983 formed the Grameen Bank, meaning ‘village bank’ founded on principles of trust and solidarity. With just \$27 investment he made bank which immediately rose as the bank of 7 billion dollars with a 99% recovery rate. It was a revolution that made by Yunus in the banking world. It created a new ocean of opportunity for the poor women, their recognition, independence, freedom of choice, self-sufficiency created a new attention to the expert financial thinker of the world,

In Bangladesh by 2015, Grameen has 2,568 branches, with 21,751 staff serving 8.81 million borrowers in 81,392 villages. On any working day, Grameen collects an average of \$1.5 million in weekly installments. Of the borrowers, 97% are women and over 97% of the loans are paid back, a recovery rate higher than any other banking system the net profit they enjoyed in 2016 was BDT 1393 million. Grameen methods are applied in projects in 58 countries, including the

US, Canada, France, The Netherlands, and Norway As of December 2017, it has 8.93 million borrowers, 97 percent of whom are women. With 2,568 branches, GB provides services in 81,400 villages, covering more than 97 percent of the total villages in Bangladesh Annual Report (2016).

Grameen Bank's positive impact on its poor and formerly poor borrowers has been documented in many independent studies carried out by external agencies including the World Bank, the International Food Research Policy Institute (IFPRI) and the Bangladesh Institute of Development Studies (BIDS). According to Khandker's findings (1998) that "as much as 5 percent of program-participating households should be able to lift their families out of poverty every year," the 4.2 million women already reached through BRAC and Grameen Bank in Bangladesh translate into 21 million family members.

From the inception, unique features of Grameen Bank differentiated from conventional banking phenomena and thus recognized as the example of Blue Ocean in the developing country like Bangladesh. The key differential features of Grameen bank with conventional banks are given in the following Table 3.5:

Table 3.5 Differential features between Grameen Bank and Conventional Banks

Features of Grameen bank	Features of commercial banks
GB basically deals with village poor women	CB basically deals with well-off man or women
Landless people are the real clients	Land or resource is a must for a client
Offers loan without collateral	Collateral is a must
Target audience of GB is most village women	Services orientation is town or city-based
Grameen lends to those who can prove they have nothing with which to pay back.	Commercial banks lend to those who can prove they can repay
GB seeks the entrepreneurial potentiality of the poor	CB seeks clear evidence and capacity repayment by the client
It tends to provide the financial service to the poor without much consideration of profit	CB always tends to maximize profit
Full of innovation- Trust is only the safeguard	Circulated within the trap of collateral

So, the innovative values with differential features that were strongly attracted by Grameen people, especially poor women those who were excluded from the formal financial institutions were engaged by Grameen bank very successfully and created model Blue Ocean for the world

3.8 Limitations of Blue Ocean Strategy

According to Kraaijenbrink (2012), Blue Ocean strategy has given more emphasis on long term with very less emphasis on short term business. However, for the smooth functioning of any business, it is materially important to emphasis even on the day to day activities of a business. According to Kraaijenbrink (2012), there might be a potential risk of ignoring the competent competitors in case of following Blue Ocean strategy. The other scientist advice even not to forget the short term and daily phenomena. Rao (2007) has identified that the Blue Ocean strategy is not properly clear and also insufficient to implement into practice. Some expert has given the opinion that blue is a new format of conventional monopoly business.

The Blue Ocean strategy massively established on the basis of the organization of the developed countries and there is hardly found the study of the developing and underdeveloped countries. So, there might be a huge differentiation between the Blue Ocean strategy of the 1st world and the same for the 3rd world economy. In the saturated market, it is imperative to launce the Blue Ocean strategy for enjoying the new profit margin but the question is who would be the competent player of the market, leader or any of the followers? There is no clear direction in the Blue Ocean strategy regarding the issue.

This strategy does not provide the features of Blue Ocean strategy for an individual rather than an organization. There are hundreds of experts who created huge demand in the market by his / her own performance. For example, Usain bolt, Michel Felfos, Mohammed Ali, Sachin Tendulkar, Bradman and a lot of legends created Blue Ocean in their own field.

3.9 Conclusion

In this study, it was substantially followed three principles of BOS to justify how much the performance of bKash matches with Blue Ocean strategy. The strategies are i) Reconstruction of market boundaries; Reach beyond existing demand and Overcome key organizational

hurdle. The first two principles are considered as formulation principles and the last one is execution principle. The first one “Reconstruction of existing boundaries” is very much related to bKash as the management of bKash started the journey to serve the unbanked and underprivileged people who were the non-tier consumers and beyond the boundary of the financial market of Bangladesh. Accordingly, it has been observed that initially, mobile banking was confined with only Cash In and Cash Out. 95% of total transactions were confined with these two transactions. However, phase by phase a huge number of services have been incorporated with MFS. Air ticket to merchant payment, salary disbursement, and remittance, pension payment, electricity, gas bill and many more are confirmed by mobile banking. Today transaction limit, volume, everything has been increased due to the demand of the market. So, the BOS principle “Reach beyond existing demand” is also very much pertinent to this study. To overcome the organization hurdle is also a very typical issue to reach in a new path of investment especially in the case of 3rd world countries like Bangladesh. Along with these principles, it was also followed one of the six paths, “Path 1: “Look across alternative industries”, “Path 3: Look across chain of buyers” and “Path 6: Look across time”. Moreover, four action framework model of Blue Ocean strategy has been applied to identify the extraordinary variables that supported bKash to create the opportunity of Blue Ocean. So far the understanding of this study it is realized that in the preliminary phase of MFS market bKash followed the Blue Ocean path 3, as they specifically targeted the rural unbanked and underprivileged people and then gradually they incorporated the alternative industries, mean subsequently they followed the Blue Ocean Path 01 and considering the overall situation of the activities and timing they also followed the proverb “Make hay when sun shine” that mean path 6: “ look across time”, Because the decision of providing services to the unbanked and under privileged people was really the matter of realtime time decision as the massive segment were deprived from any banking facilities for a long period of time. bKash rightly realized that this was high time to reach such a wonderful market where there were no players start playing and with a very low cost mobile set along with the readymade agents of mobile phone operators, there server and other facilities were existed. So, very conveniently bKash adopted the full opportunity of creating a revolution in the MFS market of Bangladesh in right time.

4.0 A SNAPSHOT OF FORMAL FINANCIAL INSTITUTIONS AND MOBILE FINANCIAL SERVICES OPERATORS IN BANGLADESH

4.1 Picture of formal financial institutions of Bangladesh

Since liberation in 1971 in the name of different generations like 1st generation, 2nd generation, 3rd generation, in the financial market of Bangladesh 56 banks have been emerged with a number of financial products and services to provide the services to the targeted audiences. Among them, 6 government Banks, 2 specialized banks, 9 foreign commercial banks and the remaining 39 private commercial banks so far working in this field. The total number of branches was 9654 up to 2016 to serve the 160 million people of Bangladesh (Bangladesh Bank, 2017). According to the Financial Access survey report (2018) per 100000 people, the number of branches was 6.98 in 2008 and 8.45 in 2018. A short view of the above banks with different indicators depicts in the following Table 4.1

Table 4.1 Trend of the expansion of the Banks in Bangladesh from 2010-2016

Bank Outreach	Year		Progress within 7 years (%)
	2010	2016	
Number of Branches: Total	7729	9654	24.91%
Rural	4433	5466	23.30%
Urban	3296	4188	27.06%
Volume of deposits (Billion taka): Total	3379.2	8994.14	166.16%
Rural Branch / total Branch Ratio	0.5736	0.5662	-1.29%

Source: Scheduled Bank statistics, various issues, Bangladesh Bank (2017)

Above Table 4.1 shows the very slow trend of expansion of the banks i.e only 24.9% increased during the last seven years and very vulnerable issue is that in the rural areas the growth rate was negative in that time, whereas 73% of the total population live in the rural areas. According to the World Bank report (2015) in 2011, only 31.7% of adults (age above 15 years) engaged with formal banking practices (including insurance companies, microfinance organizations, NGOs and so on) and it reduced to 29.1% in 2014. The following Table 4.2 also shows that in 2004 for per 1000 square kilometer the number of branches was 6.94 and in 2015 the number

of branches raised to 8.37. It does mean that in an average more than 100 square kilometer there was no bank branch available for providing services to the clients.

Table 4.2 Branches of commercial banks per 1,000 km²

Category	Year											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Points of service	48.81	49.57	50.80	52.05	53.39	56.02	59.06	61.89	64.75	67.45	70.38	73.04
	6.94	6.89	6.92	6.96	7.01	7.22	7.47	7.67	7.87	8.04	8.22	8.37

(Source: <http://data.imf.org/?sk=E5DCAB7E-A5CA-4892-A6EA-598B5463A34C&slid=1460054136937>)

So, the picture in Table 4.1 and 4.2 shows that the largest part of the country was derived from the banking services from the formal financial institutions and there were severe insufficient branches for a huge number of people. Consequently thirsty of not getting financial services was carrying in the minds of the unbanked and underprivileged masses of Bangladesh and no attempt took neither from government sector nor from any private organization until 2011. With the discussion with bankers of different commercial banks and officials of Bangladesh Bank it was revealed that due to some challenges so long the financial organizations could not reach the largest community of the country. The points they mentioned is depicted in the following table 4.3:

Table 4.3 Challenging factors of the bankers to reach to the unbanked rural people

Regulation of Government
 Viability
 Issue Profitability
 High Investment cost
 Financial conditions of Target Audience
 Lack of interest of the banker to serve the long tail
 Consumer section
 High service cost
 High infrastructural cost
 Security issue

4.2 Definition of financial inclusion (FI) and financial exclusion (FE)

The process includes the nonbank, poor and underprivileged people with the mainstream economy through financial transactions to ensure the overall financial, economic and social development is considered as financial inclusion (United Nations, 2006). Financial inclusion in this decade is considered as one of the very material tools to reduce poverty. The Rangarajan Committee, (2008) has defined financial inclusion as “delivery of banking services and credit at an affordable cost to the vast sections of disadvantaged and low-income groups. The various financial services include saving, loans, insurance, payments, remittance facilities, and financial counseling/advisory services by the formal financial system.”

On the other hand Beck et.al (2008) denotes financial exclusion as the opposite side of the same coin that plays ante-economic, social and financial development by excluding the core population of a country like, marginal farmers, landless labors, small and unorganized entrepreneurs, urban slums dwellers, migrants, senior citizens, women and so on.

4.3 About mobile, mobile banking (MB), mobile financial services (MFS)

Discussion of mobile banking refers to the importance of discussing a little bit about the mobile phone which plays a key role to process the service of mobile banking activities as well. Mobile banking today has been exploring the whole financial market both in industrial as well as in the subsistence economy of the world. However, the development of this sector the mobile phone has a huge contribution to reach this position. Mobile phone is really the amazing Innovation of the 21st century in the space of communication. Without mobile communication networks, it would hardly think for the efficient development of mobile banking business in the financial market. Irrespective of mobile banking services mobile has multi various contributions to society. A brief statistical picture of the contribution of the mobile phone is being depicted in the following Table 4.4:

Table 4.4 Contribution of mobile phone all over the World and in Bangladesh

Particulars	Contributions
Users of mobile phone all over the world	63% of the total population
Users of mobile phone all over the world	33% of the total population
Single mobile phone users all over the world	370 core
Single mobile phone users in Bangladesh	7 core

No. of smartphone	260 core
Contribution to world GDP	3.2%
Contribution over the GDP of Bangladesh	3%
Govt. Income (World)	\$330 billion
Govt. Income (Bangladesh)	12000 core
Employment opportunity in mobile phone+ telecom.	1.70 core

(Source-GSMA, 2013)

4.3.1 Mobile banking

“The account that travels with you”. and The dealings that can be made anywhere, anytime, anyhow through a mobile phone or mobile instrument is called mobile banking. The process of banking through a mobile device is called mobile banking. This banking system in an online or offline banking system performs the activities of money transfer, deposit money in the mobile wallet, paying bills, refilling mobile, performing corporate payments and so on. Today mobile banking is become a very close part of the daily life of a society because of its extended level of application. Mobile Banking- as defined by Singh, Srivastava & Srivastava (2010) is a channel whereby the customer interacts with a bank via a mobile device, such as a mobile phone. Pousttchi & Schurig (2003) have a more thorough dissection of the term. According to mobile banking is a subset of electronic banking (e-banking¹) – the logical development of electronic banking made possible by the ever-increasing spread of Internet-enabled phones and PDA’s. Pousttchi & Schurig further define mobile banking as the type of execution of financial services in the course of which, within an electronic procedure, the customer uses mobile communication technology in conjunction with mobile devices. The mobile communication can be carried out via different technologies, e.g. GSM/GPRS, EDGE or UMTS. Again another author Barnes & Corbitt, (2003) focused mobile banking as a network whereby the customer interacts with a bank via a mobile device, such as a mobile phone or personal digital assistant (PDA).

4.3.2 Mobile Financial Services (MFS)

A simple definition of mobile financial services (MFS) is to facilitate financial transactions through the use of mobile phones. It can be transferring money, deposit/savings the money or the completion of the payment for the purchasing goods or services or can be the refill a mobile (Swift White Paper, 2012). In the world the number of mobile users is about 6 billion out of 7 billion population where bank account holders are only 2 billion. In Bangladesh, only 13% people (Executive Director, Bangladesh Bank) hold the bank account whereas 57% have a mobile phone (GSMA, 2013). This is why today either the country developed, developing or underdeveloped largely concentrating to solve any financial transaction through mobile phone, smartphone or by the support of internet services. Thus the banking through mobile phones has created a revolution in the financial market of the world and even in Bangladesh.

4.3.2.1 Mobile Payments- According to Heyer & Mas (2011) is synonymous with mobile money. It is a system that allows users to hold money in a virtual stored value account maintained in a server by a service provider, e.g. a telecom, and operated by users through their mobile phone. Users can deposit or withdraw cash with a mobile money agent, send money to other mobile phone users, buy airtime, pay bills and store money. In general, mobile banking and mobile payments most commonly encompass the terms mobile money, mobile wallet, mobile money transfer, and mobile ticketing. For the purpose of this study, mobile banking and mobile payments are grouped together as mobile financial services.

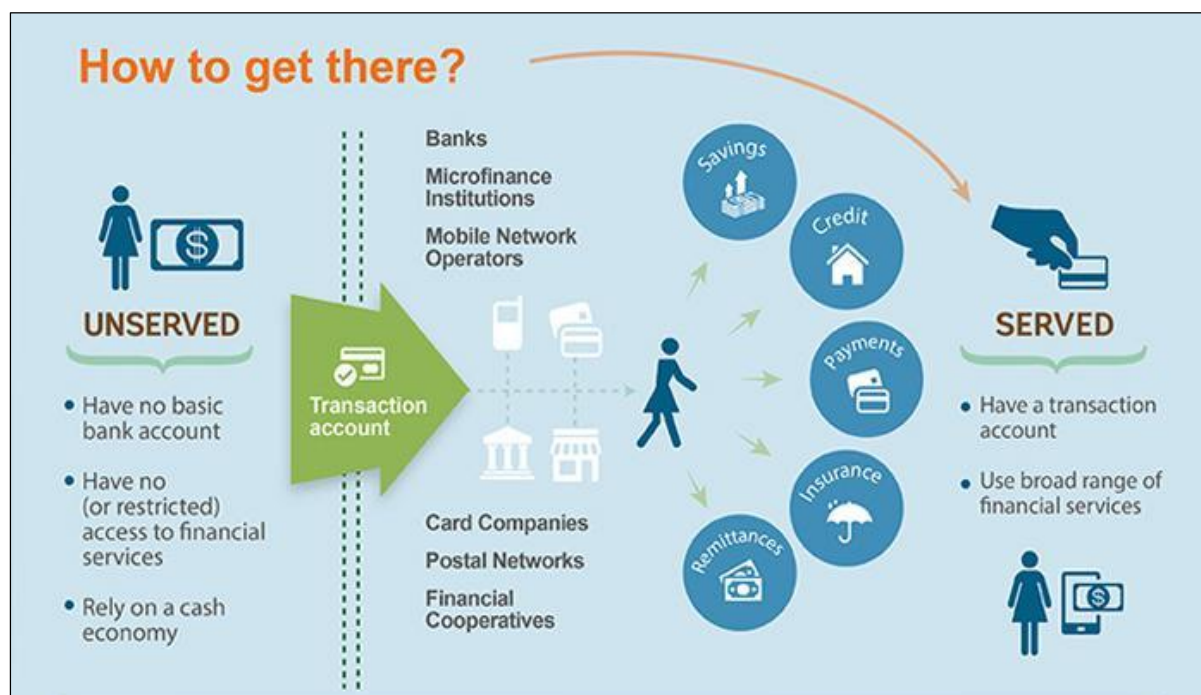
4.3.2.2 Mobile finance (m-finance) - Mobile finance is synonymous with mobile financial services that produce financial services by using mobile technology. According to Castello (2003), Mobile finance is the process of conducting and confirming financial transactions by the use of mobile banking or mobile payments to overcome the shortcomings of physical infrastructure.

4.3.2.3 Mobile Commerce (m-commerce) -According to Singh, Srivastava & Srivastava (2010), “mobile commerce as the delivery of products and services via wireless technologies that enables internet commerce activities, without the restriction of time

and space through a handheld device such as a cellular phone or Personal Digital Assistant (PDA).” Mobile commerce and e-commerce are synonymous or m-commerce can be considered as part of e-commerce as defined by White and Ariguzo (2011, p. 135). Goldmanis et al. (2009) on the other hand considered m-commerce as any online business. By a more specific definition, Nelson & van Ketel (2005) defined, “e-commerce as the buying and selling of goods and services on the Internet or other electronic networks by firms or individuals.”

4.4 Financial Inclusion through digital transformation of society

The very dynamic path of financial inclusion of the unserved community is the digital transformation of the society by introducing mobile networks or any techno facilities that embrace the unbanked, underprivileged and financially excluded poor people with formal financial and banking activities. World Bank (2016) report in the following figure 4.1 shows



Sources: World Bank (2016)

Figure 4.1 Financial Inclusion through digital social transformation

an unserved community can get into the served or banked community. In the above, it is shown that through mobile banking, digital card, either debit or credit card or by postal network or by other similar digital facility can create the opportunity of banking practices like savings, payment, loans, insurance and so on. According to Mckinsey and company (2016), digital

finance has the potential to provide access to financial services for 1.6 billion people in emerging economies, more than half of them women. It also has the potential to increase the volume of loans extended to individuals and businesses by US\$ 2.1 trillion and help governments in saving up US\$ 110 billion per year by reducing leakage in spending and tax revenue.

4.5 Government regulation regarding mobile financial services in Bangladesh

According to Regulatory guideline of Bangladesh Bank, 2015 the following functions can be performed by mobile financial services providers:

- i) Disbursement of inward foreign remittances,
- ii) Cash in/cash out into Mobile Accounts through agents/bank branches/ATMs/Mobile Network Operator (MNO) outlets.
- iii) Person to Business payments - e.g. Utility bill payments, merchant payments, deposits into savings accounts/schemes with banks, loan repayments to banks/ Nonbank Financial Institutions(NBFIs)/ Micro-Finance Institutions (MFIs), insurance premium payments to insurance companies, and so forth.
- iv) Business to Person payments e.g. salary disbursements, dividend/refund warrant payments,
- v) Loan disbursements to borrowers, vendor payments, etc.
- vi) Government to Person payments e.g. pension payments, old-age allowances, freedom-fighter allowances, input subsidy payments to farmers, and so forth.
- vii) Person to Government payments e.g. tax, fee, levy payments, etc.
- viii) Person to Person payments (from one Mobile Account to another Mobile Account).

The relevant organization also can provide secondary services like, option of deposit of the account holder, loan disbursement and recovery, and insurance premium collection, etc.

4.6 New guidelines on mobile financial services

Through PSD Circular no. 01/2017, dated: 11/01/2017, Bangladesh Bank has reset the transaction limit in the following Table 4.5:

Table 4.5 New Guideline on Transactional Limits by Bangladesh Bank

Serial No.	Type of transaction	Transaction limit	
		Per Day	Per Month
01.	Cash in	BDT 15,000/- (maximum 2 transactions)	BDT 1,00,000/- (maximum 20 transactions)
02.	Cash out	BDT 10,000/-(maximum 2 transactions)	BDT 50,000/-(maximum 10 transactions)
		For any Cash In transaction in a certain account, not more than BDT 5,000/- can be withdrawn from that account within the next 23 hours.	
03.	Person 2 person transfer	BDT 10,000/- (no limit in transaction number)	25,000/-(no limit in transaction number)

Source: <https://www.bb.org.bd/fnansys/paymentsys/mobilefin.php>

4.7 Different terms (languages) practice in the mobile financial services market

- i) Cash In – Does mean deposit the money in a particular mobile banking account by the support of OTC or agent of mobile banking operators.
- ii) Cash Out - Cash Out is the subsequent step of Cash In services or send money services. A very simple meaning of Cash Out is withdrawal the amount or part of the amount deposited or received from somebody else.
- iii) B2B Cash In and Cash Out – when a transaction made between business to business like agents to dealer is called B2B transaction.
- iv) B2B Transfer- Means transfer the e-money from dealer to agent under the MFS process. Sometimes a super-agent can transfer to another agent.
- v) B2B Cash Out- To withdraw money from the mobile financial service account. Basically, one agent will transfer the e-money to another agent mobile financial service account and that agent will pay back the hard cash to the first agent.
- vi) B2B Cash In-To deposit money into a mobile financial service account from the company, agent or dealer. In exchange for money, one dealer will transfer e-money to another dealer.
- vii) Send money- does mean transfer the money from one mobile account to another account. In this process, a client can do it by his or her own or by the support of

over the counter (OTC) point. Foreign and indigenous remittances are transacted through send money.

- viii) Buy Air time- This means a client can enjoy the refill and recharge facility by using their deposited money in their account.
- ix) My account Personalize, updating, customize our profile for maintaining a secure account, secure money transfer, have a unique identity consisting of colored photograph, Signature, National ID card, and account number.
- x) Agents- An agent is a person or a party who acts in favor of another person or group so as to bring the principal into contractual relationships with other persons or parties.
- xi) Sales Representative (SR)-Sales Representatives are the middle man appointed by the dealers to collect the money from the agents and provide the relevant services if needed.
- xii) Dealers- in the MFS business dealers are the stakeholders appointed by the mobile banking operators as the very strong channel of managing the mobile financial services by appointing and managing agents or OTC.

4.8 Picture of financial inclusion through mobile financial service in Bangladesh

Mobile Financial service in Bangladesh continuously has been playing a crucial role to join the unbanked and underprivileged masses and even the banked people with the road of the formal economy to create a strong financial backbone of the nation. Parvin (2013) depicts that in the age of traditional banking phenomena, mobile financial services are recognized by the poor and unbanked people as the blessing for their lives because of ease, convenience, and affordability. Introducing MFS by bKash was the blessing for the unbanked and underprivileged people as it has ensured easy and secured monetary transactions like sending and receiving money, remittance, insurance, savings facilities and so on (Haque and Rahman, 2014). Das, Biswas & Islam (2014) depicts that MFS has been changed the socio-economic position of the poor and unbanked people for transferring money by removing all the obstacles of formal transaction system in the southwestern side of Bangladesh. Kamal and Mondal (2016) described that most of the customers are satisfied and comfortable by using mobile financial services (MFSs) because it saves cost & time, and easy to use. So, customers believed that it helps to develop the socio-economic life of the poor people of Bangladesh. Nandhi (2012) exposed that in India mobile banking brings blessed to low-income people by making

payments and deposits easier and more accessible also seems to improve the saving behavior of rural people. In concluding that it is most popular among the country particularly those who depend on risky informal savings practices. Mago and Chitokwindo (2014) identified that low-income people are eager to adopt mobile banking because it is easily accessible, convenient, cheaper, easy to use, faster means of sending & receiving money and secure. These attributes help to boost up the economic growth in rural areas. Also, recommended that the central bank should monitor the non-bank led mobile banking model and reconsider the transaction limits and cost structure.

A very robust pictures regarding mobile financial services are being depicted in the following Table 4.6, how magnificently MFS evolved within five years of operation and this is now also a role model of other developing countries.

Table 4.6 Financial inclusion through mobile financial service

Description	2012	2013	2014	2015	2016
Total transactions (million)	2070	68,560	88,000	1,57,7730	2,34,6910
Number of agents (lac)	0.091	1.89	4.14	5.61	7.10
Number of active accounts (million)	2	6.5	6.7	13.22	15.88
Number of registered accounts (million)	0.4	13.2	16.2	31.85	41.8
No. of total transactions (million)	74.5	114.5	133.7	1166.0	1473.20

Source: Bangladesh Bank and Primary source

Table 4.6 shows the growth of some key factors of the mobile banking industry like the number of agents, registered account holders, number of active account holders and total transactions. In the initial stage i.e in 2012, the total transaction was only BDT 2070 million whereas in 2014 the total financial transaction was BDT 68,560 million. Within two years, the growth rate of a transaction is 4100% and this is an unbelievable development picture of mobile banking in Bangladesh. However, the growth picture is more fantastic if we cast our eyes between the years 2012 and 2016. It seems out of comparison as in 2012 the transactions were only 2070 million whereas in 2016 it was 23,46,910 million. Within just five years the growth rate was 1,132,77% which is really unbelievable. The dreamy, magical development and revolution in

the history of the financial market of Bangladesh have included in the mainstream of the economy. And thus the backbone of the economy has boosted with the new avenue of earning by including the largest segment of the country and they have been continuously contributing in many ways of economic development but were never recognized by any party. However, not only in the point of financial transactions Table 4.5 also reflects the same level of growth in other issues like agents, account holders and so on.

4.9 Conclusion

The above depiction regarding financial institutions and mobile financial services reflect that a very big gap created by the formal financial institutions in Bangladesh from the very beginning in the context of providing financial services to the largest segment of the country and this was the massive opportunity for the mobile banking operators. It is being observed that for every 100000 people the number branch of financial institutions was only 6.9 and they were also mainly oriented with urban areas. So, the largest market segment was totally out of boundary. Fortunately, this gap was clearly addressed by the MFS operators and within a very short period of time, they reached to that unbanked people with very innovative, convenient, easy, informal and instant services to those people who were decade after decade totally ignored by the formal financial institutions. The new Bangladesh has observed how quickly people responded to their time befitted services and made a revolution in the MFS sector in Bangladesh. Now it is required to see the world scenario of mobile banking operation.

4.10 Evolving history of mobile banking in the countries

Though mobile banking is now becoming a very known, common part of daily life and an influential instrument of communication and business, however, the history of mobile banking is not so far. The historical picture of mobile banking is given in the following Table 4.7:

Table 4.7 The launching history of mobile banking all over the world

No	Country	Year of Launching
1	In Europe	European bank in 1999 started mobile banking as SMS banking services for its valued customers.
2	In India	Same as Europe India also launched SMS banking for their targeted customers in 1999 under the telecom regulatory authority of India

3	In Kenya	Launched in 2007 by Safaricom, the country's largest mobile-network has the M-Pesa Service, which is mainly used to transfer limited amounts of money, but increasingly used to pay utility bills as well.
4	In Pakistan	Telenor Pakistan has also launched a mobile banking solution, in coordination with Taameer Bank, under the label Easy Paisa, which was started in 2009.
5	In Bangladesh	Dutch Bangla Bank launched the very first mobile banking service in Bangladesh on 31 March 2011. This service is launched with 'Agent' and 'Network' support from mobile operators, Banglalink and Citycell.
6	In Nepal	In May 2012, Laxmi Bank Limited launched the very first mobile banking in Nepal with its product Mobile Khata. Mobile Khata currently runs on a third-party platform called Hello Paisa that is interoperable with all the telecoms in Nepal viz.
7	In UK	In April, 2013 UK payment Council launched the Paym mobile payment system, allowing mobile payments between customers of several banks and building societies using the recipient's mobile phone number.

Source: https://en.wikipedia.org/wiki/Mobile_banking

4.11 Growth picture and impact of mobile banking in the countries

Deregulation, harmonization, increased competition by new players from the non-banking sector, product innovations, globalization, technological advancements, and digitalization led to a market situation where competition for customers became intense all over the world. As a result, banks developed innovative service products and offered a wider range of financial services through multiple channels, one of which was a wireless delivery channel available via mobile phones and Personal Digital Assistants (PDA's). Mobile financial services were considered to form an important innovation in the banking sector. The development of mobile services was preceded by decades of other changes affecting the financial banking environment. (Aspara et al. 2012; Suoranta 2003). According to the GSMA report (2015), the practice of

mobile banking or mobile financial services is available in more than 93 countries providing 270 services worldwide and the growth rate of this sector is 40%. So, the message is very clear regarding the trend of these services in the future. According to the same report in 2015 the total registered account holder reached 411 million where the active account holders are 134 million. For the extreme growing account holders, the agents are also increasing at the same rate. By December 2015 worldwide number of agents was 3.2 million. (Global adoption survey 2015; GSMA state of the Industry report-2015).

The rising trend of mobile banking services not confined within the developed countries rather the growing percentage in developing countries is substantially high. The GSMA report (2015) states that out of 135 developing countries mobile banking operations (MBOs) are adopting by 86 countries and the percentage is 64 %. Moreover, lower economic countries are adopting 81 % which is even 17 % more than that of the developing countries. The landscape of the services is very strongly growing in Sub-Saharan Africa and South Asian countries. Williamson,C, and Scharwatt,C (2015) new mobile money services are supposed to grow by 50% in Europe, Central Asia, Middle East, and North and West Africa. World Bank report (2015) shows that mobile financial services taking driving seats of the traditional banking as in 37 (approximately) markets the agent of mobile banking and the branches of traditional banks ratio is 10:1. It means that for a single branch of a bank there are at least 10 mobile banking agents available. Moreover, the branches open for a very particular time 6 to 7 hours where the OTC/agents are starting from the early in the morning to till night and even through mobile phones millions of transactions are made 24/7 in 365days. So, the pace of mobile banking is like a rocket in the space where the bankers are doing works like a cow car. World Bank report also shows in the countries 85 % of people are involving with MB operations where it is only 20 % by banks. There are some secret ingredients found in different research works on why people have been constantly engaging with mobile financial services. Customers would be able to continue a mutual action without time or place limits through mobile technology (Kannan et al., 2001). Characteristics of MFS are more prominent than existing Internet financial services and include ubiquity, user identity, and localization based on connectivity (Kannan et al., 2001; Kalakota and Robinson, 2001; Hong and Tam, 2006).

According to Middleton (2011), “The growth of mobile phone services and e-commerce, together with the evolution of the mobile handset into the smartphone, present two of the most significant opportunities for the payments technology industry.” In terms of developing economies, the challenges and opportunities of MFS are quite different. The potential for MFS is large as it offers to facilitate the flow of money among rural and poor families at much lower

transaction costs, bringing the bank to those currently unbanked (Jenkins 2008). Mobile banking also has great potential in facilitating financial inclusion, which reduces poor people's vulnerability to shocks and increases their ability to invest in income-generating activities and assets (Dolan 2009). The concept makes use of the fact that developing countries usually have a large portion of the population that is unbanked but has easy and cheap access to mobile communication. One success story comes from Kenya where the adoption of the M-Pesa has 18 million users who now move 20 % of the country's GDP via text messaging (Van Dyk, 2012). From the following Table 4.8 and from the other discussion of this chapter it is being experienced that the practice of mobile banking has been increasing, however, the pace of this increment is tremendously visible in the developing countries like Bangladesh, Kenya and so on. Table 4.7 also shows that the incremental rate of East Asia almost 12 times than the Middle East and North Africa and about 3 times more than Sub Sahara and Latin America. So, it is distinctly clear that East Asia is leading the mobile financial service market of the world. Finally, it is also a clear observation that Bangladesh playing a very important role in this part.

Table 4.8 Global & regional growth picture of mobile banking from 2017 & 2018

	Year	Registered Accounts	Growth Percentage	Transaction Volume	Growth Percentage	Value US\$	Growth Percentage
Global	2017	722.9m	19.8%	2.1bn	14.4%	34.9bn	16.8%
	2018	866.2m		2.4bn		40.8bn	
Sub Saharan Africa	2017	348.3m	13.6%	1.5bn	11.8%	23.3bn	15.3%
	2018	395.7m		1.7bn		26.8bn	
South Asia	2017	223.7m	28.5%	447.5m	26.3%	7.5bn	17.9%
	2018	287.6m		565.1m		8.8bn	
East Asia & Pacific	2017	68.5m	38%	74.9m	38.3%	2.7bn	35.7%
	2018	94.6m		103.6m		3.7bn	
Latin America & The Caribbean	2017	23.5m	14.7%	66.4m	-29.9%	1.0bn	-7.9%
	2018	27m		46.5m		945m	
Middle East & North Africa	2017	47.3m	3.4%	39.7m	5.6%	376.2m	25.7%
	2018	48.9m		41.0m		473.0m	

Source: GSMA-State-of-the-Industry-Report-on-Mobile-Money-2018

Finally, it is being realized that though the history of mobile banking is not that much longer but impact of this industry playing crucial role and it is given a strong message that regardless of developed or developing countries banked, unbanked people, are largely engaging with this services and thus banking system of tomorrow would be shape of mobile banking. Now a few case studies would be experienced regarding MFS in different countries specifically.

4.12 A Snapshot of the mobile banking practice in Kenya

Kenya is one of the sates of East Africa comprised of multi-ethnic people in the Great Lake region with a population of 48.46 million (World Bank, 2016). The average life expectancy is 62.13 years and the population growth rate is 2.6% (World Bank, 2016). According to the World Bank report (2015) out of 48.46 million people 34.25 million means, 70.68% of the total population lives in rural areas. There are only 42 banks including 6 large, 15 medium and 21 small banks to provide banking and financial supports to a large population and most of them are urban-oriented. Naturally, the core people of the country excluded from formal financial services by the traditional bankers of Kenya.

The days of sufferings of the rural Kenyans' started to over in 2005 when the very innovative value-added mobile banking services for the poor and unbanked launched by Safaricom as M-PESA. By 2009 the service had reached 7 million users by 2016 it reached 21.57 million which is about 44% of the total population of Kenya.

According to the data of the following table 4.8 in terms of the number of clients M-PESA has occupied about 67% of the total market share and immediate competitor, Airtel part is only 21%. Subsequently, the other four players, MobiKash, Tangaza, Equitel, and Orange have covered less than 10% make share individually. Simultaneously in terms of agents and using the position of M-PESA is approximately 77% and revenue on the basis of transaction value is 78% of the total market.

Table 4.9: Picture of the mobile financial service market in Kenya, 2016

	Active subscribers	No. of transactions	Value of transactions	Agents
M-PESA	21 574 006	356 786 745	892 878 930 121	124 084
Airtel Money	6 711 829	9 359 291	6 579 991 618	18 354
Orange/ Telkom Money	194 322	31 000	80 029 000	800

Equitel Money	1 240 503	89 653 681	251 578 380 142	
Mobikash	1 772 696	815 881	127 032 829	16 749
Tangaza	503556	1 596		503556
Total	31 996 912	456 646 598	1 151 244 363 710	161 583

Source: Communications Authority of Kenya (2016)

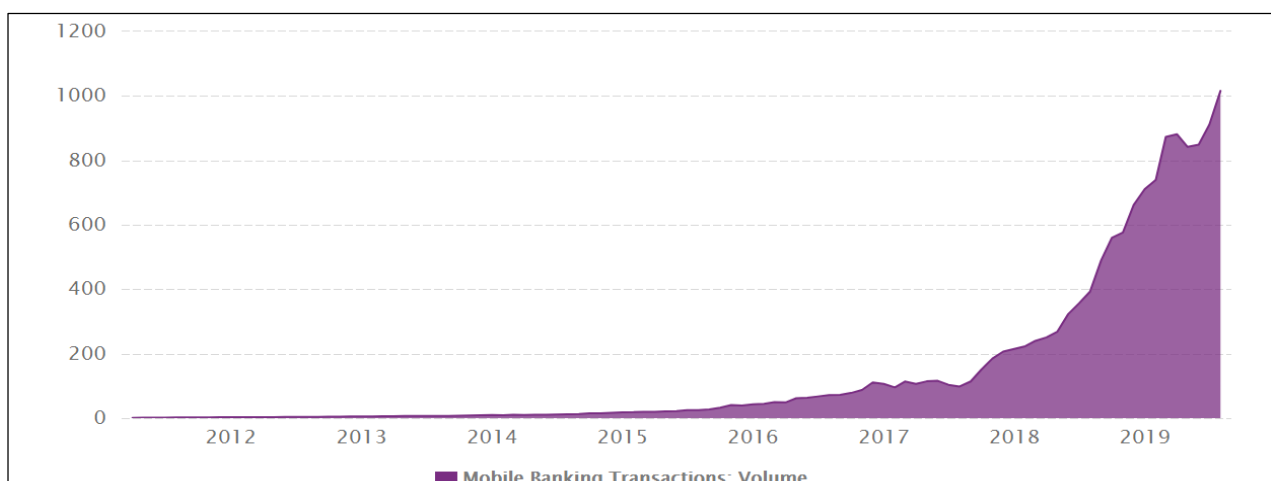
The above outstanding performance of M-PESA possesses the attributes of Blue Ocean strategy. Moreover, primarily young male urban migrants were the first to use M-PESA to send money back to their families in the countryside. In 2009, the use of the service expanded to pay for everything from bills to services. Using mobile money became a faster, cheaper and safer way to transfer money than traditional bank transfers, which tended to be slow and costly. It is estimated that the incomes of Kenyan households using M-PESA increased 5%-30 % since they started using mobile banking services. (The Economist, 2009). Recently the new service inclusion like savings, loans, and insurance have opened the new door of financial inclusion of Kenyan economy. Actually, M-PESA has created a revolution in the Kenya financial market by successfully addressing and engaging a new segment of the economy with innovative values at a reasonable cost.

According to the World Bank report 30 million mobile subscribers use at least 110 mobile banking systems (World Bank, 2012). World Bank report also revealed that from 2000-2012 over three-quarter adults accessed in the use of mobile out 5 billion mobile phone users in the world and they were mostly from developing world like Kenya (World Bank, 2012).

Like Kenya and other developing countries, a very potential picture is being seen in Bangladesh as mobile banking services are highly accepted by all classes of people though primarily it was versioned to serve the unbanked, underprivileged, poor and vulnerable masses. Unlike the other countries, MFS operators are bank-led whereas in other countries these operations are performed mostly by mobile network operators (MNOs). Within a couple of years, the growth of MFS operation is reached beyond the imagination. According to Ex. Governor, Bangladesh Bank, Atiur Rahman (2013), in Bangladesh the total number of mobile banking subscribers has reached 1.50 cr, daily average transaction is 263.18 cr and daily growth rate is 20.83%.

4.13 A Snapshot of the mobile banking practice in India

The Republic of India is the country of 1.32 billion population with 36 states where financial inclusion rate was 37% in 2011 and raised to 50% in 2014 (CRISIL, June 2013 and June 2015) This means that in India today, 50 % of adults have no access to formal financial services. Among the financially included, 25 % are fully banked, meaning they are able to take advantage of a full range of financial services (including savings, insurance, credits, and others); and 20 % are estimated to be underbanked, with only basic access, such as a savings account. According to the annual report of Reserve bank of India (2016-17) banking outlets in villages increased at a good pace. In 2010 where banking outlet was 67,694 it raised to 598,093 in 2017, means that the incremental rate of bank outlet in rural areas was 783%. So, it is really a wonderful booming situation in India. Moreover, the annual banking conference (2017) it was revealed that the credit deposit ratio of scheduled commercial banks nicely improved. In 1996-97 the rate was 56.8% and in 2015-16 the rate increased to 78.4%. So, it was a tremendous improvement of the scheduled banks in respect of credit facilities in both rural and urban areas. Conversely, mobile banking activities have been increasing very positively in India. In 2011 the mobile banking activities was started as bank-led like Bangladesh. From inception to 2019 the volume of transactions and types of services continuously have been enhancing. According to the statement of Reserve bank of India (2019) in 2011, the volume of mobile banking transaction was 1.080 Unit mn and in 2019 it raised to 1015.779 Unit mn. The following figure also shows the chronological positive trends of mobile banking in India from 2012 to 2019.



(Source: www.ceicbata.com; Reserve bank of India)

Figure 4.2 Development picture of mobile banking in India in respect of Volume of Transaction

4.14 Conclusion:

The above discussion has revealed that the close neighbor India also very positively engaged with mobile banking activities to enhance the rate of financial inclusion. They simultaneously increasing their formal banking facilities as well. It was also found here that though Indian mobile banking is Bank-led, however, no very influential players found like bKash who occupied more than 80% market share.

5.0 bKash – THE AMAZING BRAND IN THE MFS MARKET IN BANGLADESH

5.1 Company profile

The very name of the robust leader in the mobile financial services sector in Bangladesh is bKash, a subsidiary concern of BRAC bank and a sister concern of BRAC NGO started an innovative joint venture with partnership support of Money and Motion, USA in 2011. Subsequently, the International Finance Corporation (IFC) joined as the equity partner. Bill and Malinda gates were engaged with bKash in 2015 as an international investor.

Beautiful Bangladesh, the rural society reverie country where more than 70% of the total population lives with the blessing of rural nature. Due to the financial lack behind, decades after decades they have not been getting any financial service facilities by the traditional banks or any financial organizations and they were not included in the mainstream of the financial inclusion of the country's economy. Ice was broken in 2011, days had come, and masses had got the privileged of financial service with the strong support of Bangladesh Bank, BTRC and the mobile operators, through mobile and mobile instrument and this is called mobile financial services introduced in March, 2011 by Dutch Bangla bank as the Dutch Bangla Mobile Banking. Immediately in July 2011, management of bKash recognized got the authorization of providing the same service and within a few years, it has become the market leader.

5.2 Mission statement

bKash provides financial service facilities to the masses those who are vulnerable, underprivileged and unbanked staying rural, remote rural, and char areas basically were not welcomed by the banks or financial organizations for providing any financial service facilities. It's an innovative, convenient and affordable solution of sending and receiving money and monetary transactions for the masses through a mobile phone.

5.3 Board of directors

Name	Designation
Mr. Shameran Abed	Chairman
Ryan Gilbert	Director

AndiDervishi	Director
Mr. Nicholas Hughes	Director
Mr. Arun Gore	Director
Mr. Iqbal Quadir	Director
Nihad Kabir	Director
Mr. Kazi Mahmood Sattar	Director
Mr. Selim R.F. Hussain	Director

5.4 About founder

Kamal S. Quadir, the son of Jessor, Bangladesh, is well known national and international figure working as the CEO of bKash, one of the leading organizations in the space of mobile financial services in the World. bKash is now recognized as the largest organization in the field of mobile financial services sector in the world. He is recognized as the most innovative successful Global young leader who has created a revolution in the financial sector of Bangladesh by introducing a very pragmatic, innovative, safe, secured, fast banking facility for the unbanked, banked and underprivileged community of the country. Kamal Quadir is the best-known entrepreneur for introducing e-commerce Business in Bangladesh named “Cell Bazaar” is a very popular online shopping complex. Now it is owned by Telenor, an international telecom organization. His name and fame have been spread all over the world. He is very much actively involved with Anwarul Quadir foundation. The versatile leader has already enjoyed lot of international awards. He is a founding member of World Initiatives, the Switzerland-based organization of young thinkers.

Fellow of the Aspen Institute and TED and he is awarded as the young global leader by World Economic Forum. Kamal Quadir awarded a BA degree from Oberlin College and an MBA from MIT. His other very distinguished identity is that he is a renowned artist and collection is available in Bangladesh National Museum and in Liberation War Museum permanently.

5.5 Background of bKash

The word bKash is a very familiar, cordial name to the people of Bangladesh. Genesis of the name is very interesting as depicted by Kamal Quadir, CEO of bKash, “ bKash is in Bangla

called prosperity or a name should sound cash but cash or bKash is meant Bangladesh cash". bKash Limited, a subsidiary of BRAC Bank, started as a joint venture between BRAC Bank Limited, Bangladesh and Money in Motion LLC, USA. In April 2013, International Finance Corporation (IFC), a member of the World Bank Group, became an equity partner. 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, uneducated and underprivileged people of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable. Primarily 28 organizations applied and got permission from Bangladesh bank to serve mobile financial services, finally 17 banks were got the final approval for providing the service (Bangladesh Bank). Within a couple of years, more than 90% of the transactions are being made by bKash limited (Source: Bangladesh bank). Within the 6 months of operation, it raised 2 million accounts and by the end of 2012, it was jumped from 2 million to 11 million (Gregory C and Stephen R, 2015).

5.6 Network coverage of bKash

The only key instrument of mobile banking service is mobile phone and mobile network coverage. bKash holds very strong network coverage all over the country by making a functional agreement among all mobile phone operators. Grameen phone, Robi, Bangla link, Teletalk, and Airtel are operational partners of bKash. Along with mobile operators more than 5 lakh agents and in some places super agents are available in every doorstep of every people in the country. Now the network is even beyond the country in regards to providing remittance facilities to the targeted audiences. bKash made an agreement in 2016 with Western Union, North American organization, online money Transfer Company and is serving more than 200 countries all over the world. According to the statement of the concerned officer of bKash Ltd. Through Western Union people from 70-80 countries are sending remittance through bKash but all 200 member countries of Western Union can enjoy the facilities of bKash except UK and South Africa. In the case of the United Kingdom, customers must transact their money through Brac Sajjan or Southeast Financial Service UK branch and for South Africa it must be through Hello Paisa. Moreover, for this two-country, this money will be withdrawn by a customer in Bangladesh from the branch of Brac Bank and of any branch of southeast bank Limited instead of the agent of bKash. The result of the strongest network is that from every corner of the world a valued customer can comfortably perform any sorts of financial

transactions like, receive or send the money, payment of utility bills, mobile refill, payment of tuition fees, purchasing goods or services, salary disbursement and so on within a couple of seconds. To maintain strong and steady services to the customers, the world's largest MFS operators use the highest quality VISA software from the very beginning of the operation. The partnership agreement with all the mobile operators along with very versatile, innovative, fast and customized services has reached bKash in the new horizon of growth and success. Thus within six years of operation, it is now the largest bank led MFS operator in the world.

By the dint of magical seamless service, bKash is now the heartfelt word to the poor and vulnerable people in the villages. They don't know what mobile financial services are; rather they just know it's bKash their most close neighbor or family member who ever solves every monetary solution in 7/25 within 365 days of the year.

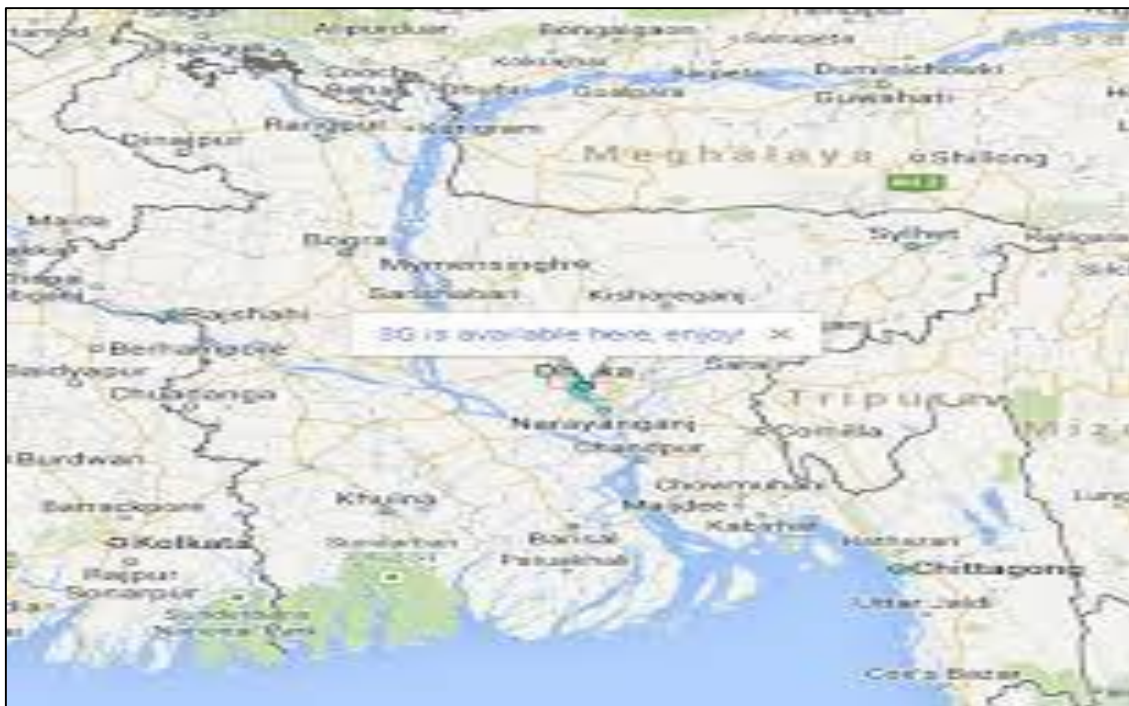


Fig 5.1: bKash is in all over Bangladesh

5.7 Products and services of bKash offered in the market

bKash, the pioneer of the MFS industry, always concerns very much about the customers' choice, need and market demand. About 1300 employees seamlessly giving their best effort to represent innovative, value-added products and services to their valued customers. Almost all the MFS operators provide same types of services to their valued audiences. Among the all services, money transfer (Cash in and Cash out) has been occupying the lion part. In the following the categories of service by bKash is being depicted:

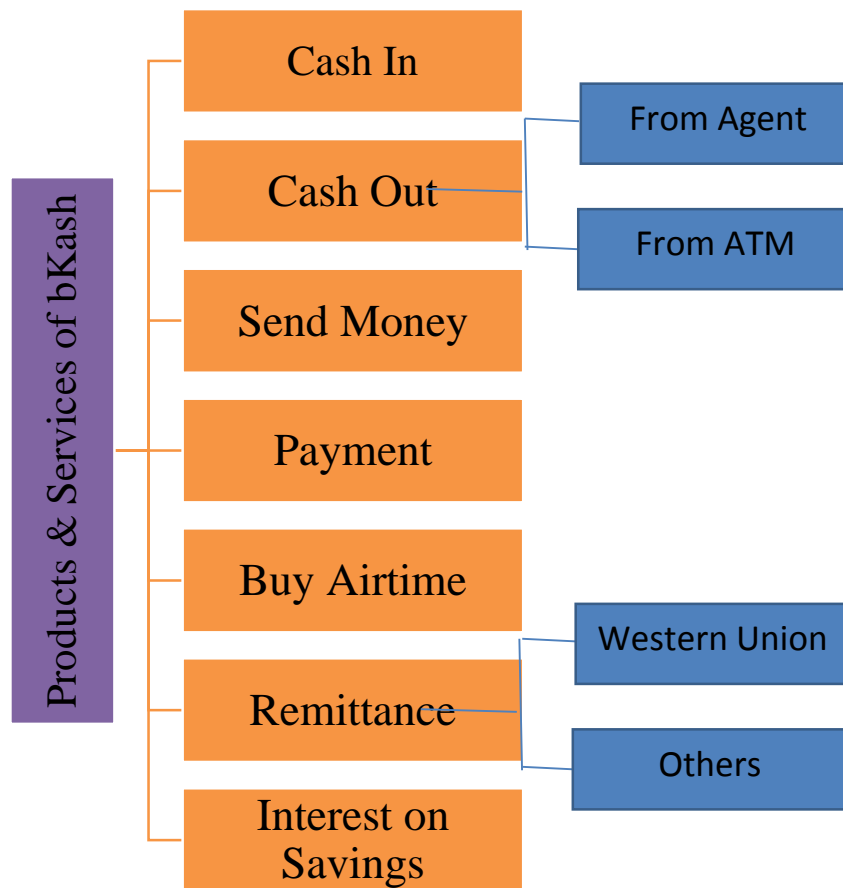


Figure: 5.2 Products and services of bKash offered in the market

5.7.1 Cash In- Cash In is one of the important basic functional product of mobile financial services (MFS) operation. It indicates that a registered customer can cash In (cash deposit) at his mobile banking account through an agent or over the counter (OTC). Unlike a conventional banking system where a customer must go to the bank or bank branch during office time in open days for making any deposit at his or her account, in the MFS system it can be processed at anytime from anywhere in Bangladesh. All most all the MFS operators provide free cash in services to their customers except Rocket, Dutch Bangla mobile banking. Rocket put full charge for providing any cash in services. However, bKash and other MFS operators serve their customers as free. Precondition of cash in services is that a customer must have a registered account number of any mobile banking operators for enjoying this service facility. It is also mentionable that from a single mobile number a customer can open more than one account easily. Among the total mobile financial operations, more than 90% of transactions are confined within cash in and cash out activities.

- 5.7.2 Cash Out** –Another most valuable functional product in the mobile financial services operation is Cash Out. Cash Out is the subsequent step of Cash In services or send money services. A very simple meaning of Cash Out is the withdrawal of the amount or part of the amount deposited or received from somebody else. A valued customer can cash-out (withdraw money) from any bKash agent point, ATM and from retail points of any Mobile Operator at any time and any days in a week. The service is for 24/7 within 365 days. The Cash- out fee at OTC/agent point is 1.85%, however, the agents usually charge 2% from a customer. A distinction between Rocket and bKash is that if a customer of Rocket withdraws from ATM the charge is .09% where for bKash it is 2%. Moreover, Rocket also provides high commission (enjoy BDT 7.00 out of 1000) facility to the agents in regards if any agents use apps of Rocket in case of withdrawing cash or Cash In.
- 5.7.3 Foreign Remittance:** bKash has explored the new facility of remittance for the remitters who are staying in foreign countries. In 2016 baksh made an agreement with Western Union to provide the remittance facilities to the beneficiaries of Bangladesh so that they can easily receive the money sent by their relatives from foreign countries. Currently, 70-80 countries remitters are enjoying these facilities though it's possible to expedite this facility more than 200 countries.
- 5.7.4 Buy Airtime**–An account holder or without an account holder of bKash can enjoy the top-up/recharge facility of his her own mobile phone or can debiting form is s/her account to another mobile. In this case, no charge is associated. To do this work they don't need to take the help of any agent rather can do it on their own. This is also free of charge facility but in case rocket for cash in 0.09% charged can be put over the amount in by customers.
- 5.7.5 Bills Payment-** One of the very exclusive services introduced by bKash is bill payment. Now a guardian or a student does not require to go the school, college or universities to pay the tuition fees or any related fees as bKash has created an outstanding facility of paying utility bills, tuition fees for schools, colleges and universities and even payment for bus, train and plane tickets by debiting from respective mobile banking accounts. Just few days before, to pay the electricity bill, or the bills of WASHA, DESHA were really a burdensome for any dweller as frequently they had to face the

long queue in a bank and now it is on the doorstep even it can be done by a person by using his own mobile phone through airtime facility. This is one of the fantastic untapped opportunities bKash created and made the competition irrelevant.

5.7.6 Merchant payment- Through the merchant payment, a customer of bKash is enjoying the payment facilities. Under the merchant payment s/he can pay any the payment of department store, chain store, hotel, restaurant, groceries and even the payment of hospital. About 44000 organizations are now under the merchant payment of coverage (Source: company website). It really makes life easy in all classes of people in society.

5.8 Differential supports services of bKash provides to its valued customers.

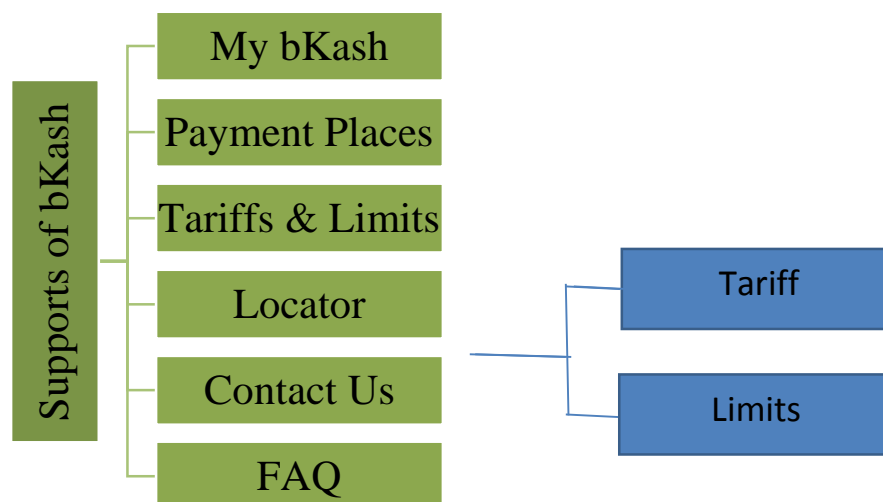


Figure: 5.3 Support service of bKash

5.9 Functional Process of mobile financial services (MFS) of bKash

Mobile financial service is a very charismatic service, unlike the so-called traditional banking service. An usual experience in traditional banking, customer does wait hour after hour for a single service wherein mobile banking service is being provided within couple of seconds, no line, no queue is required for a customer. The functional process of this dramatic service is being depicted by the following figure 5.4.

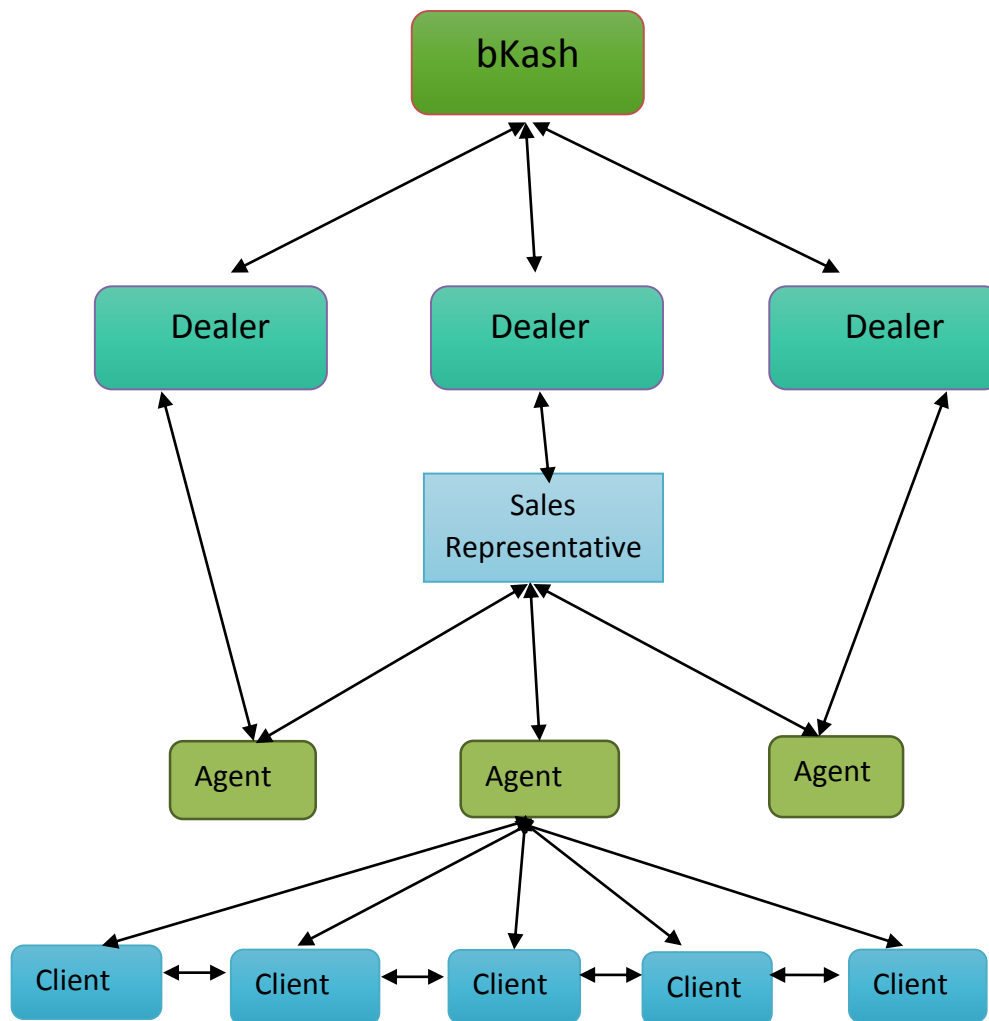


Figure 5.4: Functional Process mobile financial service of bKash

The functional process of mobile financial services by bKash and other operators is almost the same. In this process, there are few phases involved, started from head office and finish to the ultimate users of the service. In the functional process, the licensed dealers are dealt with head office of bKash taken the allotment of fund in the dealer's wallet and disburse it to the respective sales representatives (SR) who work as the middleman in between agent and dealers. Sales representatives (SR) then send the respective amount from his wallet to the respective agents belong to his zone. Agents then serve to the ultimate consumers as per their needs. Mentionable that an SR can't transfer any amount to the other SR within their defined zone or beyond the zone. However, sometimes dealers directly communicate with their agents if there is any difficulty arises regarding the sales representatives. Like SR it is also prohibited to transfer money from one agent to another agent within their confined boundary. If an agent needs any fund or other support they will enjoy it from the respective SR or the dealers of the

zone. In the case of transferring money instead of agent, there is a good option of P2P means person to person transfer.

Though the key function of MFS providers is sending and receiving money there are multifarious functions services now are being performed by an agent like bill payment, utility payment, and ticketing, purchasing, refill for mobile and so on. According to the Bangladesh bank report (2015) regarding MFS services 96% transaction is confined to Cash In and cash-out services.

Unlike the normal procedure of the functional process of mobile financial services by an agent in remote rural areas or Char areas where communication is very disrupting even the distance of one agent to another agent is a couple of miles an agent is allowed to transfer money to other agents if required. This agent is called super-agent.

5.10 Charges by bKash over the different heads of services

There are multifarious service heads over which bKash either puts charge or does it without charge. The rate of charges varies from the service to service and the manner and perspective of the services to be provided. The following Table 5.1 represents the classes of services of bKash and the respective charges apply for particular service.

Table 5.1 Charges by bKash over the different services

1	2	3	5	5	6	7	8
Acc. Openi	Cash in Agent	Cash-out From ag en t	Cash-out From A T M	Interest on Savings	Bill and Merchant Payment	Merchant Payment (cost to Merchant)	B2P Disburse ment
Free	Free	1.85% **	2%	1.5%-5%	Free	1.3%-1.8 %	0.5% (negotiabl e)

(Note: Usually, agents charge 2% on cash out, Source: Bangladesh Bank, BPSS Regulation, 2015)

Above Table 5.1 shows that there are some services bKash provides to the customers without any charge like account opening (registration of a customer), cash in by an agent and for any sort of merchant and bill payment. Fees are charged for cash out either from an agent or from ATM booth. bKash charge is 1.85% for the cash from an agent and 2% from ATM. A very minimum charge is for salary disbursement only 0.5%. As per the instruction of Bangladesh bank bKash, provides 1.5% to 5% interest to the depositors those who deposit their money in the account for a particular period of time. bKash charges over merchant cost payment and for collection settlement payment 1.3%-1.8% and 1.5% respectively.

5.11 Product-wise transaction limit- Daily and monthly basis

Through the PSD Circular no. 01/2017, dated: 11/01/2017, Bangladesh Bank has reset the transaction limit for a particular account holder is in the following manner. The details of the transaction limit is being depicted in the following Table 5.2.

Table 5.2 – Product-wise transaction limit of mobile banking operator’s daily and monthly basis

Transaction Type	Maximum Number of Transaction		Amount Per Transaction		Maximum Transaction	
	Per Day	Per Month	Minimum TK.	Maximum TK.	Per Day TK.	Per Month TK.
Cash In	2	20	50	15,000	15,000	100,000
Send Money	20	70	10	10,000	10,000	25,000
Buy Airtime	50	1,500	10	10,000	10,000	100,000
Payment	No Limit	No Limit	1	No Limit	No Limit	No Limit
Cash Out from Agent			50	10,000		
Cash Out from ATM	2	10	2,000	10,000	10,000	50,000
International Remittance	No Limit	No Limit	No Limit	150,000	150,000	150,000
Western Union Remittance	5	20	50	25,000	25,000	150,000

(Source: <https://www.bb.org.bd/fnansys/paymentsys/mobilefin.php> and www.bKash.com)

6.0 MARKETING MIX OF bKash

6.1 The concept of the marketing mix- the controllable variables

According to Kotler and Armstrong (1989), “The marketing mix: as the set of controllable marketing variables that the firm blends to produce the response it wants in the target market.” McCarthy and Perreault (1987) have defined the marketing mix as the controllable variables that an organization can coordinate to satisfy its target market. The essence of the marketing mix concept is, therefore, the idea of a set of controllable variables or a “tool kit” (Shapiro, 1985) at the disposal of marketing management which can be used to influence customers. Culliton’s (1948) defines marketing mix as the “mixer of the ingredients.” So, the above definitions indicate that the marketing mix is the variables or tools that arrange by an organization to ensure the existing and potential response of the target audiences of the respective market.

Bangladesh is the country of the population of 160 million where 72% lives in rural areas and only 28% belong to urban areas. The banking penetration rate is only 36% and the rate is mostly for the urban areas (IFC, April 2013). In the same way, for 56 commercial and specialized banks, there are 8522 branches available all over the country to serve the huge community (IFC, April 2013). In a simple calculation, one branch is to serve about 18,000 people. Due to the different obligations and requirements of Bangladesh banks in the rural and remote rural areas, there are very few branches of private commercial banks established so far. The result was that the country deprived of billions of dollar financial opportunities as the largest part of the community i.e. more than 108 million people were being excluded from formal financial inclusion.

bKash explored and conquered the hearts of the poor, vulnerable, unbanked and underprivileged people by its magical instrument, mobile financial service since inception in 2011. Those who once severely suffered due to the absence of a single formal financial media that could support them to reach their money to their very relatives in emergency to secure and save their lives, unfortunately, decades after decades their dreams were broken, no commercial banks, government banks, or financial organizations came forward to solve their very basic demand. Today a village mother, a peasant father, a housewife, a small businessman becomes smarter and happy with the tuned and seamless supports of mobile banking by mobile financial service operators, especially by bKash. Very obviously a strong blend of marketing and promotional tools applied by the management of bKash for achieving the highest satisfaction

of the level of the customers in the mobile financial services market in Bangladesh. So, the picture of the blend of the weapons depicted here.

6.1.1 Orientation of product with innovative and attractive features

Considering the need and demand of the targeted segment, especially for the poor and underprivileged part of the society, bKash introduced a convenient product that contains the features financially excluded from availability, affordability, time and energy saving that a client can enjoy without much effort. Since very long time as the largest part of the community excluded from the formal financial inclusion due to the so-called formalities of the traditional financial institutions, bKash came forward with such an innovative process of financial transaction that does not require any formalities, even it does not require physical structure for maintaining the transactional activities for a person. In a conventional bank where there are prerequisites to manage a transaction are to maintain registrar, counterfoil, deposit slip, long queue, computer entry, checking by two to three persons all these formalities eliminated by mobile banking operations. The transactions are to complete within a couple of seconds from anywhere, any days and any time even there is no official time, Friday, Saturday and so on. The operation is opened for 24/7 for 365 days. So, such an easy, friendly, convenient, seamless and affordable but highly essential product embraced by unwelcomed people very enthusiastically. Gradually all classes of people regardless of rich or poor, urban or rural frequently transact through bKash for their hundreds of daily necessities. In the following Table 6.1 shows the expression of the respondents regarding the functional efficiency of the product of bKash.

Table 6.1 Picture of the response regarding the product of bKash

No.	Variables	Mean	Std. Dev
1	bKash takes less time to process a transaction than the others	4.356	1.72946
2	Transaction through bKash is very easy	4.3037	0.84923
3	Very easy to reach bKash agents. (S)	4.1623	0.93058
4	Registration of bKash takes less time than that of the others	4.0707	0.92087

5	bKash saves energy of the clients	4.0393	1.02002
6	bKash saves the time of the clients	4.4058	0.76352

(Source: Primary data); Sample size (N) -393; scale value 1 means fully disagree and scale value 5 means fully agree

Above Table 6.1 shows the total number of respondents 393 who have given their consents on the basis of the five-point scale where the lowest value was one (1) and the highest value was five (5). The first variable “bKash takes less time to process a transaction than the others” shows the mean value 4.356 which is close to 5, the highest value of the scale. It does mean that the response of the people is highly positive regarding this statement. The mean value of each variable among the seven is 3.98 close to 4. It does mean that the people are highly satisfied with the functional performance of the product and these factors motivated people to engage with mobile banking practice.

6.1.2 Phase wise launching products to capture the existing and potential market opportunities

The management of bKash very closely observes the current and potential needs and demands of the low-income people and accordingly took strategy in regards to launching their financial product facilities. The following figure 6.1 shows the stages of how bKash created gravity to their existing and potential customers in the MFS market. In figure 6.1 we see that at the initial stage bKash concentrated on the internal remittance facilities so that the mass people can meet their basic demand through their ordinary mobile phone of Tk.2000 or with the support of over the counter (OTC) which normally called agent. Till December 2016 among the total transaction in the mobile financial services market, 95% is concentrated in cash Out and cash In (Bangladesh Bank, 2016)

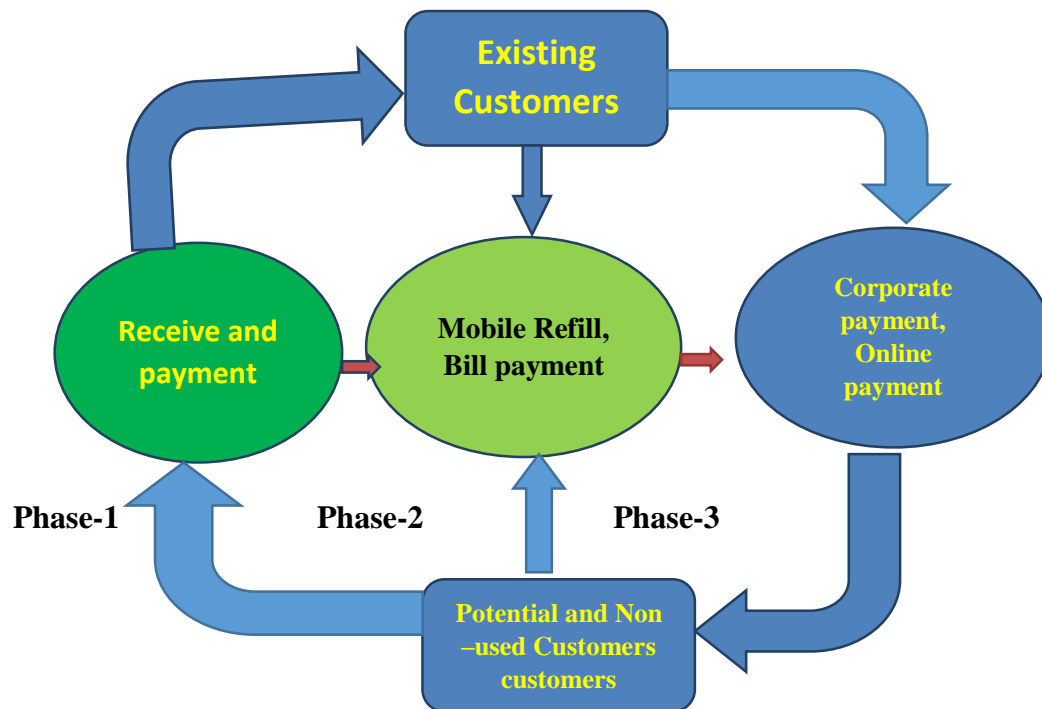


Figure: 6.1 Products of bKash from simple to complex phenomena

Gradually people become aware, educated, and familiar with mobile financial services (MFS) and their demand for different services increased and especially the introduction of smartphones created multi options for serving all levels of people. Thus in phase-2 and in phase-3 bKash introduced different customized but little bit complex products for the existing and potential customers and successfully persuaded. Their bill payment, mobile refill, salary disbursement facilities, and corporate dealing facilities are gradually accepted by people regardless of urban or rural. In the Figure 6.1 variable seven depicts how different new services attracted the audiences of mobile banking the mean value 3.92 reflects that people positively agree with the statement that the different new service opportunities by bKash created new customers along with existing customers. For example, now many people don't go to refill their mobile by the agent of mobile operators rather they save their money in bKash account and do refill when needed.

According to the statement of the Head of corporate affairs of bKash, "Vision of bKash was very clear and this was to extend the banking support to the vulnerable, unbanked and underprivileged masses of the society. Thus we closely observed the need and demand of these people how much conveniently it could be reached to them with the

affordable cost and what should be ways to aware and promote these targeted audiences.” A senior specialist in financial regulation, Grameen phone, commented that bKash started with very informal nature by utilizing most of the retailer of the mobile phone operators along with the initial support of employees, and clients of Brac NGOs as the strong word of mouth. So very conveniently they reached the targeted audience. He also added that very easy formality for registration i.e KYC form, instant money transfer, and the largest distribution channel strongly influenced the people to deal with the financial transactions through bKash.

6.1.3 Pricing Strategy

According to Craven D.W and Piercy N. F (2009) to take the pricing decision an organization requires to analyze different attributes that relate to product, product mix, branding, product quality and feature and the intensity of the distribution channel. A line of products or product mix pricing substantially differs from single product pricing. The high-quality product mostly charges the high price for maintaining a prestigious position in the market and inversely competitive price or ongoing price to be followed by the organization for their convenient products. Like Wal-Mart and Target. The slogan of Wal-Mart is “everyday low price.”

Craven and Piercy (2009) also state that the contribution of the channel members influences the pricing decision. Value-added resellers require price margin to pay for their activities and provide incentives to enhance their motivation and cooperation. Nagle and Holden (2002) define value pricing as the price of a customer’s next best alternative plus the value of differentiating features.

From the very beginning, bKash was approaching the competitive pricing strategy and it charges premium prices for certain products and this is one of the key exceptional points that does not match with Blue Ocean strategy defined by Kim and Mauborgne. According to the core concept of Blue Ocean strategy in case of mass production that oriented with the objective of reaching the product to more mass people, then follow the price below the industry average along with added values. However, the pricing strategy by bKash did not adversely impact the customer as the sales volume of the last few years increasing tremendously and made a revolution in the MFS market of Bangladesh. The primary data also reflect the feedback of the people regarding the price

charged by bKash. The following Table 6.2 shows the comparative picture of the mobile phone operators. Among the four MFS operators 65% of respondents voted on behalf of bKash as the most affordable service provider, the close competitor Rocket got only 26% supports, Ucash and MCash got 2.9% and 1.6% respectively. In the same way Table 6.3 shows the mean value 3.33 out of 5 scales is above average and it does mean that it is accepted by the mass people.

Table 6.2 the most affordable service provider

bKash		Rocket		Ucash		MCash		Others	
Fre	%	fre.	%	Fr	Fre	%	fre.	%	Fre
248	65	102	26.7	11	2.9	6	1.6	13	3.4

Source: Field survey

Table 6.3 Transaction cost of bKash is very reasonable

N	Minimum	Maximum	Mean	Std. Deviation
382	1	5	3.33	1.2613

Source: Field survey

Other than the price the factors relate with the convenience of the targeted audiences and this is why people might not concerned about the price charged by bKash.

6.1.4 Value chain of bKash

The success, the revolution in the mobile financial service (MFS) market or to occupy the heart of the poor people by bKash, whatever we say was the outcome of the massive contribution of the innovative, multichannel and distribution channel managed by the effective and efficient management.

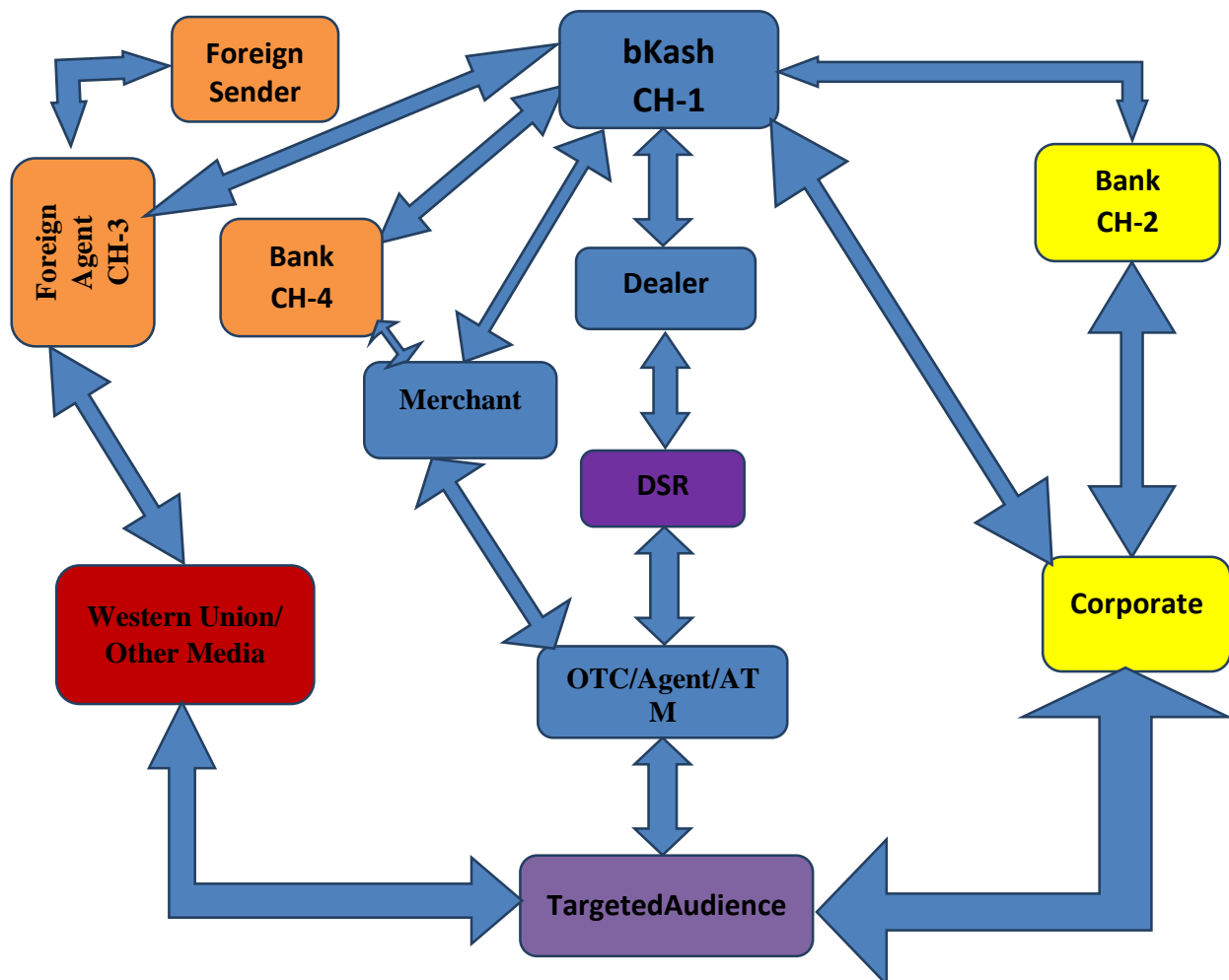


Figure 6.2: Multi-Dimensional Distribution Channels of bKash

From the very beginning of the operation according to the objective of the organization to reach the poor, vulnerable and unbanked people bKash aggressively extend their OTC or agent service to the doorstep of every people in the society whether he is staying in the rural, urban or even in the remote rural area. bKash designed the value chain as per the need of the common masses so that they can enjoy the banking facility with very little effort and the new value chain was developed while they introduced new products with new features view to confirm the benefits of the existing and potential market segments. The intensity of the value chain differs due to the nature of the product served.

Figure 6.2 shows the multichannel used by bKash to reach the targeted audiences in the MFS market. There are four types of value channel used for four categories of products like, **Channel -1** for Cash in and Cash out along with some bills and salary disbursement facility, **Channel -2** for Corporate payment,

Channel-3 for foreign remittance and the last but not the least is for merchant payment. Among the different channels, the first one performs the 96% activities of mobile banking as the mobile banking activities confined within cash In and cash Out services so far. Except channel -1 the other two channels (CH-2 and CH-4) are basically used for cash in. bKash designed all the channel considering all sorts of benefits and easiness of poor and unbanked people and this made more convenient for other people in the society.

The channel network is too extensive that strongly covered the whole of Bangladesh. According to Bangladesh Bank report 2016, out of 7 lac OTC, bKash occupied 80% of them. According to this information for 80,000 villages in the country approximately 7 agents of bKash can be engaged per village and it's a huge intensity of the value chain management of bKash. So, the very convenient, easy, time-saving and instant service of the huge number of agents created strong brand loyalty in the heart of almost all the people of Bangladesh.

6.1.5 Integrated communication to aware, educate and motivate people regarding mobile banking as well as of bKash

It may be deduced from the above-mentioned definitions that IMC is about the combined use of promotional tools in order to bring about “clarity, consistency, and maximum communication impact” (Schultz and Schultz, 2003:93). Kotler (1999) “IMC is the concept under which a company carefully integrates and coordinates its many communication channels to deliver a clear, consistent and compelling message about the organization and its message.” Keegan (1992) “The strategic coordination of all messages and media by an organization in order to influence its perceived brand value collectively.” “IMC is a strategic process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programmes over time with consumers, customers, prospects and other targeted, relevant internal and external audiences” (Schultz and Schultz, 2004).



Figure 6.3: Symbol of Promotional campaign by bKash



Figure 6.4: Seven Ps of Marketing Mix

6.1.6 People in service marketing

People in service marketing are an inseparable issue as directly or virtually person must engage to provide the respective services to the customers. According to Zeithaml et. al (2013), “All human actors who play a part in service delivery and thus influence the buyer’s perceptions: namely the firm’s personnel, the customer, and other customers in the service environment.”

Islam and Rahman (2015) describe in their article that to win the trust and loyalty of the customer's people of an organization must apply their best talent for confirming the quality services perceived by the customers and even more of perceptions. They also

comment that skill presentation of the personnel plays a vital role in motivating and influencing the targeted customers of the organization. So, the human resources should have relevant knowledge, proper training to enhance the skill and aptness in presentation.

The management of bKash did the job very efficiently. From CEO to agents at all levels, bKash appointed the personnel who had relevant knowledge and work experience in the relevant field. The management of bKash strongly emphasized the root level employees who actually provide services to targeted audiences. In this case, bKash first appointed the agents who already engaged in mobile refill services with mobile network operators like, Grameen phone, Airtel, Bangalink and the like and very informally but smoothly the agents started to provide the services. As the agents have already known their customers so it was very comfortable for both parties (service receiver and service provider) to deal with the transaction without mentionable disturbance. In the initial stage, the management of bKash also utilized the employees, members and some other stakeholders of Brac group wings, Brac NGO as they are the largest NGO of the country. Last, not least the leadership knowledge and capability of the CEO also worked as a secret chemical of all prosperity of bKash. Here a little about the dreamy leader, Kamal Qadir is being depicted.

6.1.7 Physical evidence to ensure quality service

In the service-oriented organizations physical substances like the cleanliness of the clothing of the staffs, smiling face, their physical movement, furniture, decoration, lighting, logo, symbol, location and even the annual report of the organization represent the quality of the affiliated services to be provided to the customers (Islam and Rahman, 2015). The physical evidence is considered as the environment comprised of the tangible representations of the services such as dress-up of the employees, equipment, brochure, letterhead, business card, reports, signage, equipment and webpages (Zeithaml et. Al, 2013).

Controllable Physical environment like, credit card, credit facilities, buildings, their furnishing, and other tangible issues also reflect the service quality of an organization or consumer assesses the quality of services to be provided (Shostack, 1977) Buttle (1989) argues that the product and/or promotion elements may incorporate participants and that physical evidence and processes may be thought of as being part of the product.

bKash deals with three sorts of customers corporate, merchant and direct consumers. In the case of corporate and merchant customers, the representatives of the head office directly communicate with the respective corporate and merchant customers and the head office maintains all compliance required. Underlying retail customers are dealt with by the agents appointed by the respective dealers. Unlike other service-based organizations bKash doesn't have any important concentration regarding the physical substances rather a very informal environment an agent with a single table, one or two very usual mobile set(s) provide continuous supports to the customers and the customers of mobile banking operation pay their importance over the steady service rather than other physical structure of the retailer.

6.1.8 Process to be followed for delivering the services to the customers

Zeithaml et. Al (2013), in their book 'service marketing' defines process as the steps of the flowchart of the operational activities of an organization to reach the services to the targeted audiences successfully. Booms and Bitner (1981) define process as the flow of procedural activities that ensure the services required a consumer. The service delivery process of bKash is outstanding as there are more than half a million agents working all over the country to reach a very instant service to their customers. The picture of the agent's network also gives a message about how the stakeholders of bKash, especially agent networks have captured the whole country to provide convenient service to the target audience.

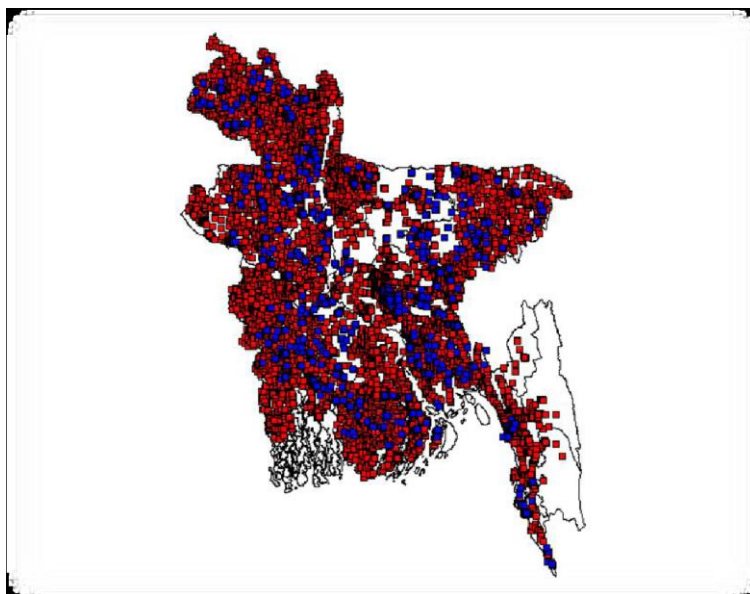


Figure: 6.5 Locations of MFS agents all over the country (Source: Halix report, 2014)

6.2 A change life story of a village women

Rahima (A client of bKash) Rahima Begum is a village woman with the age of 28-30 years resident at Birol in Dinajpur. She is early marriage and could not get any facility of education in her life, she just can give a rough signature. She scathed her life in the following way.

She has three sons and one daughter. Her husband is Rickshaw puller in Sylhet. Two sons are doing jobs in a garment factory in Dhaka and another son is abroad. The daughter is school going. She described her miserable condition at the early stage of 15-16 years before when her babies were infant and months after months could not get money from her husband due to the absence of a proper media. That time the people who worked in different areas of the country beyond their own district used to send money through their friends or neighbors who would come at home or scarcely used post office as the medium of sending money. So, it was really a troublesome issue to have the money from relatives or family members who stayed in distance areas. At that time frequently she took loans from neighbors or from the NGOs with high interest. Sometimes it was not possible to take a loan from others and that was the very critical time passed even couldn't afford the daily necessary food for her children. Suddenly one day my elder son told me "Maa" your severe day is over. Her son described the issue that Ronju Bhai, cousin of the boy, an agent of bKash told him that he can make money in his mobile and then will provide them. She couldn't understand the matter then she shared with her husband. Her husband was not clear about the issue. He then talked with other people where he was working then he saw a beautiful way to send the money to the family members with a minimum charge. Still at the first stage, they afraid the money missed somehow. But when they saw the settlement issue of a single transaction is a matter of couple of seconds become happy with strange face and thought how it would possible that my family is getting money within a few minutes what they couldn't even dream in the dream. However after two to three months a name was very close to them and that was "bKash" the bosom friend of the poor. Now her two sons send money to her mobile every month and every week her husband sends money for maintaining the daily necessities and for the take care of her daughter. She took loan Tk. 50,000 from an NGO for making a new tin shed building and she has been paying the weekly installment without any disruption. Her dream in her own word regarding her daughter, "Due to the severity of poverty and money I couldn't give good education to my sons but I will try my level best to reach my daughter as a doctor or engineer."

Now she has some cattle and save some money in her village cooperative society in every week. She openly commented that bKash changed her life and brought a very comfortable and pleasant days in her family. In a question, whether she knows other organizations like bKash. She replied no. She only knows bKash is the only organization work for her. She also added that my husband, my sons never tell anything regarding existence of any organization doing the same work as bKash does.

6.3 Case study of an Agent

Mohammed Muniruzzaman, Lakhi Store, first lane, Lake Circus, Kalabagan, Dhaka. is an agent of bKash involved in 2015. He has a departmental store and maintain bKash, rocket and mCash along with other mobile banking activities in a corner of the store. His shop is situated at Kalabagan for the last thirty years conducted by his father. He had actually a mobile refill services at the corner of the store and almost without any initial investment (except the money required to load for dealing the transaction) he joined with bKash.

The people of different ages, professions receive the mobile banking service for their personal, business and other purposes from his counter. His daily transaction is almost Taka 1.5 lac where 1.2 lac is transacted through bKash i.e 80% financial transactions is being completed through bKash. The customers are from different professions like Rickshaw pullers, day labors, and employees of garment factories, homemakers, small businessmen, desk employees and so on. Even, the learners of colleges and Universities, their parents now make transactions through mobile banking. Gradually, the well-to-do figures are involving with mobile banking. There are also some people who are involving mobile banking for payment salaries, bills and tuition fees, etc.

Since long days his observation was that the lower-income classes regardless of any position hold bKash as their own even they don't know what mobile banking is. They just know only the name "bKash" their best partner of financial solution. This was really a big question how bKash has occupied the hearts of these poor people though Rocket launched this service in the market earlier than bKash.

He observed very keenly and tried to find out the reasons behind the unbelievable success of bKash. In this regard he shared his nice experience in his own words that the low-income people who need to exchange short amount instantly are targeted by the authority and on the basis of the target, bKash appointed enormous agents and involves retailers, mobile

operating agents, grocers, village doctors and various types of business holders as agents and this sort of strategies Rocket did not take at all in a very good scale.

Every day, a huge number of audiences who have the original residence in Rangpur, Kurigram, Panchagar come to me and said “বিকাশ করেন”. I tried to convince them arguing that there is another option that is Rocket which needs less charge. They said “রকেট আবার কী?” Many of them told that I don't know Rocket. I know only bKash. I have no account of Rocket. Some of them said that they have no Rocket facilities in their village. Some customers also told that all their family members and relatives are accustomed to using bKash. That's why they are interested to send money through bKash.” So, there are some very basic causes for which they are with bKash. For example,

- They don't know Rocket
- Their relatives or family members who will receive money don't have account of Rocket
- There are no agents of Rocket in their locality
- They think bKash is very common and easy for them.

So, directly or indirectly, the above reasons influence them to transit their money through bKash instead of other mobile banking operators. Recently it has been observing that educated people especially students, officials tend to make transactions through Rocket as there are very low charges in ATM booths means Tk 9.00 for every one thousand taka and 2% extra bonus for remittance created attraction for urban audiences. However, these motivational approaches of the Rockets are mainly urban-oriented and a little bit slow in the rural area of our country and thus created a chance for bKash to grab the whole market of MFS.

7.0 ENVIRONMENT ANALYSIS OF bKash

According to Kim, W. C. and Mauborgne, R. (2005) Managers in an organization face four different hurdles during the strategic shift from Red Ocean to Blue Ocean. These are:

- a) Cognitive hurdle - This is the first and very big challenge for an organization to aware and wake up the employees so that they give their support to cope up with the strategic shift. If employees don't understand the issue regarding the new course action it would be detrimental for the organization. Cognitive hurdles sometimes blind employees from seeing that radical change is necessary.
- b) Limited resources – Resource limitation is assumed in case of shifting strategy as Blue Ocean strategy consider as big as possible and compare with the extended canvas the resources immediately could not be managed
- c) Politics – There are internal as well as external politics that exist in any organization. According to Kim and Mauborgne (2005), there are some groups of people always work behind for losing the organization and some work for the organization as an angel. Identify the two groups of people is very important to establish a new strategic shift.
- d) Motivation- Here challenge is how the tipping point leader can go forward fast and persistently along with his/her key players by breaking the status quo.

Moreover, when an organization creates Blue Ocean opportunity in a respective industry it must be perceived that Blue Ocean is not at all a static concept rather it's a dynamic process and the imitators are watching sharply how the wall of the ocean can be broken. Blue Ocean strategy credibly run ten to fifteen years without facing major barriers. Thus this strategy creates some operational and cognitive barriers to imitators to ensure the sustainability of the course action. According to Kim, W. C. and Mauborgne, R. (2005), sustainability of Blue Ocean strategy can be rooted by adapting the following imitation barriers:

- i) When value innovation moves does not make any sense to the competitors based on conventional strategic logic rather they sense this strategy as ridiculous.
- ii) Brand image conflict prevents companies from imitating a Blue Ocean strategy
- iii) Natural monopoly blocks imitation when the size of a market cannot support another player
- iv) Patent or legal permits block imitation.
- v) The high volume generated by a value innovation leads to rapid cost advantages, placing potential imitators at an ongoing cost disadvantage.

- vi) Network externalities also block companies from easily and credibly imitating a Blue Ocean strategy.
- vii) Substantial changes to the existing business practice politicks often kick in delaying imitation.
- viii) Through value, innovation companies can earn brand buzz and a loyal customer following that tends to shun imitators.

As imitators seamlessly trying to grab a share over the respective Ocean, once Blue Ocean will be imitated by the rivals, total supply will exceed the demand and thus bloody competition will be commenced. So, the task of the entrepreneurs to search new path of value innovation would be another opportunity for a new value curve.

The conclusion is that as Red Ocean and Blue Ocean are running side by side and this is the reality of the business world that no one can exist permanently. However the key suggestion of Kim, W. C. and Mauborgne, R. (2005) is that to obtain high performance in the overcrowded market, Companies should go beyond competing for share to creating Blue Ocean.

In the context of Bangladesh, this is obvious to check and balance the internal and external environment as most of the organizations in the developing countries play the role as an imitator. Moreover to ensure the sustainability bKash must create the safeguard and alternative large canvas of the new Blue Ocean. So, the discussion of SWOT analysis, PESTEL and Porter's five forces would be very convenient to find how much the external and internal environment support bKash to avail the sustainability and to extend the new value curve with potential opportunity.

7.1 SWOT, PESTEL and PORTER'S five forces model to justify the business environment of bKash in Bangladesh

Within a couple of years, MFS as well as bKash with the extraordinary performance bKash is now considered as the largest mobile financial organization in the world, dominating the indigenous market by occupying more than 90% market shares. Apparently, the business environment for mobile banking seems positive in Bangladesh. It is very much pertinent to analyze the micro and macro-environmental factors that play a vital role as the determinants of the success and failure of an organization (Gopal, 2009). The detail depiction of the environmental factors are stated in the following.

7.1.1 SWOT Analysis of bKash

SWOT analysis of an organization reflects the analysis of the issues that are very potent and role-playing related to the business environment both internal and external that determine the strategic competence of an organization (Johnson, Scholes, and Whittington, 2008). The result of the detailed discussion with experts, officials of bKash, and officials of other MFS operators, customers, agents and data from the secondary sources found the following points as strengths, weaknesses, opportunities, and threats of bKash.

Table 7.1 SWOT Analysis of bKash

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Independent management phenomena 2. Quick decision-making power 3. Effective managerial capability 4. Efficient and very smooth teamwork 5. Selection of accurate market segment 6. Foresightedness capability 7. Huge number of agents 8. No formality for registration 9. Almost no investment required an agent to start the business- a single chair, a table, a mobile phone with the price of BDT 1000-2000. Even a grocer without investing mentioned material s/he can launch this profitable business. 10. No requirement of any attractive location, rather from everywhere business can be run. 11. Innovative value addition 12. Effective intercommunication among the different departments and team members of the organization. 13. Strong brand image of both Brac bank and bKash 14. Strong promotional campaign 15. Ultra-modern technology 16. Creativity, the soul of bKash 	<ol style="list-style-type: none"> 1. Comparatively high charge imposed by bKash for a single transaction. 2. Lack of security measures for the sales representatives appointed by the dealers. Frequently they are attacked and hijacked but no security measures taken 3. Lack of recovery for the human error 4. Lack of software support in comparison to huge operation 5. Server down 6. Lack of support during peak time especially in Eid, Puza, Pohela boishakh and so on the server frequently fall down. 7. Look at proper supervision in rural areas where agents change more

<ol style="list-style-type: none"> 17. Strong network with Mobile operators, dealers, sales representatives, agents, corporates and with almost all stakeholders 18. Convenient services 19. Comparatively secured 20. Savings facility 21. Diverse service facilities 22. Contributing to the economic development of the country 23. Contributing to the social stability and development 24. Very comfortable Remittance facility 25. Contribute to women empowerment 	
Opportunities	Threats
<ol style="list-style-type: none"> 1. The tendency of all classes' people is increasing to complete transactions through mobile banking. 2. New service opportunities creating new values of mobile banking 3. Bangladesh Bank declared that mobile financial services will be led by the banks, not by other institutions. 4. Govt. has good intension to enhance this sector 5. More than 130 million mobile users who automatically become existing or potential customer of mobile banking. 6. Continuously creating new business opportunities: <ol style="list-style-type: none"> i) Online business opportunity ii) Corporate business facility ii) Marcent Business opportunity iv) Enhance the facilities to the marginal farmers v) Enhance the facility to the small business entrepreneurs 7. Best alternative to the unbanked people 	<ol style="list-style-type: none"> 1. Any adverse change in the Government rules and regulations regarding mobile financial services. 2. Mobile operators are always searching the ways to enter the market 3. Potentiality of new competitors with new technology which may offer more value to the customers.

<ol style="list-style-type: none"> 8. Many alternative use of mobile banking increasing continuously 9. Poor and uneducated people hardly know other brand except bKash 10. Female empowerment created 11. Living standards of unbanked and underprivileged people increased due to the benefit of 24/7 banking facilities. 12. Many people are now realizing mobile banking as the total solution for any financial issue either personal or commercial. 13. Eradication of the power of middlemen in the rural areas 14. Mobile banking is now considered as the leverage of the mainstream of economy 15. Contributing to creating employment opportunities- More than 7 lac agents directly working in this sector, Moreover thousands of formal employees of MFS organization, registered dealers and thousands of sales representatives are a nice example of the employment facilities created by bKash and the other operators. 16. Contributing to the social welfare 17. Socio-economic development 18. Marginal farmers now enjoy the right price of their products 19. Strong contribution to the reduction of poverty 	
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7.1.2 Analysis of PESTEL

7.1.2.1 Political

The political environment is a very influential uncontrollable macro-environmental issue that plays a vital role in the industry of any business. Regardless of the industrial economy or subsistence economy everywhere political environment, the type of power of the government, profile of the political leaders, and their philosophy regarding the

business has great importance (Cadle & Paul, 2010). The Political factors that are very much influential for the business organization in a country like,

- a) High tax, tariff and duties over the product or services to be imported or exported;
- b) Unrest, blockade, hortal or other activities by the oppositions can create a detrimental situation for business organizations.
- c) Very strict rules and regulations that seem to be an obstacle to the expansion of business.
- d) Red tapism culture in the government sector is another issue of creating obstacles for the development of a congenial business environment.
- e) The friendly political environment with a nursing manner and one-stop service contribute to the expansion of business in any country.

In Bangladesh, the political environment is very positive for the MFS industry. In fact, no political hassle has been created for bKash or for any mobile financial service operators. In respect of growth, turnover, profit margin, number of clients and agents proved that the political environment of Bangladesh is very favorable for the mobile banking business. According to Boston Consulting Group (2011), MFS regulations applied by the Bangladesh Bank played a very fundamental role to establish an ecosystem in the mobile financial sector of Bangladesh.

7.1.2.2 Economic impact

Rapid financial growth of a market can give the support of uplift economic growth of a country. The result is increasing the living standard, disposable income, purchasing power of the individual and ultimately benefiting business profits (Reynoso, 2009). According to Thelander, J. (2009) in an emerging economy with a high potentiality of growth focuses a promising future for a particular country. According to BCG (2011), the strong velocity of money contributes to increasing the GDP of a country and it is estimated that MFS will increase USD \$ 6 billion or 2% of GDP by 2020 in Bangladesh. This report also depicted that by 2020 if 10% of financial inclusion can be increased then 5% new job will be created, leading to a scope of 500000 new job space and thus it will ensure a job for one person out of nine in currently unemployed Bangladeshi. Resulting point is that the job creation will generate a \$ 500 million income tax revenue for the Bangladesh government by 2020. GSMA Intelligent report (2016) stated that in

2015, the contribution of the mobile economy to the global GDP is 4.2% and the economic value of the growth is \$3.1 trillion.

7.1.2.3 Impact of MFS- The very positive impact of the MFS market over the economy of Bangladesh is very clear from the information in the above and in the same way the influence has been created by MFS as well as of bKash as 90% market share occupied by this organization. First of all, bKash has created a giant source of financial inclusion for the economy by involving 1.06 core (Source: Bangladesh Bank, 2015) registered masses who were largely unbanked and were excluded from the mainstream of the economy of the country. More than 0.5 million agents are directly or indirectly employed by bKash is an unbelievable job opportunity created for the people who were not educationally enough eligible for other better alternatives. This opportunity increased the disposable income of the respective families and thus contributing to enhance their living standards. The unbanked, banked, underprivileged and all levels of people are getting enormous services from bKash and other MFS providers. Money received, payment, transfer, refill, remittances, bill payment, salary payment, corporate activities are gone through by bKash. Within minimum time, effort and formalities make everything very comfortable and ultimately all these facilities create huge economic values and contribute to the economic development of our beloved country.

7.1.2.4 Social

A revolutionary change has been made in the culture of the society with dramatic and time befitting, customized application of mobile banking, especially done it by bKash, the blessing of the poor and underprivileged people of our country. It's now a mobile culture that seems every solution comes from a mobile. The innovative and value-added services offered by the MFS organizations have changed the total scenario of the people either it is rural, urban or in metropolitan areas of our country. Many people don't bear the hard cash rather they store their money in the mobile and complete the transaction through mobile banking. The remittance facility through mobile banking abolished the unusual role of middlemen in the villages. Women are now self-empowered with the blessing of mobile banking as they now hardly depend on others for different sorts of financial activities. For example, 80% of employees in the garments are female from villages and they substantially depend on others for sending money to their families and for other financial activities. Now they can do it easily with the support of mobile banking. With the remittance facility of bKash, the rural woman

at home can receive the money from her relatives abroad without any banking formalities. The unbanked, underprivileged people, students, small scale businessmen, farmers now have got new opportunities of banking facilities and even more than banking facilities at any time, any amount from anywhere they can transact how much they need. All ages, all phases of society take mobile banking as their daily demanding issue. So, social impact is very much positive for bKash as a business organization.

Stabilization of the society- By creating the proper mobilization of money, easy transaction and smooth transfer of money from any place of the country by mobile financial services has created an ecosystem in the society. People now do any financial activities without any hesitation, even s/she does not have any hard cash to him/her. The only vital reason is s/ he can manage the money instantly with the support of mobile banking. It brought facilities to all ages and phases. Muslim women are getting facilities to maintain parda with the help of bKash- Helps to create a good relationship with the family members.

Crime – Along with positive social contributions, a negative flavor is also attached to mobile financial services as well. According to the CID, Bangladesh police, 2015, criminals frequently take the chance of fake mobile sim registration process to make their mission successful and a criminal investigation report shows that 99 KYC forms were found fake out of 100. This fake ID holder occurs the crimes of kidnapping, hijacking, blackmailing and thus collect money from the victims by using the false mobile sim so that they can't be tracked.

7.1.2.5 Technology

Technology changes the rules of competition in three different ways like, new technology affect the existing business that leads to change the nature of the industry; It supports new strategy to be introduced; changed technology forces the new business model (Mohapatra, 2012, p. 274). Technology today shaping the destination of an industry by introducing innovative business products, services, and ideas.

The application of IT with innovation creates more values in products and services for the customers with affordable cost and it also contributes to the production efficiency of the organization (Porter, 2001). Today technology motivates people to dream a new dream with a new way of life. MFS is one of the most creative blessing industry of innovative technology formulate a very attractive, easy, and customized alternative

banking phenomena that have successfully included all levels of people within a very short period of time.

7.1.2.6 Environment

Environmental Factors from a business perspective considered as natural issues like forestry, carbon emission, water pollution, air pollution and soil pollution usually created by the activities of business organizations. It does mean how much a business organization is ecologically balanced in case of its production and operational process. Mobile financial services (MFS) are very much environment-friendly, even have ensured the eco-friendly environment by introducing the paperless banking process. MFS organizations contribute to the safety of the forestry of our country and as a result, it helps to reduce the carbon emission, save our water and soil from pollution. This new and innovative financial services comparatively less cost and influence to build a paperless culture in society. Moreover, this eco-friendly financial practice ensures the highest degree of transparency and accuracy in the business world. Though this service is environment-friendly radiation that spreads due to the mobile antenna now is considered as a material issue for those people who excessively use mobile phone.

7.1.2.7 Legal environment

The protective measures of either a business or a consumer are confirmed by the legal body of the respective country. It can be sometimes positive or negative for any organization depending on the philosophy of the Government, legal body, and culture of the country.

Mobile financial services sector is very new and innovative field of financial sector created with the affiliation of scheduled Banks under the supervision of Bangladesh Bank

Bangladesh Bank has prepared the guideline on mobile financial services based on Article 7A (e) of Bangladesh Bank Order, 1972 and Section 5 of Bangladesh Payment and Settlement Systems Regulations, 2014.

MFS service providers under this regulation mainly perform the activities as payment service providers (PSPs) and their secondary tasks are mentioned as deposit-taking, loan disbursement and recovery, collection of insurance premium and so on. This transaction activities can be performed by agents of banks, NBFIs, MFIs and insurance companies

According to the revised regulatory guideline of Bangladesh Bank, 2015 the following functions are to be performed by mobile financial services providers:

- I. Disbursement of inward foreign remittances,
- II. Cash In cash Out into Mobile Accounts through agents/ bank branches/ ATMs/ Mobile Network Operator (MNO) outlets.
- III. Person to Business payments - e.g. Utility bill payments, merchant payments, deposits into savings accounts/schemes with banks, loan repayments to banks/ Nonbank Financial Institutions(NBFIs)/ Micro-Finance Institutions (MFIs), insurance premium payments to insurance companies, and so forth.
- IV. Business to Person payments e.g. salary disbursements, dividend/refund warrant payments,
- V. Loan disbursements to borrowers, vendor payments, etc.
- VI. Government to Person payments e.g. pension payments, old-age allowances, freedom-fighter allowances, input subsidy payments to farmers, and so forth.
- VII. Person to Government payments e.g. tax, fee, levy payments, etc.
- VIII. Person to Person payments (from one Mobile Account to another Mobile Account).

The relevant organization also can provide secondary services like the option of deposit of the account holder, loan disbursement and recovery, insurance premium collection, etc. In the financial sector legal body is very much concerned about the money laundering, incoming and outgoing of black money, over invoice and under invoice to transmit money through international trading. Imposition of tax, levy, custom duty and VAT are another very pertinent issue of the legislative body of a country's impact over MFS and bKash.

7.1.3 Porter's Five Forces Model

Michael E. Porter, Professor of Harvard Business School developed the Five Forces model in the late 1970s. This model is basically a standard of measuring business situations, recognizing the competitive power of an organization. It gives the focus of planning to identify the weaknesses and relevant threats and how it can be overcome by applying an alternative course of action. According to Raab.G, (2012), Porter's five

forces are analytical tools that analyze the competitive strengths and weaknesses of an organization in the context of industry standard. Porter, (1979, p. 137) says “awareness of these forces can help a company stake out a position in its industry that is less vulnerable to attack.” The model of the theory is depicting in the following to have a clear understanding of the forces and to justify what is the market scenario of mobile financial services in Bangladesh and what about the competitive position of bKash.

7.1.3.1 Threat of Intense segment Rivalry - According to Michael E. Porter (2008), in the competitive market, rivals never spare the peers as they are almost the same size and power. However, competition among the rivals creates intense competition and ultimately if the competition is on the basis of price, the benefit of competition goes to the pocket of the customers at the expense of the industry. Ever growing fastest sector in Bangladesh is the mobile financial services (MFS) sector that has been rising as galloping. This market is solely controlled and dominated by bKash and Rocket trying to create a competitive environment. Recently mCash by Islami bank is also doing well but their influence over the market is very low. Other competitors are also working in the market like, SA paribahan, hundi Businessmen, Western unions, different NGOs and so on. However, the overall situation in the market is like the ingredients of oral saline, it means bKash in this market is like water and the other competitors’ altogether is like a very tiny amount of salt. bKash in this market has been dominating by capturing 91% market share, Rocket 17% and the others occupied only 1-2%.



Figure 7.1 Porter's five forces

Though initially, 28 organizations applied for approval from Bangladesh Bank, ultimately 17 banks got permission to extend the service. In the context of quality, bKash occupied the whole heart of the masses of Bangladesh even people recognize the brand as the generic brand. Moreover, switching cost of the customers of bKash will be very high as it is providing services most conveniently by its more than 5 lac agents with very ultra-modern technology even in the remote rural areas. So, the points discussed above indicate that competitive rivalry is not that strong in this market rather bKash is far away from the other rivals. It seems there is no competition between bKash and other competitors.

7.1.3.2 Threat of new entry

This factor implies how much potential threats would be faced by bKash from the financial or beyond the financial market. Recently Bangladesh Bank has declared MFS must be led by Banks. So, the threat of other parties like mobile phone operators is substantially reduced. Now even the new members of the financial market have to take the massive investment to enter this market. Moreover, in the last six years, the existing MFS operators could do nothing as the strong rival of bKash. There is bulk of difference between bKash and other competitors in the market in the context of technology, customized knowledge, sales volume, profit margin and even expansion of account holders and agents. bKash has occupied more than 90% of the market share by occupying the whole minds of the targeted audiences.

So, apparently, it's clear that there is little chance of potential threats that might be created by any organization those who would come with new and customized technology that would be cordially accepted by the customers.

7.1.3.3 Threat of substitutions

Mobile Financial service is full of innovation introduced to the masses who were deprived of any banking services by conventional financial organizations. So here the key substitute is innovation and innovative factors. However, In Bangladesh, the substitutes of financial services especially for cash transactions are commercial or specialized banks, SA Paribahan, post office, and some NGOs. Among them, the services of SA Paribahan, post office, and TT are already obsoleted due to the very ultra-modern high tech performance of bKash and other MFS operators. Moreover, in the MFS industry, Rocket and other operators are very close substitutes of bKash as they provide almost the same mode of services. In urban areas a very small percentage of audiences mainly students and educated, people chose the service of rocket instead

of bKash due to the ATM booth facilities and apps facilities of rocket as the service charge is half in comparison to the charge of bKash. However, in rural areas people hardly know the other alternative names of mobile financial service providers, they just know only the name “bKash.” In many cases, people go to the agent of Rocket and asked to provide the service of bKash. From the survey questions presented in the following Table 6.2, it was more clearly the position of bKash and the position of close substitutes in the MFS industry. Table 7.2 reflects that out of 393 respondents 335 consented bKash as the best service provider among all the competitors in the market. The very close competitor Rocket is far behind by occupying only 38 respondents. So, in reality, there are no real strong and stable substitutes in Bangladesh to make any threat to bKash. Rather now bKash has become the largest MFS organization in the world.

7.1.3.4 Threat of buyer growing bargaining power

According to Bangladesh bank report 2017, among the 28 commercial scheduled banks, 17 commercial banks finally got approval to serve mobile financial services in Bangladesh. The types of services, modes of services and the pattern to provide the services are almost the same for all the operators working in this market. So, there is no visibility of any significant differentiation in the case of operational mode. Moreover, the charge by all operators is almost the same. However, bKash has created the difference from others by enlarging distribution channels up to the doorstep of any customers either s/he is staying in rural or urban areas all over Bangladesh. The fastest services created the confidence, trust, happiness, in the minds of the customers and the results created loyalty and blindness regarding this brand and thus in the availability of the bargaining options for the buyers in the competitive market, the strengths of bargaining seems to be very low as the performance of others far away than that of bKash. It is mentionable that recently Rocket has created a light bit of competition in the urban areas by offering very low-cost facilities for the customers. A customer of Rocket can cash out from ATM booth with only BDT 9.00 for BDT 1000 where the charge by bKash is BDT 20 and in the same way, if the customers of rocket use their apps then only BDT 11 for BDT 1000 cash out. This is why in urban areas educated people, students and conscious people desire to use Rocket instead of bKash and have created a tiny competitive environment. Still, as per the statement of an agent, the ratio of turnover is 20:1 between bKash and Rocket. Actually, the core target audience of MFS is the masses of the 80 thousand villages. Whereas in the rural areas village after

village there is no distribution channel of Rocket. So this is the key difference bKash made and created a revolution.

7.1.3.5 Bargaining power of suppliers

Mobile financial service immensely depends on the mobile phone operators in Bangladesh though the service is managed by the scheduled commercial banks or their subsidized organizations. In the exception of Bangladesh mobile financial services (MFS) basically led by mobile phone operators in the rest of the world. The other suppliers are mobile phone companies like Apple, Samsung, Oppo, Walton, Symphony, DCL phone and so on. Software companies are playing a critical role in the managerial and functional part. The extremely complicated works smoothly organized and supported by the Visa and other world-class software organizations. Internet service providers are another mentionable supporters of this field.

Apparently, mobile operators belong to strong bargaining options over mobile financial service (MFS) operators. However, due to the regulation of BTRC and Bangladesh bank, the charge over the MFS operators by the MNOs is almost the same. Moreover, bKash has been maintaining a very good relationship with all the mobile phone operators in Bangladesh. A customer can complete his financial transactions by any of the five MNOs without any question. So, a particular organization has a very little chance to create any obstacles in the way of reaching services to the customers.

8.0 PERFORMANCE ANALYSIS OF THE LEADING PLAYERS OF MFS IN BANGLADESH IN THE CONTEXT OF BLUE OCEAN STRATEGY

The culture of the economy of the developing and underdeveloped countries mostly depends on trading and imitation either it is goods or services. Bangladesh is not beyond this concept. We hardly produce unique and innovative products rather in most cases we follow the product or services of other countries, especially the product of the developed countries. Decades after decades, the concepts or ideas have been borrowed from the developed countries. Manufacturing companies purchase machines and other technological supports from the countries that have already produced the product. In the service-oriented organizations like banks, insurance companies or other services-oriented organizations do follow the same structure or formula that has already existed somewhere else. Mobile Financial Service (MFS) in this respect is something different due to its innovative, value-added, bank-led customized services introduced in Bangladesh with the purpose of including unbanked, vulnerable masses under the umbrella of banking culture. Within a couple of years, MFS has created a revolution in the financial market of Bangladesh. Among more than half a dozen MFS players, bKash and Rocket have occupied more than 98% of the total market share and mCash, Ucash and others belong to only 2% of the total market. So, pictures of the key MFS organizations are depicting in the following for having a piece of knowledge over their performance.

8.1 bKash, the leader of the MFS market in Bangladesh

More than 131 million people are under the mobile network coverage (IFC, 2012), 16% of people are getting full banking facilities from the formal financial channels and 55% of adults are under the umbrella of financial inclusion (BCG, 2011). So, a massive portion of the people of the country especially those who belong to the inhabitants of 80,000 villages didn't have access to formal banking facilities. Their critical banking and financial needs little bit met up by formal and informal media like handy, persons, microfinance organizations, NGOs, different cooperatives and so on. bKash in 2011 offered a very convenience, easy access, almost no formalities banking for the unbanked and underprivileged and more than 0.51 million registered agents are made by bKash is an unbelievable customized financial intermediary that enables people to transfer their money to the right destination within a couple of seconds. Day labors, homemakers, employees (especially the female employees) in the garments industry, Rickshaw pullers and all the vulnerable and underprivileged groups have been enjoying the

facility of transferring money to their family members or relatives with very minimum cost and effort very easily. Moreover, the students, their guardians', mediocre businessman, the farmers in the rural or remote rural areas comfortably enjoy the different sorts of banking facilities with the supports of the enormous number of bKash agents located in every corner of the country. The efficient management of bKash with innovative ideas, products, services, and rigorous promotion reaches it in such a position where there is no competition existed in the market. In considering growth, volume of income, domination in the market substantially replicates the phenomena of Blue Ocean by bKash in the mobile financial market of Bangladesh. The key elements that have supported bKash to reach this position are depicting in the following:

8.1.1. How much bKash in Bangladesh matches with the features of Blue Ocean Strategy

The concept Blue Ocean belongs to some features and principles that have to be matched by an organization to be considered as Blue Ocean. The key theme of Blue Ocean is to stop competition to win the competition or to make the competition irrelevant (Kim & Mauborgne, 2004). The features of bKash and Blue Ocean is being stated in the following Table 8.1 to justify whether bKash has applied and matched the Blue Ocean strategy at the MFS market in Bangladesh or not:

Table 8.1 Strategic features of bKash and Blue Ocean strategy

Blue Ocean strategy	Strategic Features of bKash
Blue Ocean in the eyes of Kim & Mauborgne (2004), is a strategic process by which companies can create an uncontested market atmosphere that makes the competition irrelevant.	With the tuned touch of technology, innovation and added values bKash has occupied more than 91% of the MFS market and thus competition with others in the market is almost stopped. (Source: Prothom Alo, December 2016)
The inception of Blue Ocean is creating and capturing new demand, new customers with innovative and attractive values for the targeted audiences.	Decades after decades the unbanked poor rural masses were ignored by the formal financial organizations, whereas bKash has successfully reached this non- customer group and become the pioneer.

<p>-The player of the Blue Ocean belongs to such a pace of growth of turnover and profit of the product or services that make a huge distance from others.</p>	<p>Within a couple of years, bKash is now recognized as the largest MFS organization in Bangladesh in the context of number of clients, transactions and turnover</p>
<p>Break the value/cost break off</p>	<p>bKash has created the highest customer value in the MFS market by making the money transfer to convenience with its more than 5 lac agents. In some cases, like cash out from agent the charge is BDT 18.5 and for Rocket BDT 18.00 per BDT1000. So here the difference is only BDT.5 for BDT 1000. But if a customer cash out from ATM booth, then bKash charge is BDT 20 for per BDT1000 and Rocket charge is only BDT 9. Here the cost difference is too higher than that of the Rocket.</p> <p>However, there is no ATM booth in rural areas where the core people live of this product and in the same way still more than 90% masses cash out from an agent and the agents usually charge BDT 20 for all cases either it is bKash, rocket or any organizations. In these circumstances, there is almost no cost difference created by the rocket in real sense. Thus, bKash occupied minds of more than 90% of customers in the MFS market by offering maximum values with respect to convenience. The brand is now recognized as a generic product like Honda and pampus</p>
<p>Align the whole system of a company's activities in pursuit of differentiation and low cost</p>	<p>The very innovative, dedicated management team of bKash created the unique alternative that has created tremendous demand by the targeted customers with reasonable cost</p>

8.1.2. Three characteristics of good strategy that drive an organization for shaping

Blue Ocean

Kim and Mauborgne (2005) state in the book Blue Ocean strategy that a good strategy can be recognized as Blue Ocean must contain three key features—Focus, Divergence and Compelling tagline. These three qualities serve as an initial litmus test of the commercial viability of Blue Ocean idea.

8.1.2.1 Focus: Every great strategy has focus and the image of the focus should be distinctly shown in the strategic value curve of the company. **bKash Focused:** Every service for unbanked, underprivileged and also for banked ensure prompt and instant solution, no formality and most convenient placement of the services (through the strong value chain of agent and other stakeholders) close to the doorsteps of every consumer.

8.1.2.2 Divergence: According to Kim and Mauborgne (2005) if you are reactive in a competition you will lose your uniqueness. The Blue Ocean value curve always stands apart from others with its unique values. bKash has created its unique value curve in the MFS industry by eliminating banking formalities in transactions, branch concept of banks, reducing cost and by establishing an unbeaten largest distribution channel that has ensured the convenience of the customers at the highest level.

8.1.2.3 Compelling tagline: An organization having a very strong strategy must have a clear, authentic and appealing message as tagline that will create the trust in the minds of the targeted customers regarding the product or the service. The trust and authenticity of the tagline is a must, otherwise, it may convey an inverse message in the market, Kim and Mauborgne (2005). The most compelling tagline of bKash is “bKash is the alternative name of mobile Banking.” With very strong and dedicated authority, bKash established this message to the valued audience now, it was created another appealing message to the customers and this is “mobile banking means bKash.” Most of the cases, the actual customers who are poor, vulnerable and unwelcomed groups don’t bother what the meaning of mobile banking, is they just know it is bKash which can very easily solve his / her problem within a couple of seconds.

So, we have also understood that bKash also met the above three distinctive features of a good strategy that turns a product or service as a Blue Ocean.

8.1.3. Four action framework of bKash

Another benchmark that helps to qualify an organization as Blue Ocean is the four action framework depicted by Kim and Mauborgne in their book, Blue Ocean strategy named “The Eliminate –Reduce-Raise-Create Grid.” This is the third tool to identify an organization that follows Blue Ocean strategy. From the following figure 8.1, it will be also justified how much bKash has been practicing Blue Ocean strategy in Bangladesh: The key factors of four action frameworks of bKash are in the Mobile financial Industry in Bangladesh.

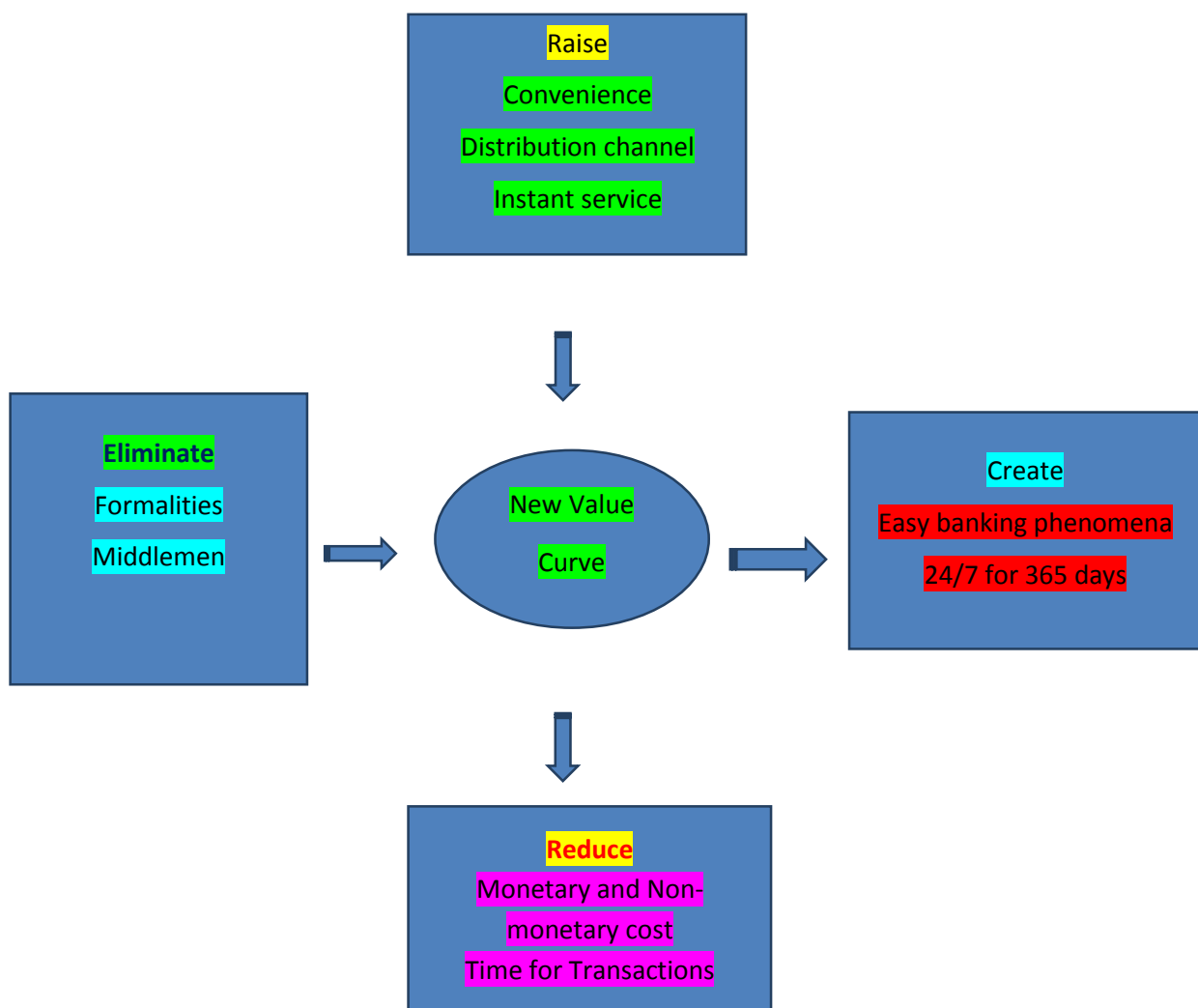


Fig 8.1: Four action framework of Blue Ocean Strategy (Source: Kim and Mauborgne, 2005)

8.1.3.1 Raise - In the financial market, the commercial and other specialized banks usually provide services through branches; and there are huge formalities to be maintained by

a customer to complete a transaction. Moreover; a long queue, issue of opening and closing time of the branch must be considered before going to a bank. Even in the mobile banking market, Rocket started this service for the first time but could not reach properly to the customers to fulfill their demand. However, bKash started with the vision to serve the unbanked and underprivileged mass and more than 5 lac agents reach the doorstep of every people of the country. The very convenient and easy transaction without any formalities for any amount broke the traditional banking phenomena and thus bKash created an uncontested new market space in the mobile financial service sector of Bangladesh. Actually, bKash started this MFS as a convenient product like other retail convenient product that is always available to every retail shops and people enjoy the product without much efforts. So, bKash accordingly spreader the services by their own agents, small grocers, agents of mobile operators, tea stalls and even by the person himself is to ensure the seamless services where ever s/he is staying. There is no time, no days required for any transaction to be made by any customer from any corner of the country it even has created the option beyond the country in case of remittance.

8.1.3.2 Eliminate - Where the traditional banks couldn't even think the transaction without formalities, bKash started the same services without any formalities. This point actually plotted the attraction of the poor people in the rural society and even in the urban area. To complete a registration or fill up the KYC form initially took few hours where Rocket took it 20 -25 days. The inward remittance with the P2P or B2P model confirms within a couple of seconds and this created the differentiation from others in the market.

8.1.3.3 Reduce -The vital differentiation is created in the 3rd part of this framework and this is the reduction of monetary cost. In practice, it was found that the charges of bKash over the different services are higher than any other operators in the mobile financial services market. Even to some extent, bKash charges twice than that of rocket. For example, in case of cash out if customer cash out from an ATM booth Rocket charge is only BDT 9.00 where the charge of bKash is BDT.20. So it's simply more than double. In the following table 8.2 shows the options where charges of bKash higher than the close competitor Rocket in the market.

Table 8.2 Comparative charge of bKash and Rocket in MFS Market

Particulars	bKash	Rocket	Remarks
Charge per BDT 1000	18.50	18.00	<p>Note1: If a customer uses Rocket apps. In that case the commission is BDT $7*2=14$. So, the total direct cost per 1000 is 18.7 which is more than revenue.</p> <p>Note 2: For Rocket, If a customer cash out from ATM booth it is free. BKash charges BDT 20.</p> <p>Note 3: According to the statement of managing director, Md. Shofiqul Islam, DBBL for per transaction through ATM booth the actual cost incurred BDT 40 whereas they offer it free or with only BDT 9.00.</p> <p>Note 4: In the case of Remittance per one lac, Rocket provides BDT-2000 as discount to the respective customers.</p>

(Source: Website of Rocket and bKash and primary source)

So, from the above information, it is experienced that in many substances of transactions, charge of bKash much higher than that of other competitors. This is the key difference between the feature of Blue Ocean and the feature of bKash. According to Kim and Mauborgne, (2005), while increasing the consumer values and eliminating unnecessary items, usually availed in the industry, organization does reconstruct buyer value structure and simultaneously keeps the cost structure low. However, the transaction volume of bKash has been increasing even it is about 20 times more than that of Rockets and about 100 times more than that of other operators in the market, a statement of an agent who deals with almost all the products of MFS market. Though the levels of people who are key customers of MFS business are highly sensitive regarding the cost associated with product and service, in case of bKash it seems they are happy, intuitive and very enthusiastically to send or receive the money through bKash.

8.1.3.4 Create - What is the secret charisma that has been working in the minds of the customers in the MFS market to make the transaction through bKash? Or why does force make them intuitive to be the proud customer of only bKash? Or why does a

customer go to the agent of rocket and request in this way, “bKash kora jabey?.” The only possible answer is bKash has created such unbelievable popularity by providing the most customized, easy, instant and convenient service that people didn’t expect in the dream even. So, the hearts of the masses died for others as they lost their hearts to bKash. The result is the ocean bKash plotted in the minds of the people of Bangladesh.

8.1.4 How bKash crossed the boundary

It is dreamy! It is magic! An organization within a couple of years conquered a market like a giant, and this is bKash, the monster of the mobile banking market in Bangladesh. Among the half of the dozens of organizations competing in the market of mobile financial services, bKash is in the apex of the mountain in respect of account holders, volume of transactions, number of agents, revenue and so on. How this organization has reached in that position is a big query. After discussing with higher personnel of bKash, managers, dealers, and agents the magical development of bKash supposed to be the result of the contribution of the following factors:

8.1.4.1 Easy banking phenomena - The management of bKash introduced a most easy and informal banking culture with the objective of reaching the poor rural and remote rural people who couldn’t think of doing banking activities such as an easy and comfortable way. The banking system where there is no queue, no formalities of being account holder, no time, just need a mobile and mobile number.

8.1.4.2 Largest distribution channel - More than 0.5 million agents belong to bKash out of a total of 0.81 million agents (Bangladesh Bank, 2018). 63% of total agents (appx) have been working for bKash to provide financial transactional support and to reach remittance to the doorstep of every valued customer. The massive distribution channel made it unparalleled from the other competitors. On the other hand, total branches of conventional banks in all over the country are 60282 and the ratio between the branches of banks and the number of agents is 1:13.43, means that for a single bank branch there are about 14 MFS agents and the duration of providing service is at least three times more than that of branch. Simultaneously in the

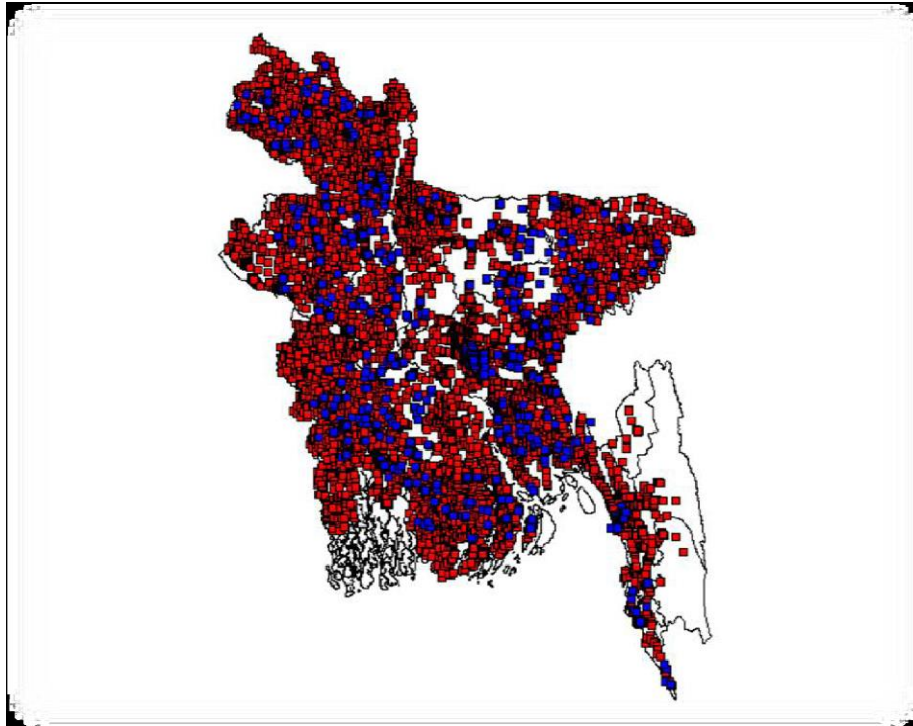


Figure 8.2 Locations of MFS agents all over the country

Rural areas including district level, the number of conventional bank branches are 4664 (Birupaksha, 2015) and the agents of MFS are 623700 and the ratio is 1:133. So, as a leader, a big difference made by the bKash with conventional banks and thus occupied the heart of rural customers.

8.1.4.3 Security and safety - Another very vital point from the views of the customer is the security and safety of their money to be reached to their relatives or family members. Initially, people in the rural areas frightened to do the transactions through an agent of bKash but when they experienced that they are getting money within a couple of seconds without any disruption and without any formalities they became a fan of bKash and now mobile banking means bKash to almost every rural inhabitant. Even many rural people who are dealing with MFS even don't the name of other MFS players in the market.

8.1.4.4 Affordability - Banking with a very minimum monetary cost and almost zero non-monetary costs made it more attractive to the customers in all levels of end-users. Before mobile financial service facility started, in the age of conventional banking a person had to bear different types of cost like, conveyance to go to the respective bank branch, budget of the time to go there (time cost), the energy cost for that trip and the

psychological cost for preparing himself/herself to go a distant place. Moreover, the formality for completing transactions and also must be maintained office time from 10.00 am to 5.00 pm. Naturally big costs are associated with completing a single transaction for either it is conventional banks or of other organizations like SA paribahan. According to Aakash Malhotra et al., (2014) about 77% of agents are situated in district and thana areas and the amount is 6,24,000 and out of this 90% appointed by bKash. So, the largest distribution channel made it very convenient for every people either he is in rural or n urbanized. Moreover, a person can easily send money from his personal wallet to his relatives or can make payment commercial purposes without any cost. The mobile refill, internet payment and the payment of goods and services of bKash also cost-free payment. So, Such a convenient created unbelievable values to the customers and this forced bKash in this apex position. This feature of affordable

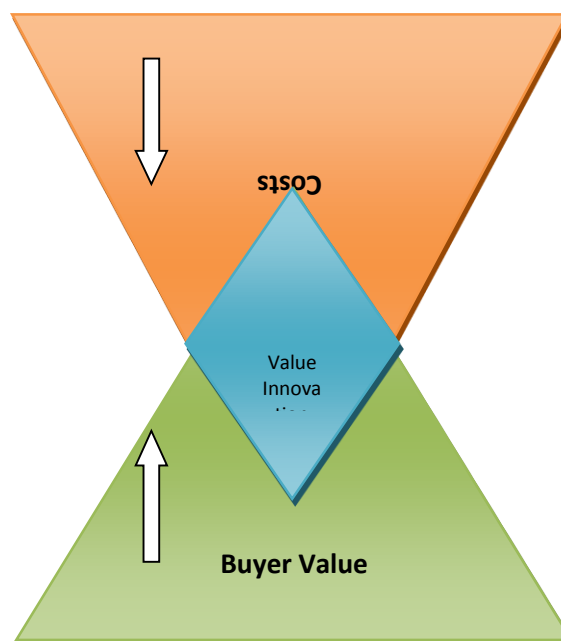


Figure 8.3: Value innovation: The cornerstone of Blue Ocean strategy

It also has matched with the value innovation criteria of Blue Ocean strategy as bKash has been increasing values without enhancing cost.

8.1.4.5 Profitable business with very small investment - Thousands of unemployed, low educated or uneducated people have been engaging enthusiastically with bKash as agents to become a successful independent entrepreneur without any mentionable investment. In the start-up stage, it's just required only a mobile of two thousand, a table and a very small place for transactions. In the village areas, many bKash agents run their business under a tree or under an umbrella or his or her own grocery or with mobile recharge business. As furniture, a single table and a chair is enough and the most important instrument is a mobile phone of BDT 2000 is required to start this business. A person in any area can easily earn at least BDT 15000 to 20000 per month without any question. Even in some busy areas, an agent can earn monthly BDT 100 thousand to BDT 200 thousand. So, the sense of profitable business with very minimum capital like BDT 10,000 to 20,000 also highly inspired the huge unemployed people to engage with this profitable business and thus bKash also has got the support to extend their business up to the last man of the country.

8.1.4.6 Dedication - Through bKash is a subsidized organization of Brac bank running by an independent management team full of dedication. From the very beginning, bKash started with the most relevant experience personnel for reaching the unbanked and vulnerable underprivileged people successfully. Unlike other MFS, bKash has been under separate management who takes all the decisions in regards to any affairs of the development of bKash. So, there is no decision-making hurdles, red-tapism and the influence of the management of parent organization. Therefore, the employees of bKash dedicatedly apply their efforts in the development of their beloved organization. CEO of Human Resource department stated that from the base level to the upper their recruitment process, team management and leadership are toward the creation of innovative values for customers without enhancing cost.

8.1.4.7 First mover advantage -Though very strongly and enthusiastically Dutch Bangla Mobile banking by Dutch Bangla Bank Ltd. started mobile banking activities for the first time in Bangladesh in March 2011, might be due to strategic flaws they couldn't do the needful. However, bKash was started in July 2011 as the second who introduced a very easy way by concentrating the core needs of the unbanked and underprivileged masses of the country and people accepted it very cordially. As a result, they enjoyed the first-mover advantage from the perspective of being the only organization. About

half of the dozens of organizations came very actively with this same service however, none was able to encompass the service of bKash. 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 17% 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 from the underserved remote population of Bangladesh.

8.1.4.8 Fast service facility -bKash is dedicated to widening the net of financial inclusion among the people of Bangladesh by facilitating money transfer through mobile phones. bKash provides mobile financial services allowing customers to send, receive, and pay money from their mobile phones. bKash enables a customer to send money to anyone by using a mobile phone within a few seconds, it is no matter where is the location of the customer. Payments through bKash also makes life easier as there is dreamy facility to have money when a person need to buy something and have run out of cash, even if there is no required amount in a bKash Wallet, someone else can easily send the amount in times of need.

8.1.4.9 All over service facility - bKash enables the customers to get the service from almost every part of the country and even some extend beyond the country. Now people from more than 200 counties can send remittance to their relatives with the support of western union. It is as flexible as the Flexi load process of recharging a mobile phone. Every store in every street in Bangladesh has stores and agents of bKash who help to open an account within a couple of minutes and along with that provide the service of cash in and cash out to the customers. Apart from the little aspects of misuse of the service, the entire process of the cash exchange service, of bKash is very helpful and advantageous for the customers. More than 7 lac agents, specialized super agents all over the country make it very convenient for any people anywhere in the country.

8.1.4.10 Escalated subscribers - bKash Limited started its operation in July 2011 as a subsidiary of BRAC Bank Ltd. Up to the year 2012, subscribers increased slowly. However, after the mass branding process was completed, their subscribers increased dramatically. In fact, they are now the fastest-growing company in the market. The total number of subscribers has reached 37.62 million. Now they are the market leader in this industry. They have captured all most 87-88% of the total market.

8.1.4.11 Transact 24/7 and 365 days -Conventional banks normally facilitate their clients to transact for at best 7-6 days in a week from 9.00 am to 3.00 pm including their lunch, prayer, and even breakfast in the respective branch of the bank. Whereas bKash has introduced a very premium facility of 24 hours for 7 days all the year round from anywhere to any person. This has created new extraordinary value to all levels of customers irrespective of bank and unbanked. In the unusual crisis moment (like, Eid, Puza, or fall in an accident or in other emergency moments) while a person might need hard cash then bKash is very close to the person and helps as the best alternative of the sources of finance.

8.1.4.12 Contribution of magical leadership - bKash is the exemplary output of magical leadership quality. Within the shortest period of time, just within 3 to 4 years its become the largest leading organization in Bangladesh by occupying more than 90% market share. Even the other big organization, Dutch Bangla Bank was the first mover company for mobile banking services in Bangladesh but they couldn't be the leader rather bKash reached in such a position where competition becomes irrelevant with others in the industry. By proper addressing the pain points of the target audiences (who are poor, disadvantaged group in the society, not at all the customers of the financial market before) to reach them with new innovative, techno-based products as per their need, want and demand was not so easy task. The management of bKash excellently has done this work and stably has been managing the vast work of more than 40 million customers. Now, bKash is recognized as the generic brand in the MFS market of Bangladesh. With the leadership of Kamal Quadir, CEO of bKash actually has built such a wonderful bonding with employees, agents and even customers where every segment is highly satisfied, a win-win situation has been created. The CEO of human resources management also stated the internal management situation "I have a good experience of many multinational companies, however, the experience of bKash has very much

resembled with any MNC though it's an organization of third world country. Here everything complies with the international standard.” Another senior employee told Kamal Qudir is our brother, not Boss and everybody knows his or her works and what is the goal to be achieved.

Moreover, a very strong relationship was maintained with the foreign investment partners like Malinda Gate foundation, IFC and recently with Chinese mega IT organization Ali Baba also has given a new height of bKash.

Experts gave their opinion that mobile banking is a banking product, supervised by the central banks, many big banks started very beginning but couldn't see reach to the success point so long. In exception, bKash also affiliated with a big bank but the management of bKash is totally independent of the parent organization and thus the imaginary success achieved by bKash for the excellent management system and this was done by a leader and He is Kamal Qudir and his excellent innovative team. Under the leadership of Kamal Qudir many more achievement bKash already enjoyed nationally and internationally. Few of them are being mentioned:

1. Country's largest mobile banking organization offering service to more than 40 million customers and Mr. world's second-largest and fastest-growing mobile financial services company.
2. Mr. Qudir was recognized as the Young Global Leader by World Economic Forum, First Mover Fellow by The Aspen Institute, TED fellow by TED and Founding member of Open World Initiatives (Source: website of bKash).
3. In 2017, bKash was ranked as the 23rd company in the annual list of Fortune Magazine's 'Change the World in 2017' among the top 50 companies to make changes based on social issues (source: website of bKash).

8.1.4.13 Small amount transaction -Banks usually discourage long tail as 20% of their customers ensure the 80% of total revenue (Boston Consulting Group, 2011). This advantage is very successfully utilized by MFS organizations. Very small transactions of BDT 100 can be easily transacted by bKash or by any other MFS provider. The facilities of small amount transaction has created an opportunity of billion-dollar income.

8.1.4.14 Brand Image of Brac bank and Brac family -In the initial stage, bKash got very utmost support from the world's largest Brac NGO and their employees and clients and from other stakeholders to educate, aware and make understand rural poor people

regarding the issue of mobile banking. As the NGOs are working in the rural and remote rural areas, to disburse the loan and salary of the clients and employees very smoothly bKash applied the service for them and simultaneously spreader to all other stakeholders. Moreover, the word of mouth of the stakeholders of Brac NGO and other organizations of the Brac family played a very important role to reach the ultimate customers.

8.1.4.15 Technology - bKash currently uses CPS (Cloud Payment System) Portal launched in the middle of the month of 18 May 2017. Previously it used CRM (Customer Relationship Management) Portal. The updated software has huge advantageous points than that of the previous one. CPS works automatically, on the other hand, CRM was Manual. When a customer calls to the Call Center, the call center executive needs to input the number manually into CRM to view details. But CPS has the advantage to show details (with Tag & Account Status & others) automatically. CPS is more updated and user-friendly for call center executives and also for the customers. The vendor of this software is from a renowned company, Huawei. (Source: IT dept. bKash).

8.1.4.16 Management decision -The management of the rocket is basically managed and controlled by the Dutch Bangla Bank Ltd. as a subsidized organization. Any critical decisions are taken by the central authority of Dutch Bangla bank limited. The dependency makes everything delay and even the management can't understand the real scenario of the MFS field due to the lack of the focus by the higher authority, Rocket couldn't see the face of success. As the comment of a rocket dealer, "The authority of Rocket try to deal with this segment as like as the conventional banking system. They even don't like to hear our want, demand, and desire and hardly try to understand the market scenario."

8.2 Rocket, the Dutch Bangla bank mobile banking

The first-ever mobile banking operator in Bangladesh is Dutch Bangla mobile banking started in March 2011, newly named as Rocket. Branchless banking for the poor and the unbanked people who did not get any banking facility before. According to the website, brochure, leaflet and from the interview of the personnel of Dutch Bangla Bank the main products and services are Cash In, Cash Out, Merchant payment, utility payment, salary disbursement, foreign remittance, ATM facility, government

allowance and so on. With 1, 98,850 agents Rocket (source: website of Rocket) has been fighting to capture the market that has already been occupied by market giant bKash.

8.2.1 Vision - The vision of Rocket is to promote Banking to the unbanked and to develop savings habits among the unbanked. Accordingly, Dutch-Bangla Bank Rocket started with and providing the highest importance to the registration with proper KYC, Cash-In and Cash-Out activities.

8.2.2 Strategic startup position- Rocket, very first time with very new products and innovative values started for a new segment which was excluded for decade after decade from any formal financial service facilities. The Dutch Bangla mobile banking propelled this service for the rural poor, unbanked and underprivileged people who were really thirsty for such a wonderful engagement.

8.2.3 How far Rocket followed Blue Ocean Strategy

Dutch Bangla Bank very rightly started new banking phenomena for the new market segment in Bangladesh with the purpose of including unbanked and underprivileged poor people in the formal financial channel. For breaking the so-called conventional banking culture, branchless banking phenomena with very reasonable cost was really a revolutionary step taken by Dutch Bangla bank limited in 2011. According to Kim & Mauborgne (2005), value innovation is more than innovation and also considered as the cornerstone of Blue Ocean strategy. By looking across the chain of buyers who were ignored and overlooked by the traditional formal financial institutions, Rocket made the resembles blues Ocean strategy by addressing this sector. Six different Blue Ocean (which is called six paths framework) frames that an organization can follow (any one of the six paths) to enjoy the opportunity of Blue Ocean and thus can easily bypass the existing competition (Kim & Mauborgne, 2005). The third path frameworks reflect that the buyer groups who were previously overlooked by the respective industry players can create the opportunity of Blue Ocean if a company can gain the insight and redesign the value curve (Kim & Mauborgne, 2005). Though Rocket rightly selected the target market, in the context of Blue Ocean features they could not properly address pain points of ultimate customers and thus occupied the second position by capturing only 17% market share (Ashraful, 2016).

8.2.4 Strategic deficiencies of Rocket

After discussing with higher personnel, dealers, agents, and consumers of Rocket it was experienced that due to some strategic deficiency Rocket couldn't reach the apex position of the MFS market though they had every opportunity to achieve a revolutionary position. The key strategic flaws of Rocket is being depicted here:

8.2.4.1 The start-up strategy of fund disbursement was defective -

Rocket started in March 2011, with the banking manner where the agents had to go to the recognized branch of a bank to upload his/her wallet and after two to three hours the load was activated. Most of the cases, except exclusive agents, the other agents were not doing only the mobile banking s/he had a lot of other products like Flexi, I top up or even might have other stationery or grocery products. In that case, it was very tough for them to manage the time to go to the respective bank branch and stand under a long queue for uploading a particular amount. So, the agents or retailers searched for alternative options like their grocery or Flexi product which they used to get available at their shop at any time. The more important issue was that the agent must also reach within the banking time from 10.00 am to 4.00 pm after that they were not served by the bank employees. It was totally functioning like a conventional bank. The officials always pushed the agent/dealers to complete the transactions within the office time. It was really one of the key strategic flaws of Dutch Bangla mobile banking

8.2.4.2 Strategy Regarding Target Audience was not accurate-

The operational focus of Rocket was more urban-oriented rather than poor and underprivileged people in rural and remote rural areas. They have facilitated more ATM and agent services in urban areas, promoted the facilities of ATM services with very minimum cost. However, did not take proper strategies to reach the door of the poor people in the villages through 72% of the total population lives in the rural areas and decade after decade they were thirsty for such service. Moreover, the migrated people from rural areas actually highly needed these services to reach their small amount of money to their relatives. As Rocket did not have sufficient agents to provide the service in the village areas, they couldn't raise the attention of this big segment.

Inversely, it is needed to mention that bKash massively emphasized in rural areas by incorporating a huge number of agents to ensure every time service. By providing a strong value-added innovative service to the targeted audience bKash has been enjoying

the full gain by occupying the minds of the villagers who are actually the real customer group of mobile financial services in Bangladesh and thus embraced the success.

8.2.4.3 Shadow Management System- The management of the rocket is basically managed and controlled by the central authority of Dutch Bangla Bank Ltd. as a subsidized organization. Any key decisions are taken by the central authority of Dutch Bangla bank limited. The stakeholders, especially the dealers and agents felt two basic problems due to this issue:

- a) The dependency on the central authority makes everything delay and even many times the management can't understand the real scenario of the MFS field due to the lack of the focus by the higher authority as a result Rocket couldn't see the face of success. As the comment of a rocket dealer, "The authority of Rocket tries to deal with this segment like the conventional banking system. They even don't like to hear our want, demand, and desire and hardly try to understand the market scenario."
- b) The management could hardly realize the extent of the potentiality of the MFS market of Bangladesh and the result of the lack of proper importance cause the gap with the subsequent stakeholders (agent, dealer) who actually play a critical role in this market.
- c) The existing management always try to run this strategic business unit like as their one of the banking branch and that caused the part of failure.

8.2.4.4 Deficiency in Distribution Channel -The distribution channel for mass production should be extended so that people can enjoy the utility of the respective product with very minimum efforts and at affordable cost. This is the very core point of difference between Rocket and bKash. Because till to date Rocket is still far behind than that of bKash and thus bKash has taken the full benefit by extending more than 0.5 million agents and 60 thousand merchant outlets to the doorstep of every people in Bangladesh.

8.2.4.5 Pricing strategy - Competitive pricing strategy is followed by almost all the MFS operators though in some cases Rocket charges lower prices than any other competitors. For Cash Out and Cash In transaction Rocket charges even less than the cost price, especially when a consumer applies Rocket apps and Cash Out from ATM. The low price strategy did not reach any benefit to the ultimate

customers as still about 90% masses send or receive money through agents and the charge of sending money is 2 % everywhere. (Source: website of Rocket).

8.2.4.6 Lack of proper communication with the stakeholders - MFS market in Bangladesh is highly influenced by dealers and agents who are working at the field level. To reach, to motivate and to promote or aware and even to educate the ultimate consumers, agents and dealers play a vital role as the customers of this market mostly poor and illiterate, deprived part of the society. In this part, Rocket did not maintain the proper communication and also did not hear their need and demand of a dealer and agent especially in rural areas where 72% of people live and these people were the real target audience of MFS products and services. Due to the over-emphasis on the benefit of the customers, the dealers and agents were disappointed even in the urban area. One of the dealers commented that due to huge number of ATM both facilities in Dhaka city customer (those who are little bit educated) complete their dealings through ATM both with free of cost or in very lower cost instead of the support of an agent, moreover dealers also complained that after banking hour they don't get the banking facilities from the branch office to submit the money and thus they also can't provide full-time facilities to the agents though it is considered as 24/7 days service phenomena. So, both in rural and urban areas a gap has prevailed between the field level stakeholders and the administration.

8.2.4.7 Long brand name - Another big flaw of Dutch Bangla bank was its long brand name. People frequently even did not understand the brand name of this service. After six years the authority of Rocket realized the mistake and then in 2017 they changed the brand name as "Rocket".

8.2.4.8 Other strategic deficiencies - there were some other very important operational parts where Rocket failed to manage effectively, such as Wrong staff management strategy, huge time for KYC form fill up or Registration, Complexity of extra number, Complexity of sending and receiving money and so on.

8.2.4.9 Delayed Registration process- Very first-time Dutch Bangla mobile banking used to take a huge time to complete the registration of a customer. Normally it was more than one week. Whereas bKash from the first day used to take a few minutes and to some extent, it was a few hours. The result was that the customer would forget regarding the issue registration and in between bkash occupied the position by making instant registration.

8.2.4.10 Complexity in case of extra number- Rocket, for the safety of the customer added an extra number as security. However, most of the rural people due to the lacking of their awareness they frequently forget the extra number and faced huge complexity of sending money for their family members or relatives or for other purposes.

8.2.4.11 Confined the transaction between Rocket- To make and complete a transaction through Rocket, both the sender and receiver must have a rocket account and it was a very difficult process as in the rural areas the number of account holders was not sufficient and their number of agents.

8.3 An un-spoken Tale of a dealer of Rocket

Mizanur Rahman is basically a businessman of Narayongonj. From 2013 he engaged with Dutch Bangla Mobile banking as a dealer. With a big dream, he invested about BDT-30-35 Lac as the initial investment. He explained his sour and sweet experience as the dealer of Rocket in the following way.

He is one of the fourth positioned (the position is on the basis of sales volume, sales of KYC form and the appointment of new agents) dealer directly deal with the head office of Rocket. The key functions are to collect and appoint agent, guide and supervise them as per the policy of the organization as well as the regulation of Bangladesh Bank, convey the scenario of the market to the concerned authority of Rocket, exchange suggestions in regards of promotion and the development of the organization.

The functional approach in Rocket is that a certain amount of cash they have to submit first to the head office then accordingly they will get allotment in their mobile wallet. Then the allotted amount to be distributed to the wallets of the registered agents.

He shared some sour experience in regards to the operating system, technological and some others that are related to deficiency of management of Rocket and also focused that these are the reasons that might create hindrances in the way of the progress of Rocket.

The limitations he mentioned in regards to technology were:

- a) Charge imposed for Cash in (in the initial stage and still infrequently it happens). No other mobile banking operators charge over Cash in.
- b) Money transfer to the wrong account without any fault of any OTC or client.
- c) In the Initial stage to complete the registration process, it was taken 20-25 days where it was needed a couple of hours for bKash from the very beginning. So, a customer became reluctant to be a member of the service operator.
- d) Server frequently down in the peak time
- e) ATM booth out of order or technical problem for Cash out.

He mentioned some limitations related to promotion and managerial part:

- i) Management of Rocket was too much urban-oriented instead of the rural concentration though in reality MFS service was introduced for the rural unbanked people.
- ii) The office service system is very much conventional shape. An agent or dealer for deposit money must come before 4 pm whereas it required any time deposit system.
- iii) They emphasized on establishing ATM booth and free service for ATM booth
- iv) Less number of agent in the rural areas where bKash was given highest emphasis on this issue and now their total agent are more than 5 lac
- v) The management hardly bothers regarding the benefit of dealers and there was no motivational package for them so far.
- vi) There was a very clear gap between the management of Rocket and their dealer or super agents.
- vii) No security measures for DSLR from the management of Rocket. So, a lot of accidents made and all the hassles were managed by the dealers on their own.
- viii) In reality, the free or less charge ATM booth facilities drastically demotivated the dealers and agents in the urban areas as the educated people go to the booth and do the needful. However, without the proper motivation of the dealer and agent no one can run the business in MFS market. Because to open an account or appointment of new agents is solely dealt with by the dealers. So their motivation is tremendously important for ensuring any development of the organization.

- ix) There is advance allotment support without cash whereas a dealer to ensure the smooth functioning of the activities of agent frequently provide advance allotment.
- x) One ID one Rocket number, conversely bKash has multi-options in this regard.

Limitation regarding the charge over different services:

- i) In some cases Rocket offering services with loss like, the agents who use Rocket apps enjoy BDT 7.00 as commission plus BDT 2.00 for dealer. So for both cash in and Cash out Rocket cost is BDT 18 (9*2) plus the charge of BDT-1.30 for the mobile operator. Here the loss of Rocket is BDT-1.30 as Rocket charge is BDT 18.00 per BDT-1000.

So, it's a big question to him what about administrative cost, marketing and promotion cost, CSR and other cost. He also mentioned that 90% of transactions are confined with cash out and cash in. If Rocket can't confirm the margin in this part it will be very difficult to survive in the future.

- i) Mobile Refill is free of charge
- ii) In case of remittance, Rocket pays BDT-2000 per BDT- One Lac to the customers and this is also a big loss project till now.

He shared his grievance that up to mid of 2016 he was suffering from loss of BDT 40,000-50,000 per month where the dealers of bKash becoming multimillionaire due to their very time befitting steps by management considering the benefits of all stakeholders.

He was so confused regarding the efficiency and decision making power of the authority.

8.4 Sure Cash by Progoti Systems Limited

Progoti Systems Limited has launched mobile financial services network named as Sure Cash in 2014 in the mode of mobile banking and payment product with the participation of five different local banks, NGOs, MNOs, Government payment partners as well as merchant and retailers to provide financial and other related services specially to schools, colleges and to different government stakeholders.

8.4.1 Strategic start-up position-

Though sure cash started three years later than the market leaders, bKash and Rocket, and other competitive players their starting was very pragmatic and potential. With the collaboration of government within very short period of time, they reached 10 million

mothers all over the country and 13 million students of 60000 primary educational organizations (Source: website of sure cash) for the purpose of providing government stipend directly to the hands of every mother of respective students who are studying in the primary schools. Moreover, they had created a network with 650 payment partners like government schools, colleges, NGOs and other stakeholders for the payment of tuition fees, bills and so on.

8.4.2 Strategic paths and features of Blue Ocean Strategy followed by Sure Cash

To reconstruct the existing confined market wall Kim & Mauborgne (2005), prescribe six different Blue Ocean roads that an organization can follow any of them to enjoy the opportunity of Blue Ocean and thus can easily bi-pass the existing competition. In the case of Sure Cash, they started very strategically to enjoy the new segment opportunity by choosing 10 million mothers of the students of primary education; and these mothers are living both in urban and rural areas and they have lot of micro-financial involvement like daily transactions, inward remittance from their relatives or family members, mobile refill and so on. Moreover, Sure Cash also emphasized the other specialized segment like payment of bills, tuition fees of schools and colleges, WASA, DESA bills, forms of different competitive exams and many more where other players in the market have not given that much emphasis. The strategic way of Sure Cash was very much resembled the third path of Blue Ocean strategy “Look across the Chain of Buyers.” The third path frameworks reflect that the buyer groups, who were previously overlooked by the respective industry players can create the opportunity of Blue Ocean if a company can gain the insight and redesign the value curve (Kim & Mauborgne, 2005). Though they have selected the target market rightly in the context of Blue Ocean features, they could not properly addressed.

8.5 Product and services offered by Sure Cash

As per the website, leaflet and other promotional campaign of Sure Cash, the following products and services found:

Table: 8.3 Products and services offered by Sure Cash

Products Offered by Sure Cash	Services provided Sure Cash
<ol style="list-style-type: none"> 1. Deposit Cash 2. Withdraw cash 3. Payment 4. Mobile Recharge 	<ol style="list-style-type: none"> 1. Mini Statement 2. Check Balance 3. Change PIN

8.5.1 The present market position of Sure Cash

According to Ashraful (December 2016), the occupied market shared by bKash and Rocket is 91% and 17% respectively and the other active players in the MFS market like mCash, Sure cash and Ucash occupied less than 1% of market share. The position of Sure Cash was not mentioned in that article. So, the position of other players in the market is very ignorable. The starting position of Sure Cash was seemed very aggressive and perspective, however, the current market position after four years (from 2014 to 2018) is really vulnerable, the question of survival in the market. So, there is obviously a big gap and lack of management to grab the targeted niche that would be a very potential market opportunity for Sure Cash.

8.5.2 Why Sure Cash could not enjoy the benefit of the existing huge number of customers (10 million mothers).

After discussing with the higher personnel, executives, dealers, and agents of Sure Cash the following points found were responsible for not achieving the competitive position in the market.

8.5.2.1 Very complex and poor strategic management process - Sure Cash is comprised of six banks who have engaged in Sure Cash for different purposes and the software and other related activities are performed by Progoti Systems Limited. Some Banks have taken the partnership just to comply with the regulation of Bangladesh Bank. Moreover, different banks offer different products and services and enjoy the benefit in the same way.

So, for any vital decision like, huge promotional investment to fight against the leaders or to enhance the benefit of agents who play a strong role in MFS, are tremendously lingered due to many owners many comments. Sure Cash is like an adopted child in an

orphanage. This is why they couldn't even enter the mainstream of the MFS market of Bangladesh.

8.5.2.2 Improper targeting strategy -The key focal group of Sure Cash was to provide the services to the mothers of students of primary educational institutions in the form of providing govt. approved stipend. The 10 million mothers were bound to open an account and their only motive was to draw stipend through this service. Moreover, Government rules are after every three months the stipend will be provided. So, no more transactions were made through this account.

8.5.2.3 Poor relationship with the retailers and agents -Sure cash strategy was very much vague and defective in the sense that they emphasized the benefit of customers by overlooking the interest of agents who are the soul of the MFS market in Bangladesh. There was no proper motivational, promotional package that could create much interest for the new player of the market. For a particular transaction, there is only BDT 4.00 received by an agent, whereas the other giant players in the market are offering BDT18.5 per BDT 1000 and the retailers continuously enjoy this benefit, even they charge BDT 20 for each 1000. So, there is a clear gap of benefits created by sure cash with the key stakeholder of the market. This is why many agents don't like to provide services to the sure cash customers.

8.5.2.4 Lack of proper communication for building awareness -After opening an account of how a mother or a client operates the transaction through Sure Cash. There is no proper guideline on the different options that can be enjoyed by customers. Five different codes for five different mobile operators create severe problems for both customers as well as for the agents or retailers.

As a result, Sure Cash is considered as the account for withdrawing stipend. Even a mother having Sure Cash account doing transactions through bKash or Rocket due to the mindset that sure cash is for only her kid stipend. Moreover, she does not know other alternative use of this account.

8.5.2.5 Absence of proper value chain relation among the agents, SR, and customers - There is no proper communication with agents by the sales representatives (SRs) and

the dealers of sure cash. Agents of Kala Bagan, Sukrabad, new market, Azimpur and Hatirpul in Dhaka city, the most peak area complains that though there were number of large schools and colleges are situated like Dhanmondi boys, Laboratory School, Dhaka College and Eden College, at a time within three months no SR did meet with the agents. Afterward the sales representative (SR) sometimes just meet to show the face and they come and request an agent to send a message to their mobile and that is enough as his or her duty for that day. Consequently, people search alternative options for the respective transactions such as direct pay the tuition to the institute, or through bank or many times it was observed that in front of the gate of government schools and colleges that some people illegally complete the transactions of other people by taking high charge.

In rural areas, the scenario is more severe. Village agents complain that even they don't know who is commutating with them regarding wallet, the deposit of money and other related issues of sure cash whereas there is prompt communication with the SR and dealers of bKash and Rocket. The poor value chain actually created the vulnerable position of Sure Cash in the MFS market of Bangladesh.

8.5.2.6 No motivational incentive for agents and retailers - an agent was not the real target group by whom sure cash services are required to be reached to the ultimate customers, the management was not enough concerned about the interest or disinterest of an agent. So, there was no motivational package for the agents who are the very real, strongest marketer of any product and services of the mobile financial market in Bangladesh. On the other hand, there is a very profitable, warm relation with the dealers and agents. Authority of bKash creates a win-win situation for dealers, agents and even for the customers and according to the suggestion of the chain stakeholders they comply with their activities.

8.5.2.7 Multiple code system -Every MFS operator has its own single coding system except Sure Cash. For different mobile operators, Sure Cash uses different codes which creates complexity for both customers as well as agents. Due to the poor code management for a single MFS operator, the agents also show lack of interest to provide the service for sure cash.

8.5.2.8 Issue of technology -Technological disruption was another issue of failure of sure cash to reach to the ultimate goal. Porgoty system launched Sure Cash with purely locally built software where five different banks have different demands and products with different codes. Due to the multiple code system, the transaction process becomes very complex. To maintain the huge network for the confirmation of the convenience of the end-user of all over the country, it was required a very sophisticated software for such complex and vast services. So, the result was the disruption of the customer service and thus dissatisfaction was the outcome.

8.5.2.9 Lack of availability of funds - Both in urban and rural areas, the agents have shown big complain that sales representative (SR) of sure cash is too irregular and thus they can't confirm the required fund for their wallet. In the same way, customers also complained that due to lack of funds to the agents for a very small amount of money they sometimes required to run after many agents and most of them frequently refuse to complete the respective transactions.

8.5.2.10 Size of the transactions - Sure Cash frequently deals with the stipend of schools (Primary or Secondary) students and some bills payment. The transactions are comparatively very smaller than that of the bKash and Rocket and the result is that the agents, for the sake of their turnover and profit from the big transactions, try to avoid the transactions of Sure Cash. This is why many agents don't go for invest in the wallet of Sure Cash. So, at the end of the day, this MFS operator prolonged the gap with a real target audience who could give them a new leap of development.

8.5.2.11 Absence of available agents- Sure Cah management very efficiently reached the target audience and completed their KYC within a very short period of time. However to provide the desired services to the target audience the authority did not appoint a sufficient number of agents. Neither they appointed their own available agents nor they contacted with other retailers to ensure the needful service of the customers. This is why many retailers even complained that they even don't know who is the sales representative of the particular area. This is one of the very crucial drawbacks of Sure Cash.

8.5.2.12 Different management with different products and purpose- Pragati systems is the fin-tech management who offered financial services as Sure Cash with the combination of 5 local banks, one of the largest state-owned banks including 650 payment partners.

So, it was so difficult to reach in a common interest as different organizations have different sorts of services for different purposes. Though Progoti had all rights in case of promotion, distribution and in other administrative and marketing issues, still they had to consider the interests of all.

8.5.2.13 Strategic shortfall -Sure Cash strategically couldn't fight against Rocket as well as bKash. They did very well for the transactions of electricity bill, tuition payment, police case bills of vehicles, municipal tax and so on. However, bKash gradually occupied these services also very strategically as they have enough agents, maintained a good relationship with stakeholders as well as with customers.

8.5.2.14 Issue of sufficient capital- Sure Cash started in 2014 whereas mobile financial services started in 2011. Within a couple of years, this market dramatically explored and captured all most all the unions and villages Bangladesh. Moreover, bKash and Rocket very strongly captured this new market. In this situation, it was required enormous capital to fight against these giants. Sure Cash was not found in such an apposition of desperate promotional and other campaigns to seize market position from the leaders and competitors.

8.6 mCash By Islamic Bank Bangladesh Limited

Unlike other commercial banks, Islamic Bank Bangladesh Limited introduced sharia-based mobile banking practices in Bangladesh in 2012, named as mCash. This is also a branchless informal banking system for the poor and unbanked people who were excluded from any formal financial channels. According to the website, brochure and leaflet of mCash the product and services are Cash In, Cash Out, Merchant payment, utility payment, salary disbursement, foreign remittance, ATM facility, government allowance and so on. With 26037 agents mCash has been fighting to capture the market that is already occupied by market leader bKash and follower Rocket.
(Source:http://mCash.islamibankbd.com/service_foreign_remittance.php)

8.6.1 Vision-

It always strives to achieve superior financial performance to be considered a leading Islamic Bank by reputation and performance. Our goal is to establish and maintain the modern banking techniques to ensure soundness and development of the financial

system based on Islamic principles and to become the strong and efficient organization with highly motivated professionals, working for the benefit of people, based upon accountability, transparency, and integrity in order to ensure stability of financial systems. (Source: website of mCash)

8.6.2 Mission of mCash - Mission statement of mCash is to extend and ensure the benefit of Islami Banking Phenomena to every corner of the country, specially to the less income community in the rural areas and thus creates total financial inclusion that will work as the lever of the establishment of balanced growth of the economy (Source: website of mCash).

8.6.3 Products and services of mCash - The offerings of mCash is as like as the other operators in the market. The products and services of mCash are stated in the following table

Table: 8.4 Products and services offered by mCash

Products of mCash	Services offered by mCash
Cash In	Balance Check
Cash Out	ATM Services
Mobile Refill	Bank Account - account Transfer
Person to Person Transfer (Send Money)	Statement Inquiry
Salary Disbursement	
Foreign Remittance	
Merchant Payment	
Bills pay	

8.6.4 The present market position of mCash - According to Ashraful (December 2016) the occupied market share by bKash and Rocket were 91% and 17% respectively and the other prevailing players in the MFS market like mCash, Ucash occupied less than 1% of the total market share. So, the position of other players in the market is very ignorable. The starting strategic position of mCash was seemed very aggressive and perspective, however, the current market position after six years (from 2012 to 2018)

is really very detrimental. So, there are some causes responsible for having the position by mCash.

8.6.5 How far mCash match with Blue Ocean Strategy - The strategy of mCash was to reach to the unbanked and less income segment of the society, especially in the rural areas with the flavor of Islami banking sharia-based system as the 90% of the total community is Muslim. They came with innovative values for the largest community of Bangladesh. It is true that their innovative idea and segmenting strategy very much resembled with Blue Ocean strategy. Their penetrate pricing strategy was rightly set up to create the attention of the targeted customers. However, according to Kim & Mauborgne (2005) value innovation is the cornerstone of Blue Ocean strategy where the alignment of values and cost is negative, it means enhancing values by reducing the cost of the product or services. mCash brought innovative ideas but couldn't create the right values for the customers.

8.6.6 Why mCash could not reach the target strategic position - After discussing with the higher personnel, executives, dealers, and agents of mCash, the following points are found these were responsible for not achieving the target position in the market.

a) Lack of adequate promotional campaign

After opening an account, how a client operates the transaction through mCash there is no proper practical guideline on the different Islamic Shari'ah options that could be enjoyed by a customer. There was not at all strong promotional campaign to reach the message of this product to the customers. A very important and innovative value-added service introduced by mCash and this is "Profit" not "Interest" and this issue could create a revolutionary response from the largest Muslim community of Bangladesh. Profit will be given to the customer's mobile account based on the Mudaraba Principles of Islamic Shari'ah.

- b)** mCash authority could not properly utilize the brand image of Islami Bank Bangladesh Limited which is the largest sharia-based private commercial bank in Bangladesh has been conducting successfully and has a million clients.
- c)** Failed to raise the religious issue of Halal and Haram to the largest Muslim community who always try to avoid any type of interest related activities.
- d)** Failed to draw the attention and attraction of the poor and the unbanked people who were really thirsty for informal and easy banking.

- e) Lack of sufficient agents to serve the huge big community – Only 26 thousand agents appointed by mCash for such a large targeted audience and most of them now are inactive.
- f) They couldn't capitalize on the group image of Islamic Bank Bangladesh Limited. There are plenty of big organizations working with Islamic Bank Limited both in rural and urban areas. However, they couldn't properly manage and utilize this opportunity.
- g) Their attempts of works gave the notion that they had launched this project to match with the regulation of Bangladesh Bank.
- h) No strong and sufficient promotional campaign found during their couple of years operations.

8.7 Competitive analysis among bKash, Rocket, mCash and Sure cash based on Porter's generic strategies

Due to the complexity, ever-changing business environment and intense competition, today's Business world massively has been focusing on competitive behavior for different competitive strategies. In the language of Porter's argument (1980) "concerning the competition, companies can choose generic strategies for a better competitive position within the industry through the integration of two dimensions: the field (company's decision to extend activities) and the type of competitive advantage (firm decision method how to develop a competitive advantage). However, we cannot develop the unification of the strategy selection process as the profitability of each company depends on the ability to choose the strategy that best fits with the company." The following figure will depict how organizations can adapt their strategic position to gain a competitive advantage.

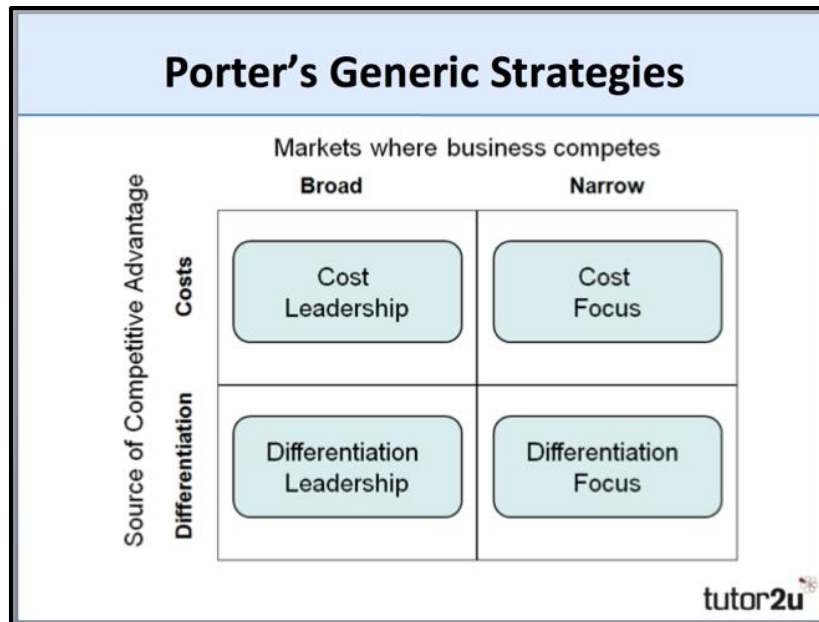


Figure 8.4: Porter's Model of Generic Strategies for Competitive Advantage

This figure shows that business organizations can compete either in broad areas or in a narrow segment and they can build up their strategic advantage by creating differentiation in respect of leadership as well as or by reducing cost. The companies who are working in broad areas must ensure either the leadership of cost or differentiation and for the narrow field, it needs to focus on cost or differentiation. The detailed depiction of this model and how far MFS organizations in Bangladesh could enjoy a competitive advantage.

8.7.1 Cost leadership or "low-cost"- According to Porter(1985), successful way of achieving cost leadership is to controlling or subtracting cost by enhancing technological capability and efficiency, confirming economies of scale and obviously focusing the reduction of administrative costs of an organization to enjoy the sustainable competitive advantage. Experience curve also another important determinant that supports to achieve the cost leadership position.

8.7.2 Differentiation strategy: Differentiation can be achieved in many ways, the firm itself, management or its products and services can attain unique features to make them separate from others (Thompson *et al*, 2008). Most important ways of differentiation are:

1. Company image and positive perception of customers are very key elements of differentiation strategy (Allen & Helms, 2006).
2. Company and buyer relationship and how much a company can adapt to the targeted customers by personalizing the products or services.
3. By establishing a strong relationship among the departments or with other organizations to provide product mix, to ensure supply chain or distribution channel and after-sales service.

Porter (1985) argues that by the dint of differentiation or uniqueness an organization make sure the brand loyalty, quality of product and services and lower the elasticity of demand and sets higher price than that of the competitors do and thus enjoys the realization of higher income.

8.7.3 The focus strategy: This strategy basically represents the confined market segment that focuses the targeted audience of the niche where the organization enjoys competitive advantage by lowering or differentiation (Davidson, 2001; Porter, 1980, 1985, 1987, Cross, 1999; Hlavacka et al., 2001). The key features usually consider for this strategy are:

- a) Target segment should be big and profitable and should have substantial growth potential;
- b) The industry has many different niches and segments, thereby allowing a focuser to pick a competitively attractive niche suited to its resource strengths and capabilities;
- c) Usually, a leader does not care about as important niche exist
- d) Multi-segment competitors can't or face difficulty to follow or occupy the market as they provide customized and very specialized service to their target audience.

8.7.4 The combination (Hybrid) strategy - Hybrid strategy pursue organization to adapt both cost and differentiation strategy as today only cost or only differentiation is not enough to achieve the competitive advantage (Kim, et al., 2004; Spanos, et al., 2004; Miller & Dess,1993; Wright et al., 1991)). Spanos et al. (2004) explains that hybrid strategy appears to be more successful denoting competitive behavior emphasizing more than one generic strategy dimensions as the latter are found less profitable even when compared with firms having no clear strategy. Differential applications of cost leadership strategy and hybrid strategy is being depicted in the following Table 8.5.

Table 8.5: The application of cost leadership differentiation and hybrid strategy

No	Strategy	Where has the strategy been applied	Product/Services that the strategy has been applied (Example)
1	Cost Leadership	Developing, Transition and developed economies (Worldwide)	Cars Industry (Toyota), Airline business (Air Asia), Retail business (Giant and Carrefour Supermarket)
2	Differentiation	Developing, Transition and developed economies (Worldwide)	Cars and Motorcycle (Mercedes Benz and Harley Davidson – by Brand), Watches (Titan Watches – by design) Domino Pizza (by positioning), Apple Computers (by technology), 3M (by Innovation)
3	Hybrid (Combination of Cost Leadership and Differentiation strategy)	Developing, Transition and developed economies (Worldwide)	Cars Industry (Toyota, Honda) Furniture Industry (IKEA)

8.8 Application of generic strategies of Porter by the MFS players of Bangladesh to enjoy the competitive advantage

With the light of one to one interviews, focus group discussion, expert opinion and the information from the secondary sources have revealed the pictures of the key MFS players how far they have followed generic competitive advantage model of Porter. Among the most dominant MFS players, bKash and Rocket have followed a broad market area strategy and Sure Cash and mCash have followed the narrow segment strategy.

All the players have given their effort to establish a cost leadership strategy by reducing their administrative, delivery and other related cost. However, in the context of differentiation it has been observed that among the four players, bKash is substantially forwarded from other players. It obviously needs to be mentioned that Rocket also has done good, still, there is a huge market position gap already created between the two. From the following Table 8.6, it will have a good understanding of how bKash has created and implemented the leadership in differentiation.

Table 8.6: Value-added features applied by the MFS players

SL	Value added Features	bKash	Rocket	mCash	Sure Cash
I.	Applied group brand image	Yes	No	No	No
II.	Reach to the door of every unbanked	Yes	Little bit		
III.	Association of International leadership	Yes	No	No	No
IV.	Very extended distribution channel	Yes	Little	No	No
V.	Instant registration	Yes	No	No	No
VI.	Reach to remote rural area	Yes	Very Little	No	No
VII.	Easy service system	Yes	Something complex	Very complex	Comparatively Complex
VIII.	Independent Management	Yes	Shadow Mgt	No	No
IX.	Easy transaction process	Yes	No	No	No
X.	Technological advancement	Yes	Yes	No	No
XI.	Communication with agents and customers	Yes	Little bit	No	No
XII.	Own brand image	Yes	Not up to the mark	No	No
XIII.	Available fund	Yes	Somewhat	No	No
XIV.	Eliminate Middlemen	Yes	Somewhat	No	No
XV.	Reduced non-monetary cost	Yes	Somewhat	No	No

From the above comparative picture among bKash, Rocket, mCash and, Sure Cash in the context of differentiation it is being perceived that bKash has created numerous value-added features to enjoy the competitive advantage from the market. Rocket has created a little bit but the other two players couldn't do so. Though the market segment of Sure Cash from the very beginning was very specific like 10 million mothers of the students of primary education, they couldn't properly create image, awareness and, relationship with this segment. So an expected result was not achieved. Rocket has been trying their level best to achieve the competitive positions by adopting differential strategies, however, due to some strategic lacking, they couldn't reach the goal. Simultaneously, It is also a more important issue that bKash has been

offering these value-added services to everywhere through its 0.51 million agents in Bangladesh at the same price. So, very logically a strong blind customer segment has been created by bKash for such huge fine-tuned differential services.

8.9 Summary Analysis of the strategic performance of bKash, Rocket, mCash, and Sure Cash

The Mobile Financial Services (MFS) market in Bangladesh is a potential growing market but not the bed of roses for all. The total market is oriented by few organizations where two large players have been dominating the market are bKash by Brac bank Limited and Rocket by Dutch Bangla bank Limited and the other active players are mCash, Ucash and Sure Cash. Since inception, these organizations are playing a role in the MFS market though there were about 28 Banks applied for having permission and 17 out of them ultimately got a license from Bangladesh bank for the same purpose. (Bangladesh Bank, 2015). There are also other MFS organizations in the market just by name, hardly have seen their activities. Mobile financial service (MFS) has just passed only half of the decade, it is now about \$40 billion dollar Business (Bangladesh Bank, 2016) and obviously has created revolution in the financial sector of Bangladesh by including financially excluded non-banked, and underprivileged people in both urban and rural areas all over the country; and in the elapse of time now MFS is for all regardless of the person rich or poor, educate or non-educate, urban or rural. In the light of Blue Ocean strategy and from the performance analysis of the MFS players, it has been observed that few of them wholly or partially matched with the features and framework of Blue Ocean Strategy. According to Ashraf (2016), bKash solely has occupied 81% of the total market share and also have matched most of the criteria of Blue Ocean strategy. However, it is also a vital issue that the other players like, Rocket, Sure and mCash started with a very good targeted strategy and tried to conquer a specific profitable segment. However, they could not reach the target level due to some strategic flaws.

bKash from the very beginning introduced as an independent organization belongs to independent management. The operational, managerial, promotional or any decision regarding the development of MFS easily taken by the management of bKash. According to CEO, HRM, no influence from the parent organization imposed over the activities of bKash. He also added, "I have long experience in doing jobs in a number of multinational companies and my experience in bKash is that a local organization like bKash is complying the culture of

multinational companies in most of the cases.” So, it is a strong point where bKash is in a very good position than Rocket and any other players in the MFS market of Bangladesh.

8.10 Other existing players of the financial market and their deficiencies

It was observed that basically migrated people who came from the rural areas we're working in different districts and thana level and used different financial channels to reach their tiny amount of earning to their relatives or family members. These people were substantially financially excluded and obviously mostly out of the boundary of the financial market. After discussing many of the MFS customers it was found that more than half of the dozen media were working in the financial market for managing financial transactions for decades after decades, however, they couldn't successfully reach the targeted customers. The different formal and informal media who worked in this field before launching the MFS activities by MFS operators are being depicted in the following along with their deficiencies of reaching to the goal:

Table 8.7 Deficiencies of the Formal and Informal Media of Financial market

Medium of the financial Market and their deficiencies in respect of money transfer	
Formal Medias:	Descriptions
Commercial Banks	<ol style="list-style-type: none"> 1. Too many formalities 2. Banks never welcomed the underprivileged masses 3. Lack of branch facilities 4. Huge non-monetary cost like conveyance to reach to the respective branch, Time for going there, que in the bank and so on. 5. Issue of the amount 6. All branches don't do all sorts of activities 7. Mass people afraid of going to a bank. 8. Consumption of time and energy
Post office	<ol style="list-style-type: none"> 1. Delay 2. Very traditional and analog 3. Missing the money 4. Postman did not do the work in time 5. Formalities

	<ol style="list-style-type: none"> 6. Bokshis for the postman 7. Consumption of time and energy 8. Almost obsolete this service
SA Paribahan	<ol style="list-style-type: none"> 1. Lengthy process. 2. Traditional analog system. 3. Huge time required to settle the single transaction in compare to MFS. 4. Lack of branch facilities. 5. Very high conveyance and other costs for the rural and remote rural people to reach any branch. 6. Has to face a long queue. 7. Huge nonmonetary cost (time, energy, psychological cost) involved in the case of sending and receiving the money. 8. Though the charge for BDT-1000 is only BDT-10 Still, the service is stopped. 9. Already stopped this sort of service
Courier services	<ol style="list-style-type: none"> 1. Very high service charge. 2. Lengthy process. 3. Huge time required to settle a single transaction in compare to MFS. 4. Lack of branch facilities. 5. Very high conveyance and other costs for the rural and remote rural people to reach any branch. 6. Huge nonmonetary cost (time, energy, psychological cost) involved in the case of sending and receiving the money. 7. No other service facilities like bill payment, refill, and so on. 8. Already stopped this sort of service
Informal Medias	
Hundi Business	<ol style="list-style-type: none"> 1. Very high service charge- for BDT 1000 the charge BDT 50 to 100.

	<ol style="list-style-type: none"> 2. As it is not permitted by the legal authority of any government organization rather it is totally illegal under the money laundering act. 3. Risk of missing the money sent- sometimes it might be black male. 4. Risk of the disciplinary action. 5. No formal distribution channel 6. Not included in the mainstream of economy 7. Detriment for the country 8. In the case of smuggling or for other non-ethical and illegal purposes, this service is still successfully running. However, the general people now hardly use this media after introducing mobile financial services, the most convenient and affordable for the poor masses.
Other informal medias	The seasonal workers, day laborer, hawkers, and other small businessmen usually used to send and receive money from their friends or Neighbors working together, Staff of Long road Busses and Businessman.

These all the above mentioned alternative channels of money transfer in the financial market could not identify the proper need and demand of the targeted audiences and the result is that almost all of the channels bound to stop this service now. Conversely if we see the functional process, charges, timeliness, customization, and easiness of managing transactions, the MFS operators are 100 times ahead than that of the mentioned medias and bKash has taken the full opportunities of the deficiencies of these organizations by occupying the whole market with time befitted, innovative, ultra techno-based value-added services. Moreover, every day the untapped market opportunities are increasing to make the MFS operation more sustainable and profit-oriented.

9.0 ANALYSIS OF THE PLAYERS OF THE MOBILE FINANCIAL MARKET IN BANGLADESH

9.1 The change in banking culture

The conventional banking culture is now a turning point due to the extreme influence of the mobile banking orientation adopted by every society in the world regardless of developed, developing or underdeveloped countries. According to the GSMA report 2016, about 277 services have been now provided by mobile financial services operators in 52 markets in the world. The picture in the following Table 9.1 also shows how faster the activities of mobile banking are stepping and perusing the message of change in the banking culture and to be adopted to new phenomena for the upcoming leaders.

Table 9.1 Global picture of mobile banking from 2011-2016

Particulars	Total Active accounts (30 day)	Total (active accounts) (90 day)	Total agents	Total Volume (Transactions)	Total Value (Transactions)
Total figures (Including smart Phone)	174 Million	556 Million	118 Million	1.31 Billion	USD22.4 Billion

(Source: GSMA, 2016)

This has become the demand of time, technology and techno culture contributed by the mobile phone and mobile network operations, especially for the inauguration of the smartphone. Almost everyone in the developed countries has a mobile phone and some consumers have multiple mobile subscriptions. Compare to the use of mobile phones, mobile banking is relatively new in many markets and its usage is still low in most countries. Conversely, the notion of the change is remarkable in many developing countries like Kenya, Uganda, Pakistan, India, and Bangladesh. bKash in Bangladesh has created a revolution by engaging non customer groups like unbanked, underprivileged masses in the mainstream of the economy through mobile banking. So, a change in the banking culture is now a very pertinent issue in the world of the business economy.

9.2 Players of the mobile financial services market in Bangladesh

The following seventeen banks are more or less, playing role in the mobile financial services sector in Bangladesh through 28 organizations got permission from Bangladesh Bank to serve

the people of underprivileged. Except for a few cases, the nature of the services of all the organizations is similar. Among the organizations, bKash has occupied the super leading position by occupying more than 91% of the market share. The immediate follower is the Rocket by Dutch Bangla Bank Limited, which occupied about 17% of the total market share. In the following table 9.2, the list of the bank-led by mobile financial services operators is given.

Table-9.2 Banks and their respective organizations offering mobile financial services in Bangladesh

SL	List of the Banks who provide MFS	Name of Mobile Financial Services
1	Brac Bank	bKash
2	Dutch Bangla Bank Limited	Rocket
3	Prime Bank	Phone banking
4	Islami Bank Bangladesh Limited	mCash
5	Trust Bank	Mobile money
6	National Credit and Commerce Bank Limited	Sure cash
7	First Security Islamic Bank	Mobile banking
8	IFIC Bank Limited	Mobile banking
9	One Bank	OK Banking
10.	South East Bank	SMS Banking
11.	First Security Islami Bank	Sure Cash
12.	AB Bank	SMS Banking
13.	United Commercial Bank	Ucash
14.	ONE Bank Limited	Ok
15.	Bangladesh Commerce Bank	Sure Cash
16.	Dhaka Bank	SMS Banking
17.	IFIC Bank	IFIC Mobile Bank

(Source: Bangladesh Bank)

In terms of money transfer, number of agents, refill in the mobile phone, remittance, online purchasing in all cases, bKash belongs to the pioneer position. Only 5-6 organizations have

their operational existence and others are just by name. Though the history of mobile banking in Bangladesh is not very far, the leaning of the development of this sector is very attractive. From 2012 -2016 the growth picture of this sector has been depicted through the following Table 9.2. Mobile banking basically started from 2011 with minimum scale by Dutch Bangla Mobile Banking and bKash and they mostly spent the time for the promotional awareness of the targeted audiences. In 2012, the total agents were only 9.1 thousand, the registered account holders were only 40 thousand. The industry scenario is dramatically changed from 2013 and onward. We see that wherein 2012 the total transactions were only 207 core, in 2013 it reached 8,800 crore, and in 2016 it reached 234691crore. It was really an amazing issue in the mobile financial market of Bangladesh.

9.3 Analysis of the mobile banking industry in Bangladesh

The history of the mobile banking industry in Bangladesh is not so long. With the Guidelines, in terms of Article 7A (e) of Bangladesh Bank Order, 1972 the industry was introduced in 2011. However, the time span is short and the developing history of this sector is very praiseworthy. A very few numbers of organizations (though primarily 28 organizations were permitted) like bKash and Dutch Bangla Mobile Banking played a very good role in the magical development of this sector. The following Table 9.3 is being depicted in the partial scenario of the growth of this sector.

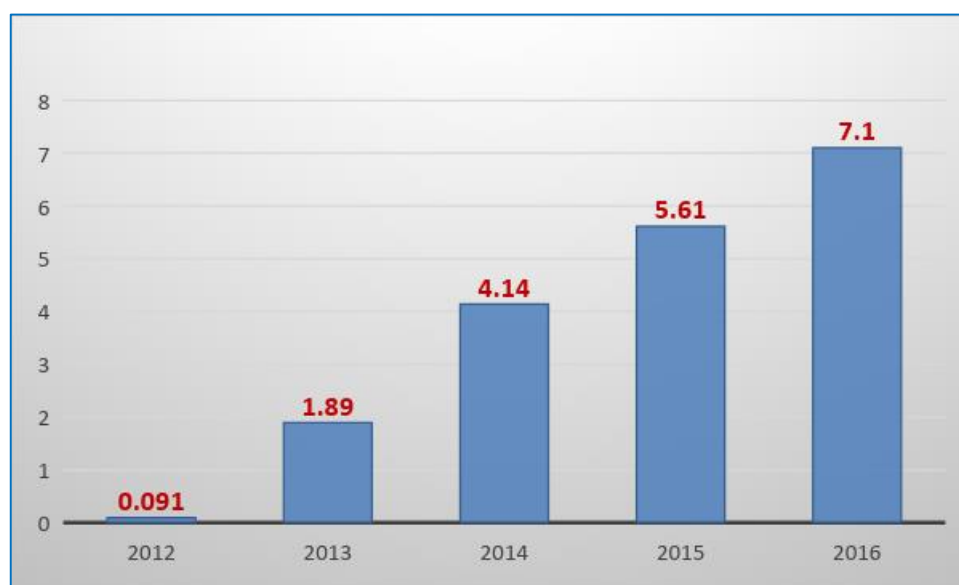
Table-9.3: Development picture of Mobile Banking Industry in Bangladesh from 2012-2016

Description	2012	2013	2014	2015	2016
Total transactions (million)	2070	68,560	88,000	1,57,7730	2,34,6910
Number of agents (lac)	0.091	1.89	4.14	5.61	7.10
Number of active accounts (million)	2	6.5	6.7	13.22	15.88
Number of registered accounts (million)	0.4	13.2	16.2	31.85	41.8
No. of total transactions (million)	74.5	114.5	133.7	1166.0	1473.20

Source: Bangladesh Bank and Primary source

Table 9.3 shows the growth of some key factors of the mobile banking industry like the number of agents, registered account holders, number of active account holders and total transactions.

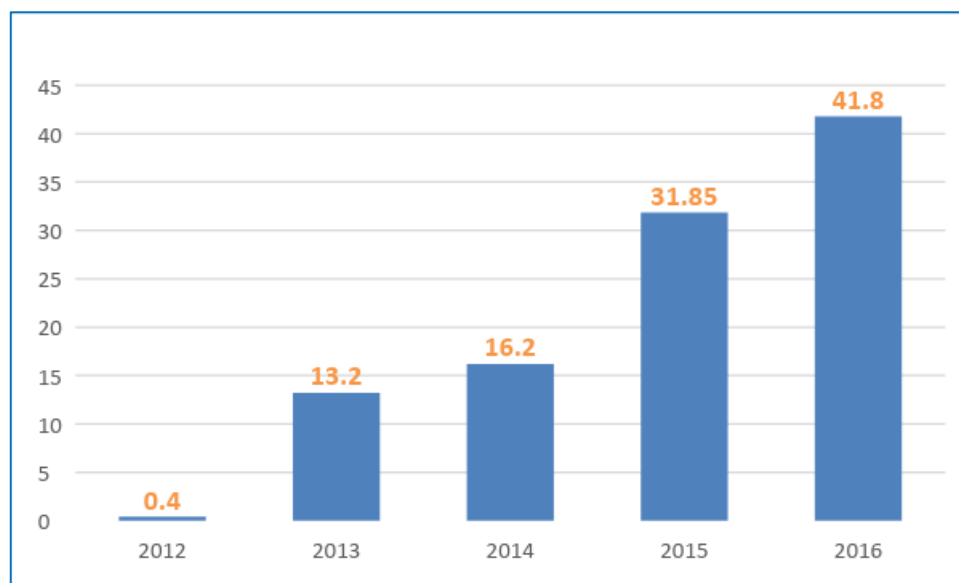
In the initial stage i.e in 2012, the total transaction was only BDT 2070 million wherein 2014 the total financial transaction was BDT 68560 million. Within two years, the growth rate of a transaction is 4100% and this is an unbelievable development picture of mobile banking in Bangladesh. However, the growth picture is more fantastic if we cast our eyes between the years 2012 and 2016. It seems out of comparison as in 2012 the transactions were only 2070 million whereas in 2016 it was 23,46,910 million. Within just five years the growth rate was 1,132,77% which is really unbelievable. The dreamy, magical development and revolution in the history of the financial market of Bangladesh have included in the mainstream of the economy. And thus the backbone of the economy has boosted with the new avenue of earning by including the largest segment of the country and they have been continuously contributing in many ways of economic development but were never recognized by any party. However, not only in the point of financial transactions Table 9.3 also reflects same level of growth in other issues like agents, account holders and so on. The excellent trend is being reflected in the following figure 9.1 where it shows that in 2012 the number of agent only nine thousand one hundred (9100), where within five years it raised to 7.1 lac in 2016 and the growth rate is



(Source: Bangladesh Bank from 2012 to 2016)

Figure: 9.1 The Scenario of the Agents Mobile financial Industry From 2012-2016

7702% which is indicating how fast and how successful mobile financial services are flying. Conversely it also indicates the acceptance of MFS by the customers of Bangladesh. The growing picture of client is very clearly showing through the following figure 9.2



Source: Bangladesh Bank from 2012 to 2016

Figure: 9.2 the growth of the Registered MFS Account Holder from 2012-2016

Within just five years from 0.4 million to 41.8 million. This galloping scenario is undoubtedly highly expected for any industry. Within five to six years, a few mobile financial service operators created a historical record in the financial market by engaging the poor and vulnerable people successfully with the formal street of economy. The magical development in the mobile financial services sectors was not at all a bed of roses rather lot of MFS operators could not even properly survive. The very name of the organization which has created a revolutionary impact in the mobile financial service market is bKash. Within a few years, bKash was recognized as a market leader and also now considered as the largest MFS organization all over the world.

9.3.1 A snapshot of mobile banking industry as per market share - The mobile banking industry is the kid of only half of the decade where a few numbers of players have been playing actively though every member couldn't perform up to the mark rather two organizations like, bKash and Rocket have been showing their strong influence to capture the market share. The following Table 9.4 shows market competitive picture of MFS providers from 2013 to 2015.

Table 9.4 Market share occupied by MFS operators have shown.

MFS Providers	Respective Variables	2013	2014	2015
bKash	Market Share	86%	89%	91%
Rocket		28%	18%	17%
mCash and others		0.7%	0.5%	0%

(Source: Prothom Alo, December, 2016)

In 2013, it was actually the very beginning stage of all MFS providers, the total transaction was 68,560 million and the number of agents was 0.189 million. In that initial stage, bKash occupied 86% of the total market share and Rocket 28% and the other players only 0.7%. Continuously the role of bKash was gearing up. During 2014 and 2015 the position of bKash raised to 89% and 91% respectively.

9.3.2 Phase wise development snaps of the mobile banking industry in Bangladesh - The starting of MFS was very much concerned with only the transfer of money in the form of Cash In and Cash Out. According to the report in the Prothom Alo (2016), 96% of the total transaction was made by Cash In and Cash Out. However, with the passage of time, the demand and offerings of MFS have been changing in good shape and this is shown in Table 9.5. The new products and services like Remittance, salary disbursement, Utility bill payment, Merchant payment, mobile refill and many more are continuously giving the new message of creating a new ocean of opportunity. Here in Table 9.5 shows that in 2015 the Inward remittance was BDT 381.50 million and in 2016 it reached 841 million and the growth rate was 121% which is really very positive and full of opportunity. The salary disbursement grew at 254% within three years and utility bill payment increased from BDT14562 million to BDT 25554.40 million and the upward trend was 75%. A beautiful picture has been experienced from Table 9.4 that indicates a numerous untapped market waiting for the operators who actually can properly read the mind and demand shape of the target audience. The oral information also revealed that mobile refill and merchant payment as well as online payment create new attention to the urban and educated people who can easily refill their mobile phones by surplus amount in the mobile banking account.

Table 9.5 Product-wise development picture of MFS in Bangladesh

Particulars	2015	2016	2017	Growth (%) 2015-17
Inward Remittance (BDT in million)	381.50	747.10	841.00	121%
Salary Disbursement (B2P) (BDT in million)	1298.57	2455.02	4599.23	254%
Utility Bill Payment (P2B) (BDT in million)	14562.50	22865.50	25554.40	76%
Merchant Payment (BDT in million)	00	00	735.6	
Airtime Top-up				
Online Payment				

Source: Bangladesh Bank-2016-2018

Thus one after another process gradually has been creating the new sources of revenue for the MFS operators and every source has such a large potential canvas, can create a separate Blue Ocean in the own market space. For example, mobile refill, utility bill payment or salary disbursement are all the fields of billion-dollar transactions. So, the coming days for MFS are really full of opportunity if the internal and external environment would be positive and they can properly identify the pain points of the target audience and take the proper steps and strategies to grave the respective market.

9.4 Growing trend of bKash in respect of MFS industry

Table 9.4 has shown the development scenario of the mobile banking industry in Bangladesh. Now, in Table 9.6, we will see the actors who have played a role in the magical development of the MFS sector in Bangladesh. In Table 9.4, it is shown three players have occupied the whole market, and bKash is the main role-playing partner. We see that from 2012 to 2015, the market share of bKash is 86%, 89%, and 91% respectively. On the other hand the immediate competitor, Rocket owned 28%, 18% and 17% of the market share. The position of mCash is very poor, it is less than 1% and there is no existence of the other competitors in the market. The total scenario of the market is like the example of Ore saline of SMC Company. The ingredients of ore saline are 500 gm water, a little amount of sugar and a very tiny amount of salt. Like this, in the MFS market, bKash is like water, Rocket is like the sugar of the saline and the other is like the salt. As in the saline nothing is shown except water, the scenario of the MFS market is almost the same as the whole market is bKash oriented. Basically, bKash made

the competition irrelevant by occupying a massive portion of the market. The following Table 9.6 also depicts the picture up to 2016 where the position of bKash 90% which is deemed stronger than any other organization then the comment is coming

Table 9.6 Growth picture of bKash compare to the industry in 2015

Particulars	2015		2016	% of bKash
	Industry	bKash		
Active account holder (crore)	1.17	1.06		91%

(Source: Prothom Alo, December 2016)

That bKash has reached in such a position where competition with others seems irrelevant.

The following Table 9.7 in the following shows the revenue and profit trends of bKash from 2012 to 2016. The revenue trend is stronger than the profit trends. Where the revenue in 2012 was only 381.613 million, in 2016 it reached 12088.678 million and the percentage rate is 3073%. Even from 2012 to 2013 the increment rate was 732 %. Unlike revenue, the trend of profit was comparatively slower. In 2012 and 2013, the company was in loss of 115.72 million and 290.51 million respectively due to huge initial investment and robust promotional campaigns. However, from 2014 just within 3rd year's operation, bKash enjoyed 342.26 million profit after recovering the previous loss. So, for a totally new organization, new market space, new phenomena of business and new and very challenging experience, bKash enjoyed and occupied a very nice position in the market.

Table 9.7 Trends of the financial growth of bKash from 2012 to 2016

Particulars	2012	2013	2014	2015	2016
Revenue (TK. In Million)	381.613	3171.645	5731.505	8586.537	12088.678
Profit (TK. In Million)	(115.72)	(290.51)	342.26	399	652.15

(Source: financial statements of Brac Bank 2012, '13.....2016)

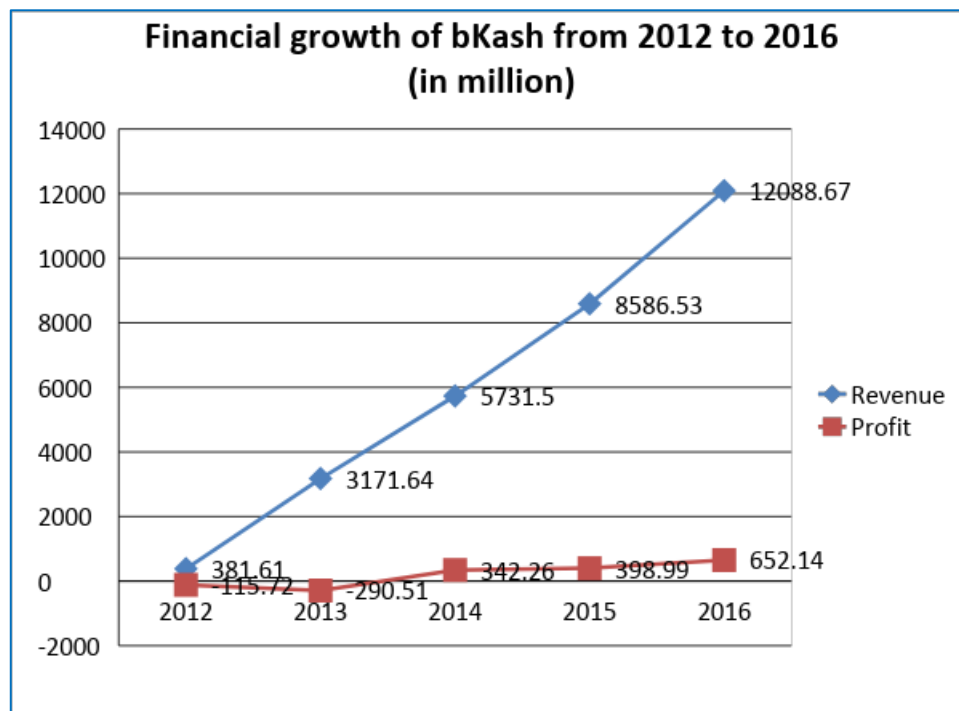


Figure 9.3 The Trend of the Financial Growth of bKash from 2012 to 2016

By making the profit double in 2016 (Tk. 652.15 million), it has given the message in the world of mobile financial service that another robust leader emerged for making the competition irrelevant. Thus the total picture of the market reflects:

- a. No doubt, Mobile banking industry is reflecting very uprising market in Bangladesh;
- b. All affiliated banks have not started this service yet;
- c. Initially mostly confined with Cash In and Cash Out product but gradually new avenues are being introduced;
- d. MFS industry is basically the orientation by bKash Limited;
- e. Seems no competition exist between bKash and other competitors;
- f. bKash occupied almost the whole market;
- g. bKash is growing like Blue Ocean in the context of market share in the mobile financial service sector of Bangladesh;
- h. Except Rocket, the other organizations of mobile banking exist only by name;
- i. Growth of bKash is increasing substantially in every year.

9.5 Macro-level impact of the mobile financial service market

9.5.1 Financial inclusion - 75% of people, who mostly lived in the village had been excluded from formal financial inclusion, now are in the formal channel. From BDT 207 million in 2012 to BDT 234691 crore in 2016 inclusion in the formal financial channel is a very big contribution to a developing economy like Bangladesh. The trend of financial inclusion is very positive and potential for the money market as well as for the capital market, and also will work as a strong base of the economy of Bangladesh.

9.5.2 Increase the velocity of money - Velocity of money has increased tremendously as the core people of Bangladesh are basically unbanked, underprivileged, and unrecognized masses have got a nice channel of utilization of the money. About 41.8 million (source: Bangladesh Bank report) people in Bangladesh formally now engaged with banking transactions and yearly BDT 234691 crore is being exchanged by them. So, it's a big strength of our economy.

9.5.3 The strengths of financial organizations are enhancing - The financial inclusion has been creating the opportunity for further investment. All the organizations of MFS operations are bank landed and so a nice door of million crores opens for them. The banks can easily reinvest as FDR, in share market or in a lot of productive and potential profitable sectors.

9.5.4 Creating employment opportunity - From figure 9.3 we see that 7.1 lac agents are employed in this sector. In 2012, it was only 9100 wherein 2016 is increased to a thousand times more by reaching 0.71 million. Moreover, thousands of employees are working as formal employees of the respective organizations and there other parties like distributors, dealers, sales representatives, and super agents are working in this field. So, as the very vital parameter of economic development, the industry of the mobile financial service is nicely contributing.

9.5.5 Creating New Opportunities for the banking sectors - The successful MFS model can bring revolutionary success for the banking sectors is already proved. So far the bankers have been dealing with mostly urban customers, couldn't think the unbanked

and underprivileged are waiting for them with billion-dollar transactions. So this can be a good sector of investment for further development.

9.5.6 New investment opportunities have been increased - A huge amount of money remain idle in the server of the MFS operators as all the Cash In transactions don't get Cash Out simultaneously. Moreover, due to financial inclusion the monetary market becomes stronger and thus creates investment scope for the MFS operators as well as other financial institutions in the getting reserve.

10.0 CLIENTS' PERCEPTION REGARDING MFS PLAYERS

10.1 Analysis of demographic variables

According to the GSMA report (2014), mobile banking activities have been expanded by 61% in developing countries and are offering 255 services in 99 countries all over the world. People of Bangladesh have been enjoying the multifarious services by mobile banking operators, and gradually it is booming. Among the 19 mobile banking operators about half a dozen mobile banking operators (MBOs) like, Dutch Bangla mobile banking (what is now named as Rocket), by Dutch Bangla bank, bKash by Brac bank limited, Ucash, mCash and some other banks started mobile financial services since 2011 with the permission of Bangladesh Bank. Though bKash started just behind Rocket, it, fortunately, positioned as the largest MFS organization in Bangladesh with the strong support of Brac bank and shore bank International (Source:https://www.ifc.org/wps/wcm/connect/5c993b23.../bKash_FINAL_low+res.pdf).

Within a couple of years, bKash very efficiently and successfully reached its services to the very convenient location of almost every person in the country. It was a dramatic revolution bKash made in the financial market of Bangladesh by including the people who were hardly considered by the representatives of the formal economy. This is the big question of how bKash involved these segments very successfully with the main culture of the economy, and it created a revolution in the mobile financial service market in Bangladesh. The analysis of the following variables may find the answer to the above question:

In the following Table 10.1, it has been demonstrated the demographic and other related variables of the respondents to make it more clear regarding the audiences who were actually participated in this survey study and that were their demographic profile. Table 10.1 also represents the segment of the customer groups involving in mobile financial services (MFS) in urban and rural areas of Bangladesh. The demographic variables like age, gender, education, income, and occupation were considered as the relevant variables for the justification of the respondents of the study. Table 10.1 represents that a total 393 respondents who involved with mobile banking activities partly or fully. Among the total respondents more than 85% were male and only 14% female and among them, 40% of their MFS services on their own and the remaining 60% depend largely on the agents or of other counters (OTC). The reason behind to select the male respondents was that the rate of mobile banking users is mainly male. Urban women basically those who are working in garment factories, and doing blue color jobs in different organizations are enjoying the facilities of mobile banking and in rural areas, a few

women use mobile banking directly, rather most of them get the service from their sons, daughters, other family members or from their neighbors. The age group shows that the maximum users are between the ages of 20-25, the percentage is 45% whereas the lowest users are 11.5% belong to the age group 15-20.

Table 10.1 Demographic picture of the respondents

Demographic Variables	Particulars	Frequency	Percentage
People use mobile banking	Personal	158	40%
	Agent	235	60%
Gender	Male	330	84.0%
	Female	63	16.0%
Age	15-20	45	11.5%
	20-25	178	45.3%
	25-30	69	17.6%
	Over 30	101	25.7%
Occupation	Student	155	39.4%
	Job	68	17.3%
	Business	86	21.9%
	Others	84	21.4%
Income	5000-10000	234	59.5%
	10000-15000	62	15.8%
	15000-20000	35	8.9%
	Over 20000	62	15.8%
Education	Under SSC	89	22.6
	SSC	52	13.2
	HSC	177	45.0
	Deg. / Masters	75	19.1

Actually, almost 90% of users are between the age of 20-30 and above 30. So, the age group reflects that the users of bKash below 20 are still very insignificant. Here, the authority of bKash can concentrate to find out options to engage this age group in financial inclusion by adopting the MFS facility. Another variable occupation is comprised of students, jobholders, businessmen, and others. The word 'others' addresses the Rickshaw pullers, day laborers, and marginal farmers and so on. As we followed a convenient sampling technique, it was found

that students were very much eager to response rather than the businessmen, jobholders and other groups. Job holders represent the blue color workers who usually work in garments factories, shops, restaurants, or as security guards and so on. The word businessmen indicate the small businessmen, a street hawker, grocer, and seasonal businessmen and the like. The demographic variable income represents that about 76% of respondents belonged to the income from BDT 5000-15000 where 59% under the range of 5,000-10,000. The above table -10.1 also shows that only 16% of audiences crossed the income level of BDT 20,000. So, the information reflects that the respondents are basically lower income group of the society.

The following Table 10.2 shows the ratio of respondents based on the urban and rural areas. In this survey, 219 respondents i.e 56% participated from rural areas and 174% i.e 44% from urban areas.

Table 10.2 Picture of the Urban and rural masses associated with mobile banking

Urban / Rural	Frequency	Percent	Valid Percent
Urban	174	44.3	44.3
Rural	219	55.7	55.7
Total	393	100.0	100.0

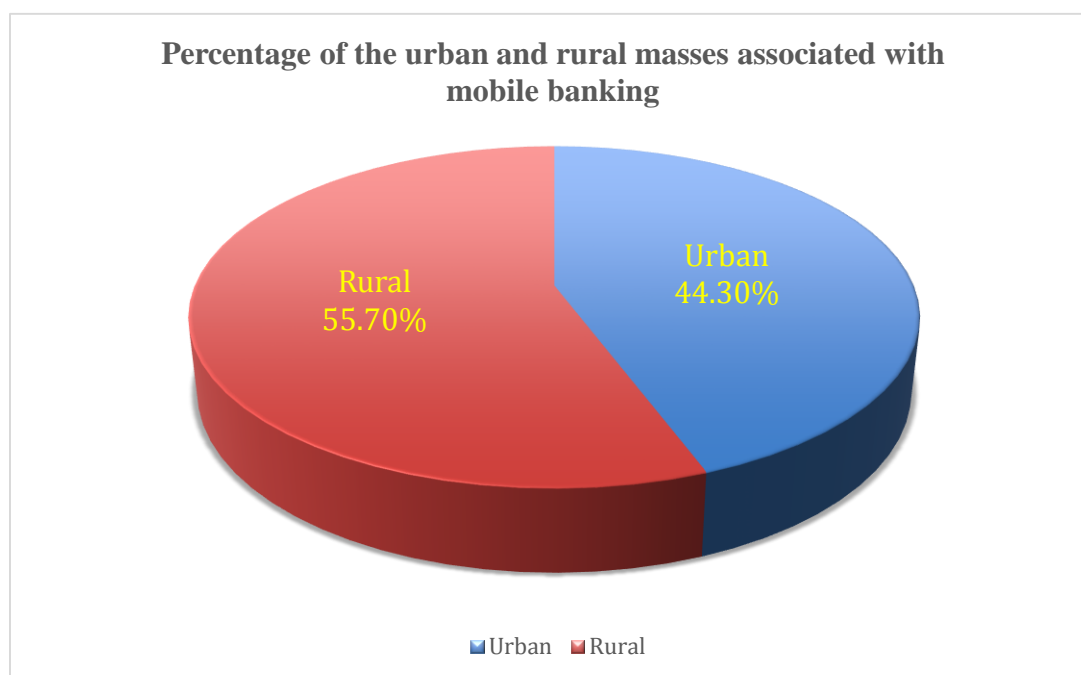


Figure 10.1 Picture of the Urban and rural masses associated with mobile banking

This percentage (56% from rural area) is very relevant to the study as the basic purpose of mobile banking was to provide banking facilities for unbanked and underprivileged people. As the rural segment is derived from the banking facilities so their experience regarding this study supposed to be very material.

Table 10.3 Picture of the unbanked and banked participants in the survey

Particulars	Frequency	Percentage	Cum. Percentage
Banked	142	36	36
Unbanked	251	64	100
Total	100	100	100

(Source: Field Survey. Total number respondents 393)

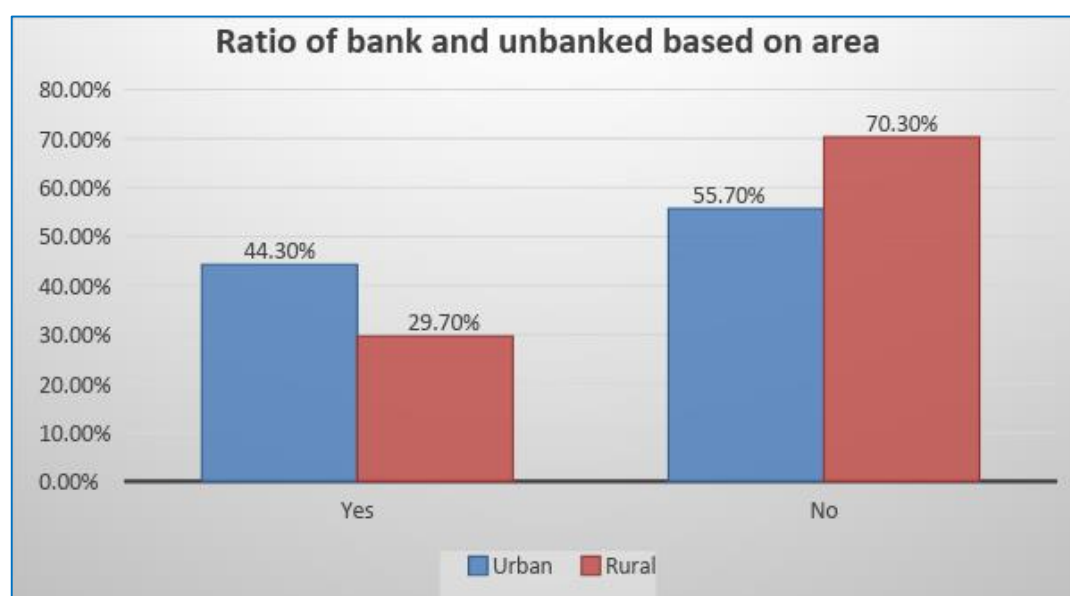
Table 10.3 shows the ratio of the banked and unbanked masses who participated in the survey. It showed a very nice scenario that 251 respondents i.e. 64% unbanked who were excluded from the formal financial channel included in the mobile financial services (MFS) and 142 respondents, i.e. 36% masses who have a bank account but do the transaction through mobile banking services. This picture shows a very positive indication that a huge number of underprivileged engaged in formal financial activities and included in the route of the formal financial flow of the economy; and this is very much positive sign for a developing country like Bangladesh as still 70% of the total population stay in the rural area and they are mostly unbanked, stay out of the formal boundary of the economy.

The following Table 10.4 represents the ratio of urban and rural participants engaged in the survey study. The table shows that in the urban areas out of 174 respondents, 97 i. e. 55.7% unbanked and in the rural areas out of 219 respondents 154 i. e. 70.30% were unbanked. So, here it is found that most of the respondents i.e. 251 out of 393 were unbanked who could not get the formal financial facilities before mobile banking services.

Table 10.4 Ratio of bank and unbanked based on area

Cross-tabulation between area and bank				
Particulars		Bank		Total
		Yes	No	
Urban	Count	77	97	174
	% Percent	44.3%	55.7%	100.0%
Rural	Count	65	154	219
	% Percent	29.7%	70.3%	100.0%
Total	Count	142	251	393
	% Percent	36.1%	63.9%	100.0%

(Source: Field Survey. Total number respondents 393)

**Figure 10.2 Ratio of bank and unbanked based on area**

The following Table 10.5 is representing the very positive perception of the respondents on the basis of mean values regarding the performance of bKash in the mobile financial services (MFS) market in Bangladesh.

Table 10.5 Influential variables on the basis of Mean

Influential variables in the field of MFS		
SL	Variables	Mean
1.	bKash saves the time of the clients	4.4058
2.	bKash takes less time to process a transaction than the others	4.356
3.	Transaction through bKash is very easy	4.3037
4.	It is very easy to reach bKash agents.	4.1623
5.	bKash substantially reduces the risk of bearing cash	4.1335
6.	bKash has available agents	4.0916
7.	Registration of bkash takes less time than that of the others	4.0707
8.	Mobile banking means bkash	4.0636
9.	bKash saves energy of the clients	4.0393
10.	By creating new opportunities bkash is attracting new customers	3.9162
11.	bKash successfully persuaded non-bank to bank	3.877
12.	bKash uses ultramodern technology	3.5242
13.	bkash has sufficient measures against fraud	3.4377
14.	Transaction cost of bKash is very reasonable	3.3562
15.	Agents of bKash are skilled	3.2723
	Mean of the Means	3.367

(Source: Field Survey. Total number respondents 393)

Here, the 15 very influential variables show the mean values from the highest 4.41 and the lowest mean value 3.27 means all means is 3.37. The highest weighted variable is “**bKash saves the time of the clients**” with a mean value of 4.41. The second important variable is “**bKash takes less time to process a transaction than the others do**” reflects the mean value 4.36 and 3rd important variable is “**Transaction through bKash is very easy**” contains the mean value 4.30. Accordingly 4th to 15th variables gradually showing mean values from 4.16-. 3.27 Respectively. All variables are above Table 10.5 basically indicate the operational performance of bKash in the market. As the mean values of the most of the variables are more than 3.00 out of five-point scale, it is perceived that overall performance of baksh is highly acceptable to the audiences of mobile financial services sector of Bangladesh and also supposed

that performance of these variables motivated the unbaked and underprivileged masses to engage in the culture of formal banking through the support of bKash. As we see first to third variables strongly related to the issue of time and the issue of simplicity of the transactions. It does mean that people at any level or of any region emphasize the time they like to spend on any formalities of banking transactions. The fourth variable “**It is very easy to reach bKash agents**” shows the mean result 4.16 also the issue of simplicity and easiness. Very naturally, for any convenient products, people never like to provide much effort and time. So, for the mass people, the location of the product is obviously a big issue and the very prudent authority of bKash sets up the location so that any people can get it easily and even village women can fulfill her needs without any mentionable effort.

Very informal way (like, no heavy investment for infrastructure, no heavy expensive outlet rather a single chair and table without any furnishing) reached a new market space that was always out of focus by the traditional financial organizations as the market segment was bottom of the pyramid but a huge opportunities were hiding behind this segment. The visionary management of bKash made happy the informal, socially behind people and thus this segment have been included in the formal routes of economy and have been contributing trillion dollar per year as become the back-up of the formal economic flow.

Table 10.6 shows that 11 variables are considered as the most influential variables as per their mean rank values. The statement containing the highest Friedman mean rank 18.30 is “**bKash saves the time of the clients.**” It does mean that the target audiences of bKash have given the priority on the attribute ‘**Time**’ in case of mobile banking activities.

Table 10.6 Influential variables as per the Friedman mean rank

Serial	Variables	Friedman Mean Rank
1.	bKash saves the time of the clients	18.30
2.	Transaction through bKash is very easy	15.89
3.	bKash takes less time to process a transaction than the others	15.62
4.	It is very easy to reach bKash agents.	14.76
5.	bKash saves energy of the clients	14.14
6.	Registration of bkash takes less time than that of the others	13.99
7.	bKash has available agents	13.86

8.	Transaction through bKash is secured	13.24
9.	By creating new opportunities bKash is increasing new customers	13.00
10.	bKash successfully included non-bank people in bank	12.63
11.	Agents of bKash influence customers to use this service	11.24

(Source: Field Survey. Total number respondents 393)

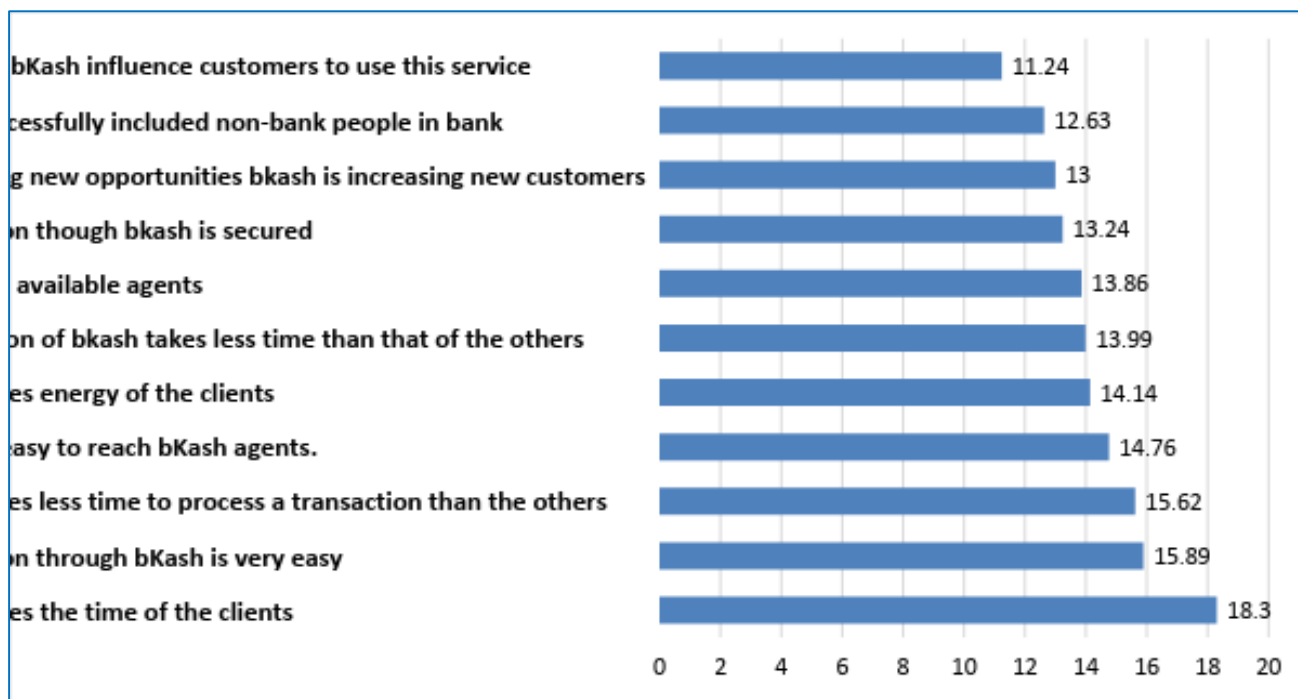


Figure 10.3 Best 11 variables as per the Friedman mean rank

This is very much similar to the usual mean value shown in Table 10.5 and figure 10.3 actually this is one of the highest comfortable phenomena in banking services. In the so-called conventional banking practices, a huge number of time-consuming formalities to be maintained by a customer as well as by the bankers like documentation, long queue, banking time frame, as well as some rules and regulations. All the attributes are really time-consuming and consumers always feel bothered with the bulk of formalities. bKash, on the contrary, has created distinctive innovative banking for all classes of people. In case of bKash, to process a transaction it takes just a couple seconds and within a minutes a person can send his/her money to the desired destination as they have more than 5 lacs agents all over Bangladesh with strong network services equipped by modern technology.

Whereas it is required much time for other operators and even in many cases, the other operators can't process transactions due to their lack of available OTC and fund. The informal, hassle-free, instant banking service facilities for the clients who could not even dream in the

dream such instant banking transaction process and thus they have taken it very cordially. The immediate higher mean rank variable is ‘**Transaction through bKash is very easy**’ representing the rank mean value of 15.89. As a consumer, it is highly expected that service should be easy, simple and hassle-free. bKash by its efficient team management and for having a strong network ensured a simple way of service. A literate or illiterate person can easily adopt such an easy and comfortable service phenomena. In this way, nine more variables are containing the rank mean value from 15.62 to 12.63 at the significance of 0.00 depicted in Table 10.6. So, it was found that the mentioned variables actually played roles in the MFS market to motivate unbanked people for adopting banking culture and thus helped bKash to reach an unparalleled position. For more analysis, each of the variables will be discussed in the following.

10.2 Comparative analysis of MFSs in Bangladesh

Apparently, the top of the head or the external scenario of the market gives the perception that bKash has grown as a giant in the mobile financial services market and obviously created uncontested market space. However, for reaching the inferential position it is really needed to analyze how far such a position has been created. The following data analysis will provide the actual information on whether bKash has created Blue Ocean or if there is any gap in this issue. The relationship between the people of the rural and urban areas and the mobile banking service operators are shown by the following Table10.7.

Table 10.7 Choice of the mobile banking service operators based on area

Urban/Rural	bKash	Rocket	Ucash	MCash	Others	Total
Urban	143	22	4	3	2	174
Rural	192	19	2	2	4	219
Total	335	41	6	5	6	393

(Source: Field Survey. Total number respondents 393)

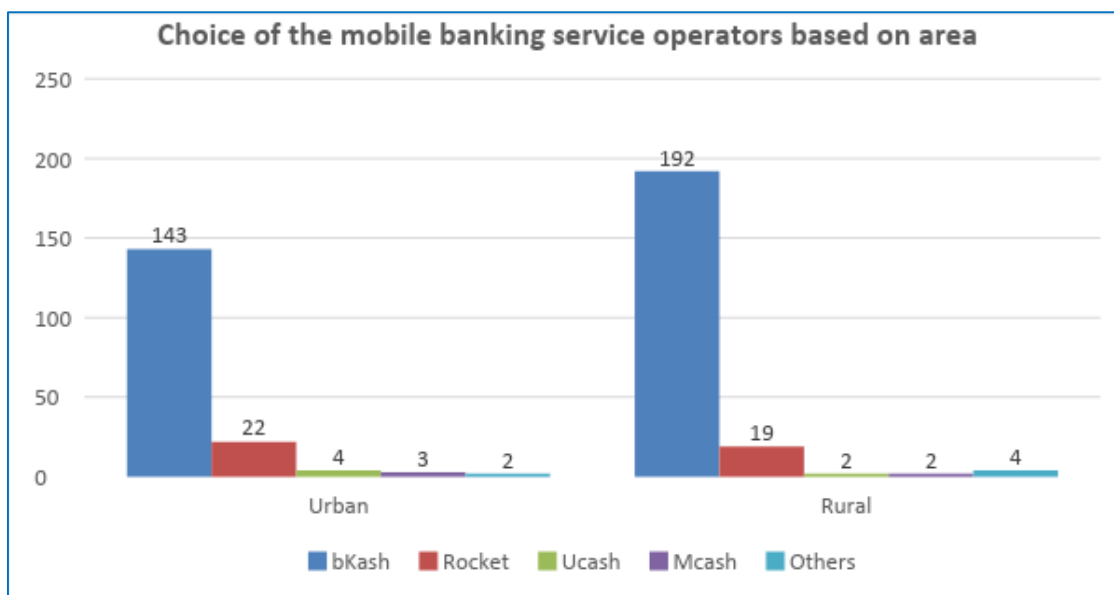


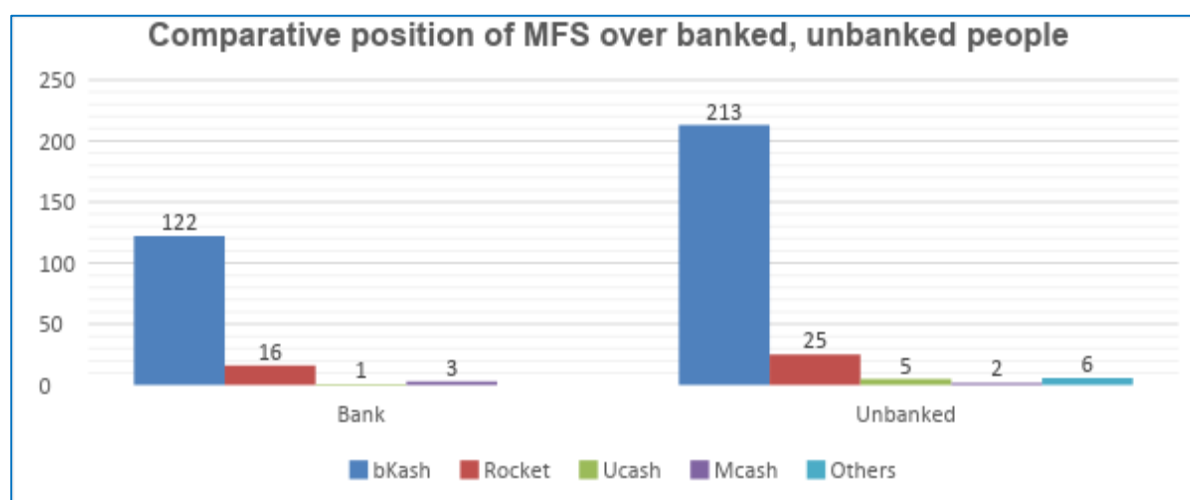
Figure 10.4 Choice of the mobile banking service operators based on area

In the above Table 10.7 and in figure 10.4 we see out of 219 participants from the rural area 192 masses voted for bKash and the percentage is 88 % which is really an outstanding performance for an organization and the immediate competitor, Rocket got the vote 19 i.e 8.7% which is very negligible. None of the remaining operators captured more than 1% audience. Conversely, out of 174 respondents in the urban area, the users of bKash are 143 i.e 82% and the users of Rocket are 13%, Ucash 3% and MCash availed 2%. This picture reflects that though, in both areas, bKash is dominating, however, in urban areas, the position of Rocket is a little bit better in comparison to the rural area. Actually, Rocket and other operators are strongly urban-oriented; and this is why the percentage is little improved in comparison to rural areas. However, the position of bKash is almost the same in both areas. The final conclusion reflects that bKash has created an uncontested market space in the MFS market of Bangladesh.

The Table following 10.8 represents the rate of bank and unbanked people engaged with mobile banking activities and the measurement of gravity of operators. We see that 142 respondents have a bank account and out of the 122 use bKash that means the percentage of engagement with bKash is 86%. In the case of unbanked respondents 213 means, 85% engage with bKash. The acceptance of Rocket to the bank is only 11.26% and the unbanked is only 10% and there is almost no place for the other operators. So, it is evident that bKash has been accepted by the bank and unbanked segments unanimously, and its really strong ground, bKash has been created in the MFS market of Bangladesh.

Table 10.8 Comparative position of MFS over banked, unbanked people

Bank/ Unbanked	bKash	Rocket	Ucash	MCash	Others	Total
Bank	122	16	1	3	0	142
Unbanked	213	25	5	2	6	251
Total	335	41	6	5	6	393

**Figure 10.5 Comparative position of MFS over banked, unbanked people**

The reflection of figure 10.5 delivers the message that bKash is not only occupied the hearts of the unbanked people in the rural area rather the clients of banks also strongly associated with mobile financial activities through bKash.

Like other demographic issues, Table 10.9 shows the choice of mobile banking operators on the basis of gender. Out of 330 male respondents, 289 use bKash and 37 respondents choose Rocket. It does mean that 87.6 % male consent on bKash and only 11.2% is for rocket. The others are a very negligible percentage. The same reflection in the case of female respondents 92.1 % for bKash and only 4.8% for Rocket. Out of the total male and female 88% for bKash and only 10.2% for Rocket. The position of other MFS is not at all considerable.

Table 10.9 Cross-tabulation between gender and mobile banking operators						
Particulars		Different MFS operators				Total
		bKash	Rocket	Ucash	MCash	
Male	Count	289	37	3	1	330
	% Percent	87.6%	11.2%	0.9%	0.3%	100.0%
Female	Count	58	3	1	1	63
	% Percent	92.1%	4.8%	1.6%	1.6%	100.0%
Total	Count	347	40	4	2	393
	% within Gender	88.3%	10.2%	1.0%	0.5%	100.0%

(Source: Field Survey. Total number respondents 393)

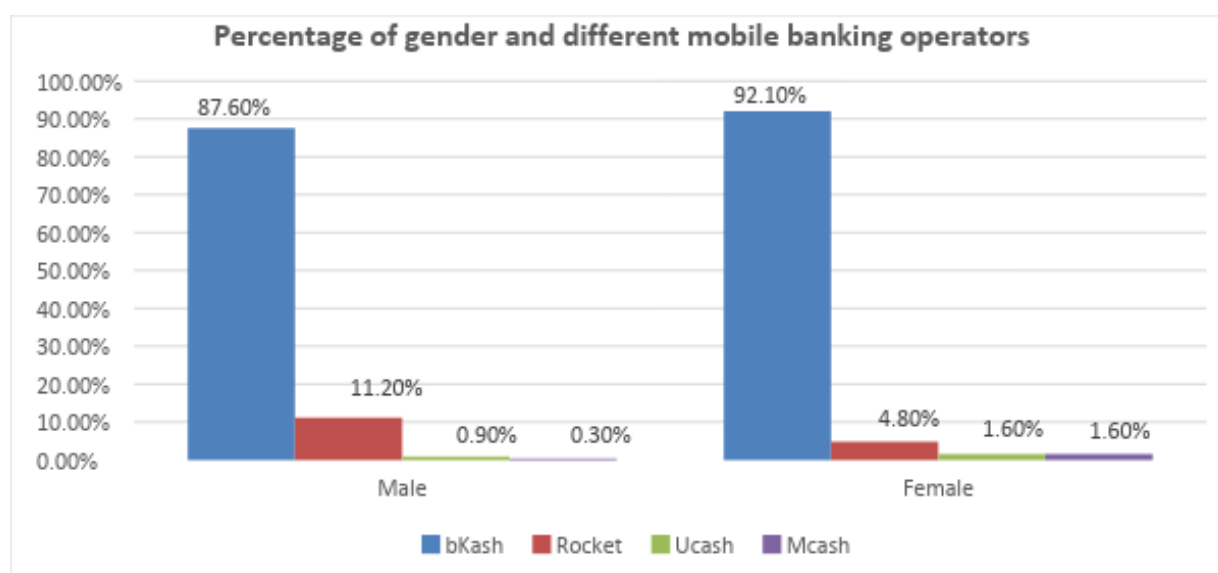


Figure 10.6 Comparative position of MFS operators based on gender

So, the result of Table 10.9 represents that irrespective of gender bKash is for all and the Chi-square Table 10.10 shows that there is significant difference in the choice of MFS in respect of gender. It does mean both males and females have given their mandate in the box of bKash. The learning matter is that the percentage of females is more than males who have chosen bKash as their medium of financial transactions.

Table 10.10 Chi-Square Test between gender and mobile banking operators

Chi-Square Tests						
	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	4.237^a	3	0.237	0.186		
Likelihood Ratio	4.171	3	0.244	0.194		
Fisher's Exact Test	4.966			0.144		
Linear-by-Linear Association	0.048^b	1	0.827	0.873	0.503	0.133
N of Valid Cases	393					
a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .32.						
b. The standardized statistic is -.219.						

(Source: Field Survey. Total number respondents 393)

The following Table 10.11 and figure 10.7 are reflecting another parameter that is educational level to prove the position of mobile banking operators in the MFS market of Bangladesh.

Table 10.11 Cross-tabulation between the level of education and the most preferred service operators

Particulars		What service operators do you use most					Total
		Bkash	Rocket	Ucash	MCash	Others	
Under SSC	Count	81	6	1	1	0	89
	%l	91.0%	6.7%	1.1%	1.1%	0.0%	100.0%
SSC	Count	46	5	1	0	0	52
	%	88.5%	9.6%	1.9%	0.0%	0.0%	100.0%
HSC	Count	148	20	2	2	5	177
	%	83.6%	11.3%	1.1%	1.1%	2.8%	100.0%
Masters	Count	60	10	2	2	1	75
	%	80.0%	13.3%	2.7%	2.7%	1.3%	100.0%
Total	Count	335	41	6	5	6	393
	%	85.2%	10.4%	1.5%	1.3%	1.5%	100.0%

(Source: Field Survey. Total number respondents 393)

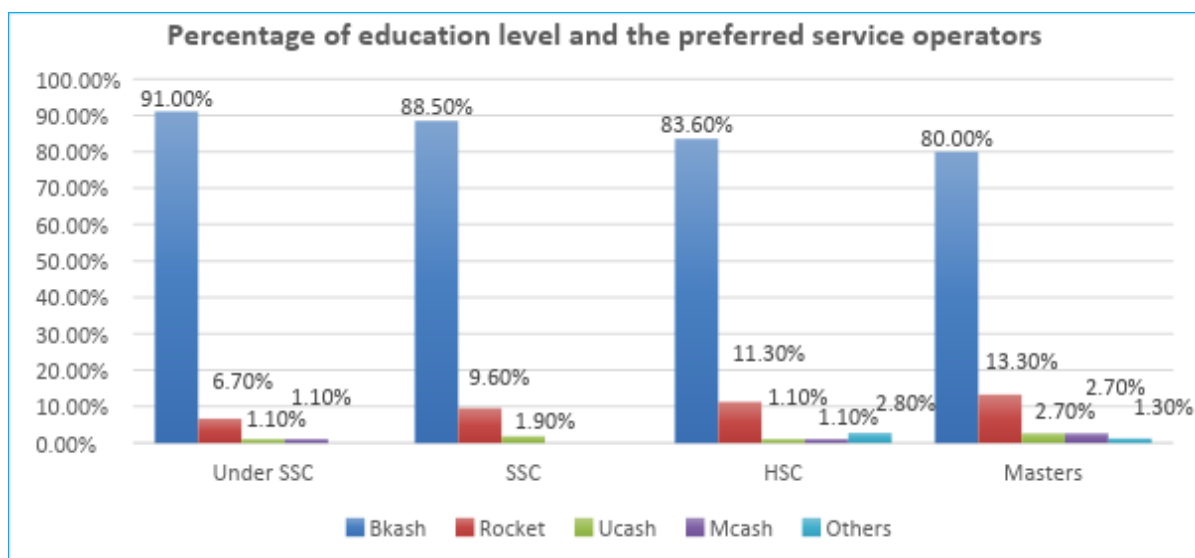


Figure 10.7 Cross-tabulation between the level of education and the most preferred service operators

Table 10.11 shows the relationship between the choice of the respondents and their level of education. The different levels of education from under SSC to Masters, the highest percentage of the audience chooses bKash, 91% belongs to the group 'under SSC', 88 % by SSC level and the lowest percentage 80% was by master's level. The average choice of bKash by all levels is 85.2 %, which is remarkable.

So, it is distinctly clear that bKash very successfully has reached all levels of people either educated or non-educated and this made the competition irrelevant.

Table 10.12 Chi-Square Test between education and mobile banking operators

Chi-Square Tests						
	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	28.806^a	12	0.004			
Likelihood Ratio	31.962	12	0.001	0.001		
Fisher's Exact Test	23.883			0.004		
Linear-by-Linear Association	1.756^c	1	0.185	0.197	0.099	0.013
N of Valid Cases	393					

- | |
|--|
| a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is .57. |
| b. Cannot be computed because there is insufficient memory. |
| c. The standardized statistic is -1.325. |

(Source: Field Survey. Total number respondents 393)

The following Table 10.13 and Figure 10.7 represent the position of bKash to a different level of occupations. This is one of the very important analyses, as mobile banking practices are highly associated with all levels of occupations. The chi-square result in Table 10.12 also rejected the null hypothesis and created the evidence that bKash is accepted by the customers of all levels of education among the different MFS operators.

Table 10.13 Cross-tabulation between occupation and most preferred service operators

Particular		What service operators do you use most					Total
		Bkash	Rocket	Ucash	MCash	Others	
Student	Count	130	18	4	0	3	155
	%	83.9%	11.6%	2.6%	0.0%	1.9%	100.0%
Job	Count	54	9	2	2	1	68
	%	79.4%	13.2%	2.9%	2.9%	1.5%	100.0%
Business	Count	71	10	0	3	2	86
	%	82.6%	11.6%	0.0%	3.5%	2.3%	100.0%
Others	Count	80	4	0	0	0	84
	%	95.2%	4.8%	0.0%	0.0%	0.0%	100.0%
Total	Count	335	41	6	5	6	393
	%	85.2%	10.4%	1.5%	1.3%	1.5%	100.0%

(Source: Field Survey. Total number respondents 393)

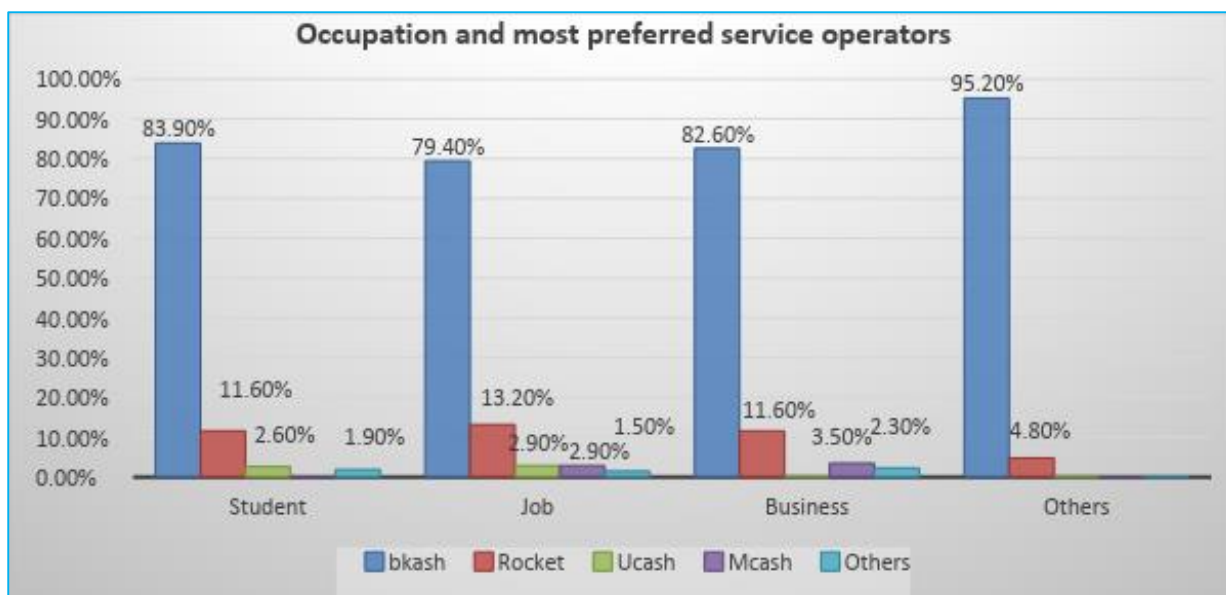


Figure 10.8 Relationship between occupation and most preferred service operators

In this study, occupations comprised of students, job holders, businessmen, and others. The group ‘others’ associated with rickshaw pullers, farmers, day laborers and the blue color employees of garment factories and the like. Out of 393 respondents, 155 were students in the rural and urban areas. The percentage of students sometimes more as this group participated intuitively. The study shows out of 155 respondents 130 voted for bKash in case doing mobile banking transactions and the percentage is 83.9 %. In the same way, only 18 for Rocket i.e 11.6 % and 4 votes for Ucash. Even there is no vote for mCash. The respondents who were doing jobs out of 68 respondents 54 i.e 79 % have chosen bKash and only 13.2 % for Rocket and the remaining all operators are within 2-3 percent. Accordingly, 82 % of businesspeople voted for bKash and only 11.6 % for the immediate competitor Rocket. The highest response came from other groups in favor of bKash. Here, Out of 84 respondents, 80 of them voted for bKash that represents 95.2 % of respondents are enjoyed services from bKash and only 4.8 % from Rocket and other operators did not get a single vote. So, a big differentiation has been shown between bKash and other operators in the market. From the above analysis, it is experienced that bKash is used by all classes of people regardless of students or job holders or of any other professions and thus have brought the results of:

The very strong patronage 95.2 % response was shown by the segment ‘others’ who are actually the real targeted group of mobile financial services market and they are the unbanked and underprivileged group in the society.

- i. bKash has created the acceptance to all classes of people in society as the data show that the patronage rate of all professions is not less than 80 %. So, it is a huge success for an organization of only the age of 6 years.
- ii. bKash has created an uncontested market space in the MFS field of Bangladesh and made the competition irrelevant.

The following Table 10.14 shows among the different number of services which one most preferred and which one is the least preferred.

		services you use most					Total
		Send /Rec Money	Mobile Refill	Bill Payment	Remittanc e	Others	
Under SSC	Count	76	6	0	4	3	89
	%	85.4%	6.7%	0.0%	4.5%	3.4%	100.0%
SSC	Count	47	4	1	0	0	52
	%	90.4%	7.7%	1.9%	0.0%	0.0%	100.0%
HSC	Count	135	28	4	0	10	177
	%	76.3%	15.8%	2.3%	0.0%	5.6%	100.0%
Masters	Count	62	10	1	0	2	75
	%	82.7%	13.3%	1.3%	0.0%	2.7%	100.0%
Total	Count	320	48	6	4	15	393
	%	81.4%	12.2%	1.5%	1.0%	3.8%	100.0%

It is observed that irrespective of all educational levels ‘send money’ is the highest preferred product to the customers. The second preferred service is mobile refill. Table 14 shows that customers below SSC and SSC have given the most preference (85% and 90% respectively) to send money. The second preference is ‘mobile refill’ where it shows that customers having education HSC and above highly using mobile refill in compare to others that is 15.8% and 13.3% respectively. The least preference is found in ‘Remittance’ and as bill payment is in third position. From the above Table the very positive outcomes are:

- i) People are getting the attraction to new products and services through MFS. In the initial stage it was very much confined with only send/ Receive money;
- ii) The untapped opportunities are gradually embracing with MFS;

- iii) Educated people are more interested to use mobile refill along with send money transaction;
- iv) The mobile refill, bill payment and remittance as big as send money transaction. So companies need to give more attention to the new potential market opportunities.

The Table10.15 shows that bKash is highly acceptable to all level education where the percentage is more than 95% and the position of Rocket is only 2.8% and the remaining operators are

		Who is the most accessible				Total
		Bkash	Rocket	Ucash	MCash	
Under SSC	Count	86	1	0	2	89
	%	96.6%	1.1%	0.0%	2.2%	100.0%
SSC	Count	50	1	0	1	52
	%	96.2%	1.9%	0.0%	1.9%	100.0%
HSC	Count	171	5	1	0	177
	%	96.6%	2.8%	0.6%	0.0%	100.0%
Masters	Count	69	4	0	2	75
	%	92.0%	5.3%	0.0%	2.7%	100.0%
Total	Count	376	11	1	5	393
	%	95.7%	2.8%	0.3%	1.3%	100.0%

By being existed by name and their percentage is close to 1%. Position of bKash in the heart of the people is not confined with area

The following Table 10.16 depicts the level of position of bKash in the heart of the people both in urban and rural areas. The table shows that in urban area out of 174 respondents, 53 respondents means 30.5% fully agree, 31 % agree and 31 % somewhat agree with this statement that bKash occupied the heart of the people. The result shows that in the urban area more than 61.5 % of people belong to the range of 'fully agree' and 'agree'. So it has a positive position of bKash in urban areas but not that much stronger.

Like other demographic factors, Table 10.16 shows the fastest MFS operators to the different ages of people in the mobile banking industry. Very commonly, bKash has got

the pioneer position to almost all ages of people. The picture of Table 10.16 shows that bKash has been highly accepted by the age group of 25 to 30 years, the rate of their choice is 94.2% and the second position is to the age of over 30 years.

		Who is the most accessible				Total
		bkash	Rocket	Ucash	MCash	
Student	Count	146	8	0	1	155
	%	94.2%	5.2%	0.0%	0.6%	100.0%
Job	Count	68	0	0	0	68
	%	100.0%	0.0%	0.0%	0.0%	100.0%
Business	Count	82	1	1	2	86
	%	95.3%	1.2%	1.2%	2.3%	100.0%
Others	Count	80	2	0	2	84
	%	95.2%	2.4%	0.0%	2.4%	100.0%
Total	Count	376	11	1	5	393
	%	95.7%	2.8%	0.3%	1.3%	100.0%

The following Table 10.17 shows the fastest operators in the MFS market of Bangladesh. Here it is being seen that the very position is to the people age 15-20 and very high position to the age 20-25 and 25-30 also over 30.

Table 10.17 Fastest MFS operators based on age

Age		MFS Operators					Total
		Bkash	Rocket	Ucash	MCash	Others	
15-20	Count	45	0	0	0	0	45
	% within Age	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
20-25	Count	143	27	2	3	3	178
	% within Age	80.3%	15.2%	1.1%	1.7%	1.7%	100.0%
25-30	Count	65	4	0	0	0	69

		% within Age	94.2%	5.8%	0.0%	0.0%	0.0%	100.0%
	Over 30	Count	91	7	2	0	1	101
		% within Age	90.1%	6.9%	2.0%	0.0%	1.0%	100.0%
Total		Count	344	38	4	3	4	393
		% within Age	87.5%	9.7%	1.0%	0.8%	1.0%	100.0%

The percentage in favor of Rocket is high to the age group of 20-25 and lowest to the age group 15-20 i.e. (0%). The acceptance of the other players is not more than 1%. So, there is no competition between bKash and other players in the industry.

The following table shows the relationship between the most affordable service provider and the demographic variables of the respondents.

Table: 10.18 Relationship between most affordable service provider and the demographic variables

Particulars		bKash	Rocket	Ucash	mCash	Others	Total
Age	15-20	37	6	0	0	2	45
		9.4%	1.5%	0.0%	0.0%	0.5%	11.5%
	20-25	97	64	9	2	6	178
		24.7%	16.3%	2.3%	0.5%	1.5%	45.3%
	25-30	51	14	1	1	2	69
		13.0%	3.6%	0.3%	0.3%	0.5%	17.6%
Over 30	73	21	1	3	3	101	
	18.6%	5.3%	0.3%	0.8%	0.8%	25.7%	
Educational skill	Under SSC	68	19	1	1	0	89
		17.3%	4.8%	0.3%	0.3%	0.0%	22.6%
	SSC	33	14	1	1	3	52
		8.4%	3.6%	0.3%	0.3%	0.8%	13.2%
	HSC	118	50	1	3	5	177
		30.0%	12.7%	0.3%	0.8%	1.3%	45.0%
	Masters	39	22	8	1	5	75
		9.9%	5.6%	2.0%	0.3%	1.3%	19.1%

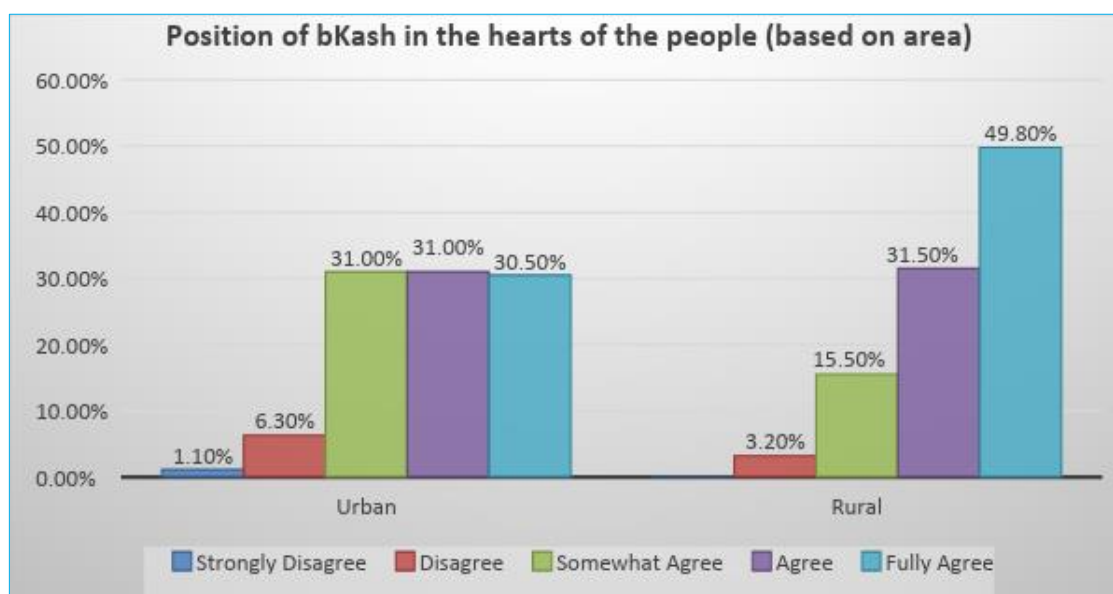
Area	Urban	102	60	2	4	6	174
		26.0%	15.3%	0.5%	1.0%	1.5%	44.3%
Area	Rural	156	45	9	2	7	219
		39.7%	11.5%	2.3%	0.5%	1.8%	55.7%
Bank	Bank	86	45	2	3	6	142
		21.9%	11.5%	0.5%	0.8%	1.5%	36.1%
Bank	Unbanked	172	60	9	3	7	251
		43.8%	15.3%	2.3%	0.8%	1.8%	63.9%
Occupational Ability	Student	94	46	8	2	5	155
		23.9%	11.7%	2.0%	0.5%	1.3%	39.4%
	Job	46	18	1	1	2	68
		11.7%	4.6%	0.3%	0.3%	0.5%	17.3%
	Business	49	27	2	2	6	86
		12.5%	6.9%	0.5%	0.5%	1.5%	21.9%
Others	69	14	0	1	0	84	
	17.6%	3.6%	0.0%	0.3%	0.0%	21.4%	
Monthly Income	5000-10000	145	71	9	3	6	234
		36.9%	18.1%	2.3%	0.8%	1.5%	59.5%
	10000 – 15000	50	11	0	0	1	62
		12.7%	2.8%	0.0%	0.0%	0.3%	15.8%
	15000 – 20000	24	7	0	2	2	35
		6.1%	1.8%	0.0%	0.5%	0.5%	8.9%
Above 20000	39	16	2	1	4	62	
	9.9%	4.1%	0.5%	0.3%	1.0%	15.8%	

Here the basic demographic variables like income, occupation, educational qualification, bank, unbanked and areas of their residence of the respondents were considered. As the most affordable service operator 65% 67% of respondents chose bKash and 25-27% chose Rocket and the remaining percentage was for all other operators. So, in the sense of cost either it is rural or urban, bank or unbanked bKash occupied the most preferred position though it was being observed that bKash charges market price and to some extent higher price than that of the other operators.

Table 10.19 Position of bKash in the hearts of the people both in urban and rural area

Particulars		bKash occupied the heart of the people					Total
		Strongly Disagree	Disagree	Somewhat Agree	Agree	Fully Agree	
Urban	Count	2	11	54	54	53	174
	% Percent	1.1%	6.3%	31.0%	31.0%	30.5%	100.0%
Rural	Count	0	7	34	69	109	219
	% Percent	0.0%	3.2%	15.5%	31.5%	49.8%	100.0%
Total	Count	2	18	88	123	162	393
	% Percent	0.5%	4.6%	22.4%	31.3%	41.2%	100.0%

(Source: Field Survey. Total number respondents 393)

**Figure 10.9 Position of bKash in the hearts of the people both in urban and rural area**

On the contrary in the rural area the position is much stronger than that of urban area, here bKash occupied 80.3% (belongs to fully agree 49.8% and agree 31.5%) mind of the customers shown in the above figure 10.9 and if we include the response of “somewhat agree” then the percentage will be more than 95%. The total scenario reflects that both in urban and rural areas bKash has been gaining the influential position however in a rural area the rate of acceptance is much better.

According to Kim and Mauborgne (2017), the non-customers are the kings of any market may create unbounded opportunities for an organization and in this study the rate of noncustomer groups higher in the urban area. As the good percentage is on the edge of the market line they can jump any time in other ship whenever get the better opportunity. So, the management of bKash should concentrate on the preference of the masses of urban areas for retaining the position in the future.

The Chi-Square Table 10.20 in the following shows the null hypothesis is rejected as the p-value is less than 0.05. and thus the result also proved that there is a significant difference in the position of bKash between the customers of urban and rural areas.

Table 10.20 Chi-Square Test for the variable area and position of bKash

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.781^a	4	.000
Likelihood Ratio	24.687	4	.000
Linear-by-Linear Association	22.329	1	.000
No of Valid Cases	393		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .89.			

(Source: Field Survey. Total number respondents 393)

Table 10.21 Position of bKash in the hearts of both in bank and unbanked masses

Particulars		bKash occupied the heart of the people					Total
		Strongly Disagree	Disagree	Somewhat Agree	Agree	Fully Agree	
Bank	Count	1	6	31	55	49	142
	% Percent	0.7%	4.2%	21.8%	38.7%	34.5%	100.0%
Un bank	Count	1	12	57	68	113	251
	% Percent	0.4%	4.8%	22.7%	27.1%	45.0%	100.0%
Total	Count	2	18	88	123	162	393
	% Percent	0.5%	4.6%	22.4%	31.3%	41.2%	100.0%

(Source: Field Survey. Total number respondents 393)

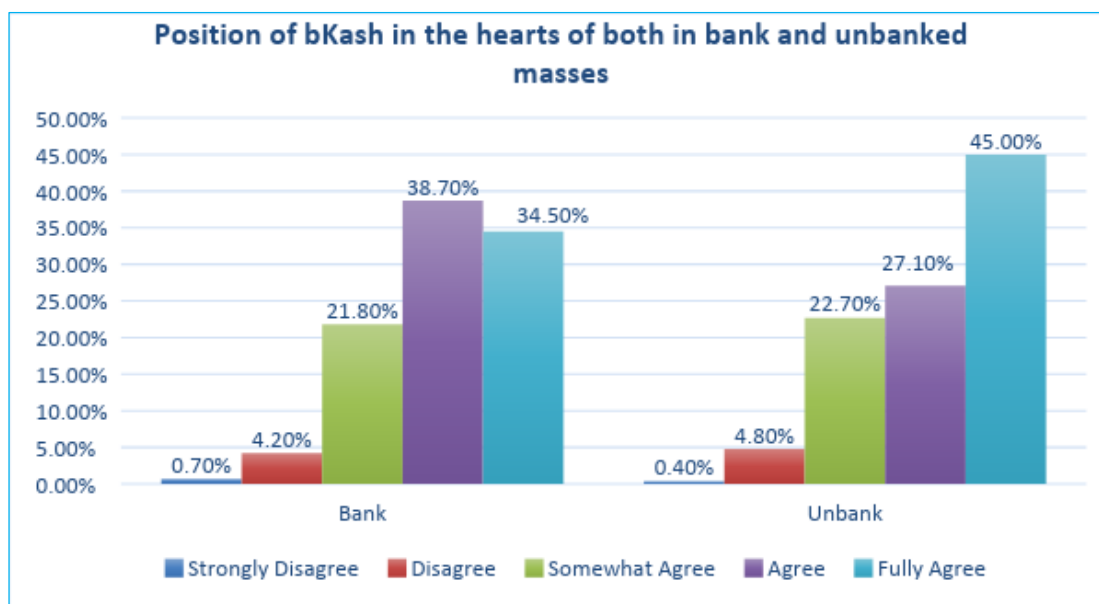


Figure 10.10 Position of bKash in the hearts of both in bank and unbanked masses

We see in Table 10.21 and in Figure 10.10 that there is the almost same influence of bKash over both bank and unbanked masses in the market. However, those who didn't have any bank account are more influenced by bKash instead of those who have a bank account. We see here that the respondents with bank account only 34.5 % "fully agree" with this statement and those who don't for the same "fully agree" is 45 %. The Chi-square Table 10.22 in the following p-value 0.15 which indicates the acceptance of the null hypothesis @ 5% level of significance.

Table 10.22 Chi-Square Test for the variables bank, unbanked and position of bKash

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.617^a	4	.158
Likelihood Ratio	6.568	4	.161
Linear-by-Linear Association	.939	1	.332
N of Valid Cases	393		
a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is .72.			

(Source: Field Survey. Total number respondents 393)

It also means that in the context of bank and unbaked the matter acceptance has the variation.

10.3 Perception of people regarding bKash

In the survey study, the perception of customers was evaluated by applying 35 variables where all variables were not found equally important, rather some of them carried more values to the

customers. Some key variables are depicting in the following on the basis of frequency, mean value and by Friedman mean rank. The following Table 10.23 shows the perception of the respondents regarding the statement “bKash saves the time of the customers.” The results of the frequency reflect that out of 393 respondents 217 people are highly agreed with this statement and the percentage is 55.2% which is a very positive reflection.

Table 10.23 bKash saves the time of the customers

Rating Scale	Frequency	Percent	Mean Value	Friedman Test (Mean rank)
Strongly Disagree	2	.5	4.4058	18.30
Disagree	4	1.0		
Somewhat Agree	41	10.4		
Agree	129	32.8		
Fully Agree	217	55.2		

Source: Field Survey. Total number respondents 393

Moreover, 129 people also agree and the percentage is 32.8%. The scale values “agree” and “Fully agree” shows that 88% of respondents are really very positive feeling regarding the issue that bKash saves their time in case of financial transactions. If the middle scale “Somewhat agree” is considered, the percentage on behalf of the statement is more than 98% which is really an outstanding result bKash gained from the customers. Here other scale values “disagree” and “strongly disagree” pose less than 2%. The general mean value 4.41 and rank mean value 18.30 by Friedman test also reflects the accepted position of the variable to the customers. From the above analysis, the following points can be considered as the findings of the given statement:

- i) The targeted audiences of mobile financial service are highly aware regarding the time to be spent on making a transaction;
- ii) It creates very good values to the targeted audiences of bKash;
- iii) This result also reflects that irrespective of rural and urban, all levels of people now aware about time they spend for banking practice;
- iv) This can be one of the vital issues for which banked people were engaged with mobile banking as they have a very bitter experience from conventional banking practices;
- v) This variable can be one of them which led bKash in the apex position of the MFS market and made the competition irrelevant;

- vi) The mean value 4.40 close to the highest scale value 5 refers to that on an average everybody of the survey very keenly considered this feature of bKash;
- vii) If it is considered from the viewpoint of traditional banking services, the audience of bKash got it as the point of differentiation. Because people are today reluctant to go to a bank and one of the reasons behind this is the consumption of huge time. It can be out of box performance of bKash already performed.
- viii) The demographic picture of the respondents needs to be analyzed for further discussion.

The findings of the given statement focus that the authority of bKash has successfully focused the pain point of the customers of the financial market and thus they attracted non-tier customers and included with formal financial channels of the economy.

The following Table 10.24 and figure 10.10 shows the evaluation of the respondents regarding the statement “**Transaction through bKash is very easy.**” Here 158 audience i.e 40.2% voted for “agree” and 189 sample respondents mean 48.1% voted for “fully agree” and the total percentage of their response is 88.3% which is really very outstanding results gained by bKash.

Table 10.24 Transaction through bKash is very easy

Rating scale	Frequency	Percent	Mean Score	Friedman Test (Mean rank)
Strongly Disagree	11	2.8	4.3037	15.89
Disagree	1	.3		
Somewhat Agree	34	8.7		
Agree	158	40.2		
Fully Agree	189	48.1		

Source: Field Survey. Total number respondents 393

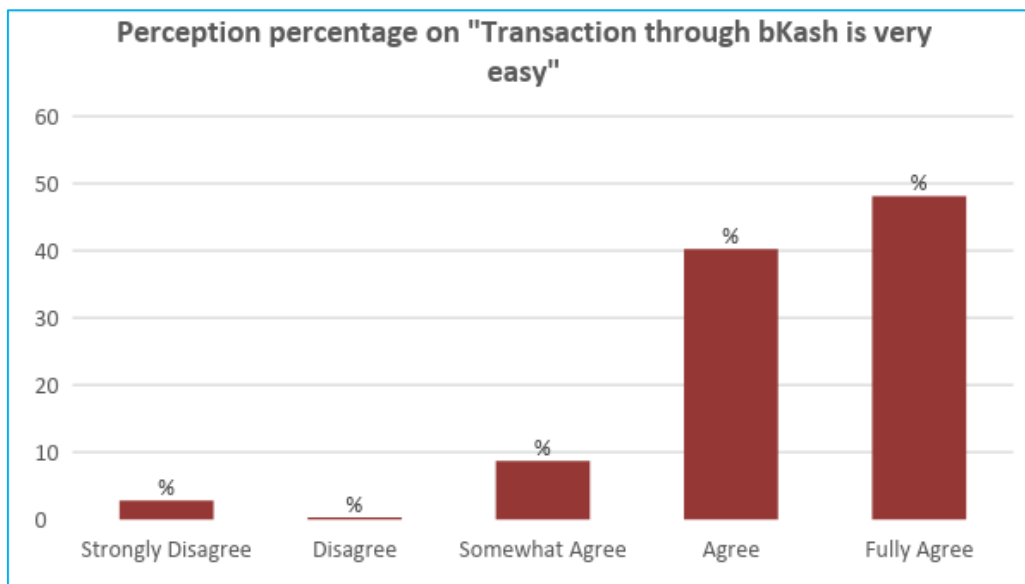


Figure 10.11 Transaction through bKash is very easy

Accordingly, 34 masses are “somewhat agree” with the given statement. The frequency figure 10.11 also shows that the percentage of “strongly disagree” only 2.8% which is very ignorable in compare to the total performance of bKash. The above data also reflect in Figure 10.11 where the satisfaction level of customers in regards to individual transaction bKash has clearly depicted. Simultaneously the strong mean value 4.30 and Friedman rank mean 15.89 in Table 10.24 also indicates the very positive flavor of the transaction performance of bKash. The following attributes can be considered as the findings of the given statement:

- i) The above discussion reveals that the performance of completing transactions by the channel members and the management process of bKash is very simple and highly acceptable to the targeted audiences.
- ii) This attribute is reflecting the new banking phenomena in the world of banking. People traditionally habituated that transaction through a bank branch means there are dozens of formalities like, to be account holder, deposit slip, check, signature and matching of signature, go to the bank, issue of office time of the banks, availability of the respect of the employees, Locations of the respective branch and more hundreds of rules of Bangladesh bank to be followed by the respective banks. Even in the mobile banking sectors except bKash, to find out the agent or OTC also very tough as they have few branches established for special purposes. It is found that there are huge numbers of complexity like availability of funds, to be account holder, security number or opening an account is very time-consuming.

Before mobile banking inception, the unbanked people used to transact through post office, SA paribahan, and staff of long road buses, through neighbors or relatives or by the person himself. All the media were really a cumbersome issue for a person because everywhere there was the complexity of transferring money and to receive the money. Against all the issues, bKash has innovated a new very easy banking phenomena to the people of all levels regardless of educated, non-educated, urban-rural whoever he is can enjoy a very smooth financial transaction within a couple of seconds. So, such a safe, simple, instant, secure and convenient service made the revolution in the MFS field of Bangladesh.

It also indicates that this service system makes a big differentiation from the so-called, clumsy, and complex transaction system of traditional banks.

- iii) It also boosted the position and acceptability of bKash in the MFS market of Bangladesh.
- iv) According to Kamal and Mondal (2016), Poor and disadvantaged people in the rural area are happy with the hassle-free, friendly and time-saving services of bKash and thus it works as the leverage to improve the socio-economic development of them.

Table 10.25 bKash takes less time to process a transaction than the others

Rating scale	Frequency	Percent	Mean Score	Friedman Test (Mean rank)
Strongly Disagree	5	1.3	4.2775	15.62
Disagree	8	2.0		
Somewhat Agree	67	17.0		
Agree	103	26.2		
Fully Agree	210	53.4		

(Source: Field Survey. Total number respondents 393)

Table 10.25 is related to a timing issue and the respondents have shown their strong perception in this case. In the whole banking practices, one of the very core issues is to perform the transaction of a client within the possible shortest time. It is very evident that a customer never likes to stand under a long queue for a single transaction. Traditionally, it has been experienced that in conventional banking practices there is endless suffering of the customer for making a single transaction regardless of any amount. In this table 10.7, we see that 210 people mean 53.4% of people voted for “Fully agree” and 103 (26.2%) respondents show the interest of “agree” and the summation of the two percentages is 80 percent. If it counted “somewhat agree” responded by 67 (17%) targeted audiences the percentage will be 97 percent. So, it is

crystal clear that the audience of the MFS market has strongly accepted the services provided by bKash for delivering the respective transactions comparatively in minimum time. More than 0.5 million OTCs are working in the distribution channel all over the country to serve the MFS facilities to the doorstep of everybody belongs to any segment of the society regardless of unbanked, bank or underprivileged.

- i) From this table, it has been perceived bKash very successfully addresses the core service demand of the customer in the MFS market.
- ii) 97 percent of people positively agree that the performance of bKash better than that of the other operators to process a transaction for a customer.
- iii) Intend of customers is to complete a transaction instantly so that they can save their time

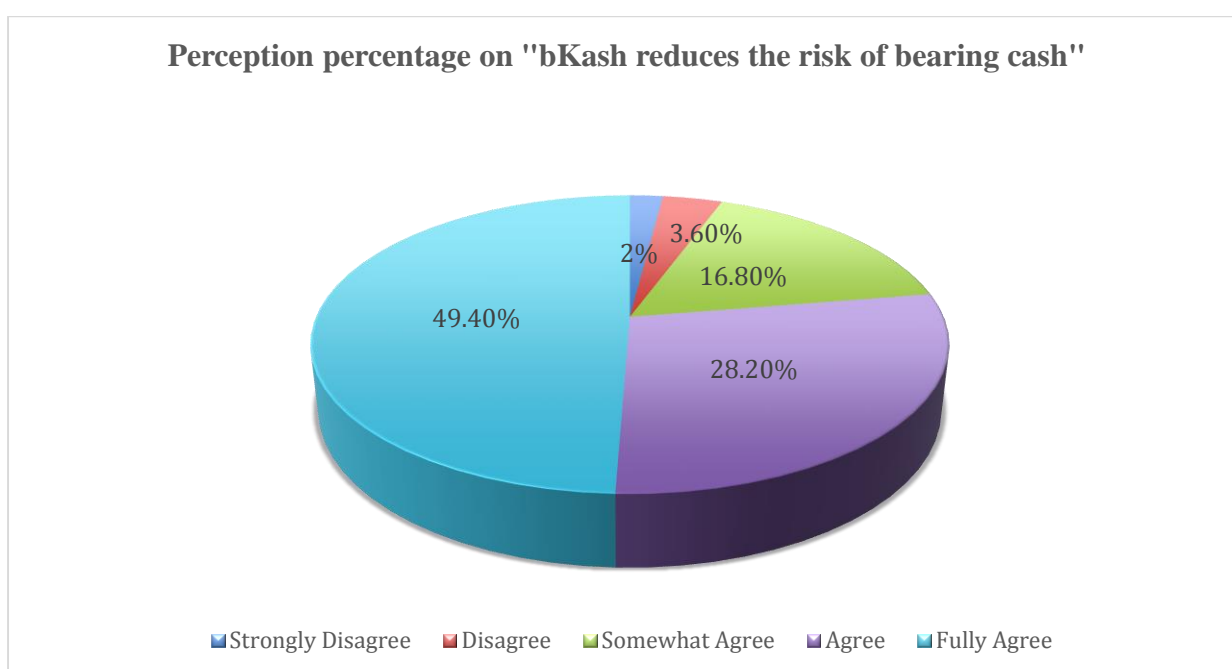
In the mobile banking operation, among the total transactions Cash Out and Cash In transactions are almost 96 percent Ashraful Islam (December 17, 2016) mostly by rural unbanked and underprivileged masses who are working all over the country and send their money to their relatives and family member and in many cases the members totally depend on the money s/he will send for maintaining the daily necessary. These people once, especially before mobile banking operation, were highly sufferer as there was no proper media to transfer the small amount of money to reach the proper destination. As bKash properly has addressed the issue and people have taken it very positively, so, management of bKash must continue without any failure. As customers, numerous services and other volumes of functions are increasing every minute and this function is totally IT-oriented so the relevant functional points are very carefully identified for ensuring a seamless service for delighting the customers.

The following Table 10.26 and figure 10.12 shows the statement of the respondents regarded **“bKash largely reduces the risk of bearing cash”** and response rate totally on behalf of bKash. Here “strongly disagree” and “disagree” percentage is only 2 and 3.6 percent respectively where “Fully agree” and “agree” rate is 49.4 percent and 28.2percent and of “somewhat agree” is 16.8 percent.

Table 10.26 bKash reduces the risk of bearing cash

Rating scale	Frequency	Percent	Mean Score
Strongly Disagree	8	2.0	4.1934
Disagree	14	3.6	
Somewhat Agree	66	16.8	
Agree	111	28.2	
Fully Agree	194	49.4	

(Source: Field Survey. Total number respondents 393)

**Figure 10.12 bKash reduces the risk of bearing cash**

From the above statement, it has been experienced that people are enjoying by depositing money in their mobile wallet rather than bearing hard cash. In countries like Bangladesh where snatching, robbery, theft or hijacking are very natural phenomena, and anytime, anywhere and anybody can fall in mischief, So, logically people feel comfortable if they can enjoy the alternative very handy process of bearing cash instead of carrying hard cash. bKash has brought such innovative value-added services that are very close substitutes of hard cash as a person can make it hard cash from any corner of the country within a few minutes.

- i) It is one of the best substitutes of bearing money through a mobile wallet from one place to another place with very minimal risk and thus substantially reduces bearing

hard cash. In this system, until and unless a person does not know the PIN number of the particular bKash account it will not be possible to pick the money up from the mobile wallet. So, bKash has really done a wonderful job.

- ii) In compare to credit or debit cards it is more flexible as it can be Cash Out or Cash In from anywhere or can pay the bill for any product or services through merchant payment as 44,000 merchant payment shops are available all over the country. In the case of credit card, there is the interest rate, annual charge affiliated and except a few places, it's not possible to use a credit card. Functional features of the Debit card also indicate the same as credit card. Moreover, in mobile banking, if a certain amount is available for 6 months up to 5% interest to be paid the MB operators.
- iii) For paying utility bills like electricity, WASA, DESA and so on people just deposit his/ her mobile wallet and then transfer to the particular account. So, a big hassle of going to the bank, stand under long queue then maintain a lot of formalities are totally eliminated for the very creative and easy process invented by mobile operators.
- iv) These above facilities of mobile banking operation strongly motivated all phases of masses in Bangladesh.

The following Table 10.27 and Figure 10.13 shows the response figure of the sample respondents regarding one of the core and dynamic attributes of mobile banking operation “easy to reach bKash agents.” The response figure shows that 42.7 percent masses “Fully agree”, 38.4 percent “agree” and 13.7 percent “somewhat agree”. Only 5.1% are in-between “disagree” and “strongly disagree.”

Table 10.27 Perception of respondents regarding the statement “easy to reach bKash agents”

Rating scale	Frequency	Percent	Mean Score	Friedman Test (Mean rank)
Strongly Disagree	9	2.3	4.162	14.76
Disagree	11	2.8		
Somewhat Agree	54	13.7		
Agree	151	38.4		
Fully Agree	168	42.7		

(Source: Field Survey. Total number respondents 393)

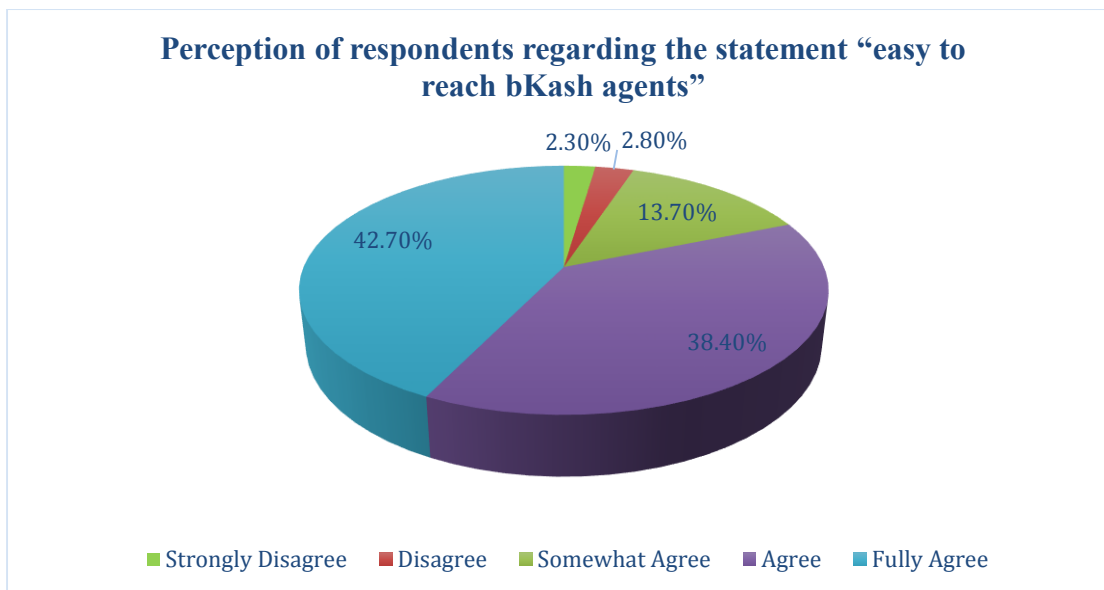


Figure 10.13 Perception of respondents “easy to reach bKash agents”

The figures of the above table indicate that 42.7 percent masses “Fully agree” and 38.4 percent “Agree” that they can reach the agents of bKash very easily. Only 5.1 percent have given their disagreement with the above statement. The mean value 4.16 and the Rank value 14.76 of Friedman test also reflects the significance of the variable to the customers in the market. According Friedman test this 4th important variable out of 35 scale variables in the questionnaire.

Actually, more than 0.5 million agents have created an unbelievable strong network all over Bangladesh to reach the services to the doorstep of every people of the country. Very conveniently a client can reach any of the agents or OTC of bKash and their outstanding services make a big difference with other operators in the market. A general marketing strategy for a convenient product is to be available for the targeted client in the market so that no one can occupy the place by alternative product. bKash has taken the same strategy and thus very successfully occupied the heart of the customers. The more extensive channel members of bKash have decorated channel facilities in such a way a minimum payment of BDT 500 a customer can deposit his/ her mobile wallet and can transfer it to other parties s/he likes anytime from anywhere. So, bKash is always close to its customers to ensure the services they need. It does not even require having physical substance of the retail agents rather through a single phone, or by sending a message to a known agent or customer himself or herself through his mobile can enjoy the financial services, mobile refill, corporate payment and any other services they need.

1. The respondents have taken the service facilities very positively and the resulting point reflects those channel facilities and the performance of related stakeholders of bKash is very satisfactory.
2. Communication is a very big issue for a customer especially in the rural areas where to go from one place to another place is not easy as there is a lack of vehicles, carpeting roads and so on.
3. It also reflects the availability of the agents of bKash for providing the services to the customers whenever they demand.
4. Availability of funds for disbursement and sufficient mobile network facility connected with the assurance of smooth service facility by bKash.

The following Table 10.28 and Figure 10.14 represent the perception of the client regarding the availability of the agents of bKash. Apparently, it is flying in the air that the main differentiation actually created by bKash with other mobile banking operators by the appointment of a huge number of agents and their seamless services to the customers. The frequency result shows that 149 (37.9%) respondents agree and 147 (37.4%) fully agree with this statement. The combined percentage of these two groups is more than 75%. The average statement “somewhat agree” also contains 18.1%. So it is very clear to identify how bKash persuaded the unbanked people for adopting banking culture successfully. The mean value 4.0393 and the value of the Friedman mean rank is 13.99 also very representative with the values of the frequency distribution.

Table 10.28 bKash has available agents

Rating scale	Frequency	Percent	Mean Score	Friedman Test (Mean rank)
Strongly Disagree	9	2.3	4.0393	13.99
Disagree	17	4.3		
Somewhat Agree	71	18.1		
Agree	149	37.9		
Fully Agree	147	37.4		

(Source: Field Survey. Total number respondents 393)

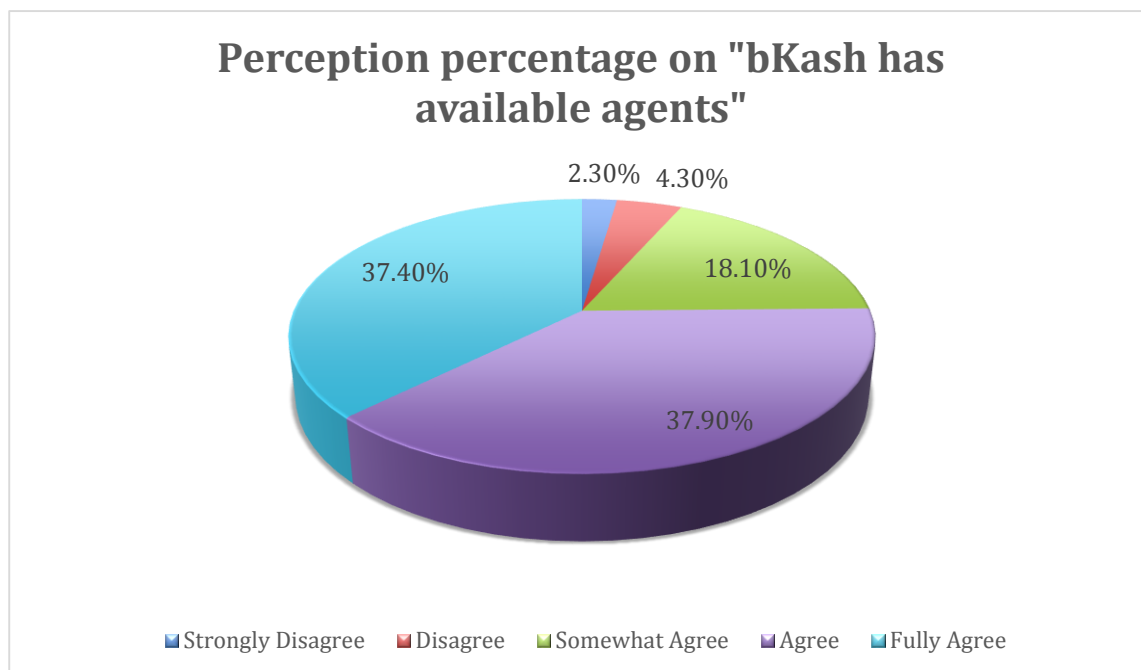


Figure 10.14 bKash has available agents

The above discussion regarding the vast number of agents also reflects the following points:

- i) bKash actually has started an imaginary door to door banking for the people who couldn't get the normal banking facilities from the conventional financial institutions;
- ii) It has eliminated the prime issue 'distance' for a rural people who once had to go to miles after miles for a single transaction;
- iii) It's a very innovative new concept for any financial market both in developed and developing countries.
- iv) It has made life easy for the migrant people who are staying in the different districts for the purpose of doing a job or business but easily can send the money to their relatives within a couple of seconds.
- v) This value is supposed to create real differentiation with other MFS operators in the market.

The following Table 10.29 and 10.15 show the branding strengths of bKash in the market. The mean value 4.0814 is a satisfactory result that indicates bKash has created a very strong position in the mind of the people. Accordingly, the frequency result shows 41.2 percent fully agree that bKash occupied the heart of the customer of the MFS market and 31.3 percent agree with the statement and 22.4 percent somewhat agree and below average is only 5.1 percent. 72.5 percent

of people are very much positive that bKash fantastically reached in the heart of the customers with their extraordinary magical services.

Table 10.29 bKash occupied the heart of the people

Rating scale	Frequency	Percent	Mean Score
Strongly Disagree	2	.5	4.0814
Disagree	18	4.6	
Somewhat Agree	88	22.4	
Agree	123	31.3	
Fully Agree	162	41.2	

(Source: Field Survey. Total number respondents 393)

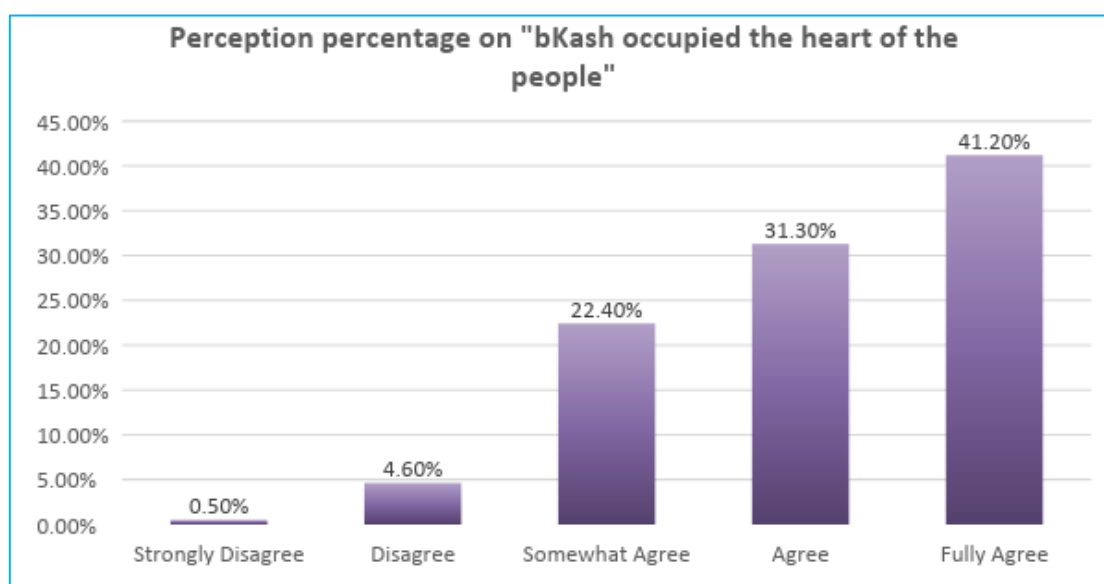


Figure 10.15 bKash occupied the heart of the people

bKash has created a large number of loyal customer group who loves bKash as the best alternative intermediary for mobile financial services.

10.4 Perceptions of Consumers regarding communication media used by bKash

As the product is innovative, new and the customers were basically out of the formal boundary of the financial market, the management of bKash from day one started a massive promotional campaign to aware, to make knowledgeable and to attract the targeted customers regarding

mobile banking, So, the following tables and graphs will depict the influence of different media over the different demographic variables:

Accordingly, the following Table 10.30 shows the effect of promotional campaigns over the male and female consumers of bKash. It shows that the most effective media is television by which 52% of people have got information regarding bKash.

Table 10.30 Relationship between gender and different media used by bKash

Particulars		Gender		Total
		Male	Female	
Television	Count	205	38	243
	% within You have learned about bKash through	84.4%	15.6%	100.0%
Radio	Count	3	0	3
	% within You have learnt about bKash through	100.0%	0.0%	100.0%
Face book	Count	10	2	12
	% within You have learned about bKash through	83.3%	16.7%	100.0%
Newspaper	Count	16	5	21
	% within You have learned about bKash through	76.2%	23.8%	100.0%
Others	Count	96	18	114
	% within You have learned about bKash through	84.2%	15.8%	100.0%
Total	Count	330	63	393
	% within You have learnt about bKash through	84.0%	16.0%	100.0%

In the same way, figure 10.16 in the following with the above table also shows, in all media males were well informed than females. That might be for the less percentage of females engaged with this study. The table also shows that the second most effective media was ‘others’¹ which represents all the reference groups like family members, neighbors, relatives, friends and even the agents themselves. `

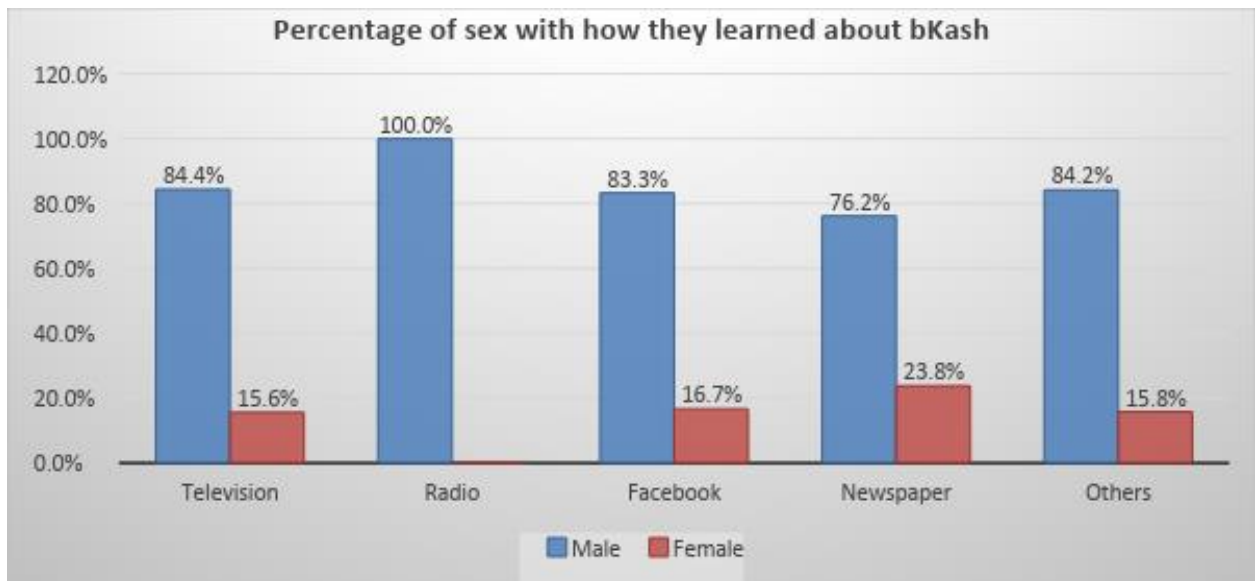


Figure 10.16 Relationship between sources of communication and gender

Here the least respondent media shown in figure 10.15 was radio, only three and they were all male. More important issue is Facebook has a good influence on both male and female consumers.

The following figure 10.17 shows how effectively various promotional media of bKash played a role to reach the different levels of education. Here it is shown that radio and television have very strong media to reach the message to the respective consumers.

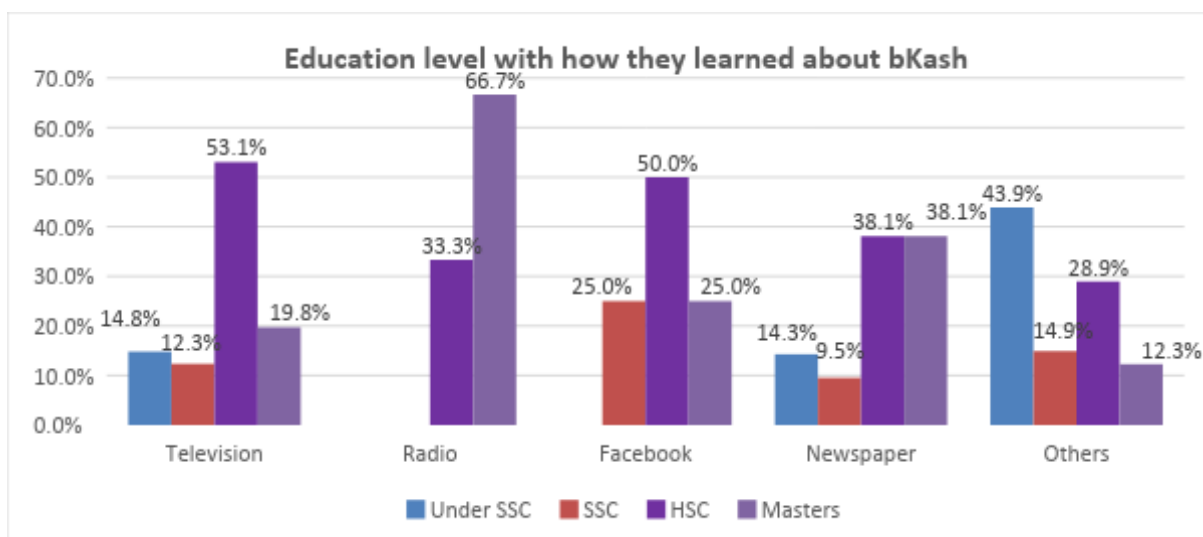


Figure 10.17 Relationship between sources of communication and level education

Here it is also shown that the respondents of HSC and equivalent were influenced by different media, where the first position is television 53%, facebook 50% newspaper 38%, radio 33%, and others 29%. In the part 'others' the highest respondents 44% from below SSC, it does mean that they have got the information from their reference group.

The following Table 10.31 shows the impact of media over different ages of people using bKash. Here it is also shown that television has the largest impact over the different ages of people using mobile banking, especially bKash. Out of 393 respondents, 243 means 63% of respondents got information through television.

Table 10.31 Learning about bKash based on age

How learned		Age				Total
		15-20	20-25	25-30	Over 30	
Television	Count	32	121	45	45	243
	% within You have learnt about bKash through	13.2%	49.8%	18.5%	18.5%	100.0%
Radio	Count	0	2	1	0	3
	% within You have learnt about bKash through	0.0%	66.7%	33.3%	0.0%	100.0%
facebook	Count	1	8	2	1	12
	% within You have learnt about bKash through	8.3%	66.7%	16.7%	8.3%	100.0%
newspaper	Count	2	7	3	9	21
	% within You have learnt about bKash through	9.5%	33.3%	14.3%	42.9%	100.0%
Others	Count	10	40	18	46	114
	% within You have learnt about bKash through	8.8%	35.1%	15.8%	40.4%	100.0%
Total	Count	45	178	69	101	393
	% within You have learnt about bKash through	11.5%	45.3%	17.6%	25.7%	100.0%

The next influential media is 'others' where 114 that is 30% of respondents got information from reference group. In the age group 25-30 was the highest

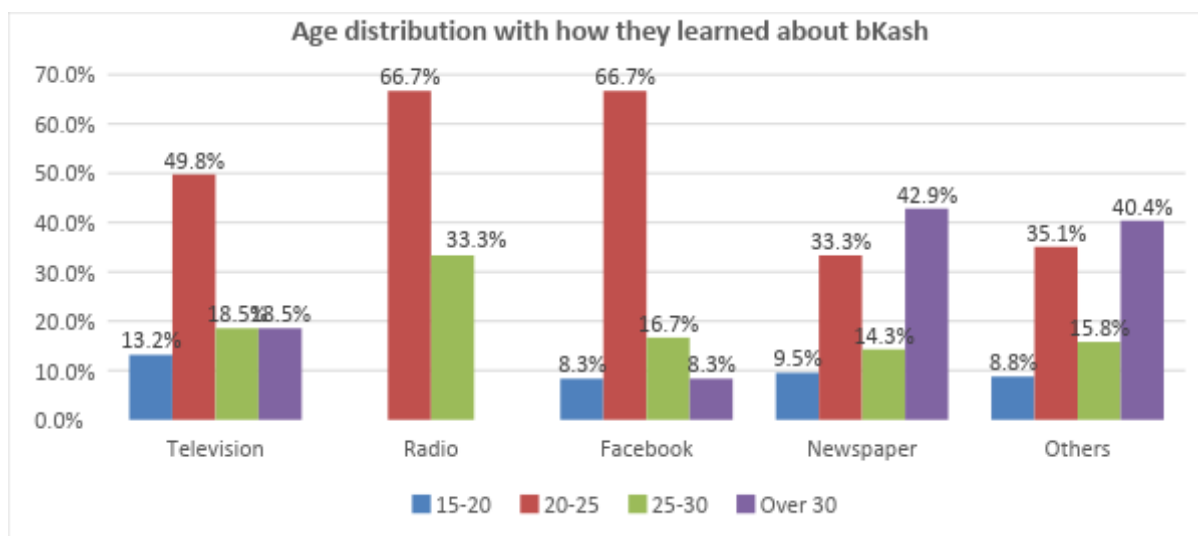


Figure 10.18 learning about bKash based on age

Response group in three Medias like 50% for television, 67% for Facebook and 67% for radio also shown in the above figure 10.18. Here it is also shown that the least influenced group the age from 15 to 20.

The following Table 10.32 and in the above-mentioned figure 10.18 shows how bkash created influence in the mind of different strata. Like other demographic variables, here also shown that television and reference group have very influential impact over the mind of the customers

Table 10.32 Learning about bKash based on Occupation

How learned		Occupational Ability				Total
		Student	Job	Business	Others	
Television	Count	112	41	56	34	243
	% within You have learnt about bKash through	46.1%	16.9%	23.0%	14.0%	100.0%
Radio	Count	1	1	0	1	3
	% within You have learnt about bKash through	33.3%	33.3%	0.0%	33.3%	100.0%
Facebook	Count	9	1	2	0	12

	% within You have learnt about bKash through	75.0%	8.3%	16.7%	0.0%	100.0%
newspaper	Count	5	6	6	4	21
	% within You have learnt about bKash through	23.8%	28.6%	28.6%	19.0%	100.0%
Others	Count	28	19	22	45	114
	% within You have learnt about bKash through	24.6%	16.7%	19.3%	39.5%	100.0%
Total	Count	155	68	86	84	393
	% within You have learnt about bKash through	39.4%	17.3%	21.9%	21.4%	100.0%

Here 243 respondents have chosen television and 114 respondents of different occupations received information from their reference group. It does mean that in the MFS field the most influential communication media are the television and reference group.

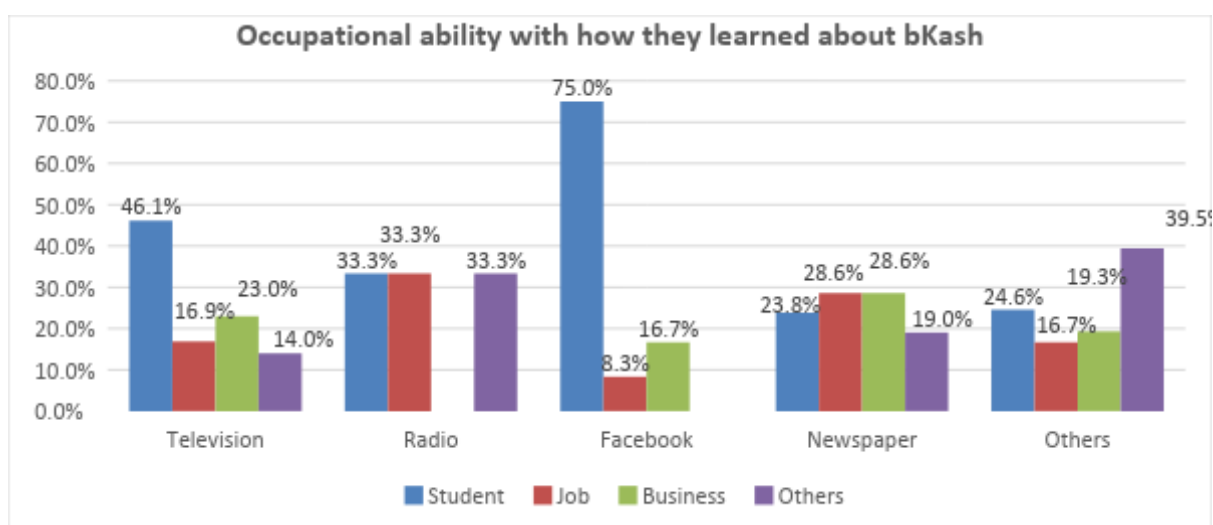


Figure 10.19 learning about bKash based on Occupation

Here in the above figure 10.19 shows that in the case of students the 75% of them received information regarding bKash from facebook. So, it's a very new indication for the management of bKash to choose the media to reach different occupations.

10.5 Four Action framework with constructs and variables

10.5.1 Analysis of Four Action Framework Model for bKash - Four action framework is one of the important models that apply to justify the Blue Ocean strategy followed by an organization. Four action framework model is comprised of four constructs like, Eliminate, Create, Reduce and Raise which belong to some related variables that focus the consumer preference as well as the respective industry features. The effect of these four constructs is a new value curve. This new value curve is ultimately the reflection of Blue Ocean. Here the new value curve is revolution. So, in this analysis, a new value curve is the dependent variable and the other four constructs are considered as independent variables.

Accordingly, the PLS model is run for justifying the reliability and validity of the indicators and constructs. Then the path co-efficient is examined under the structural model. According to Becker et al. (2012), this model gives the measurement of indicator loadings, AVE (average variance extracted), composite reliability, discriminant validity, multicollinearity of indicators, etc.

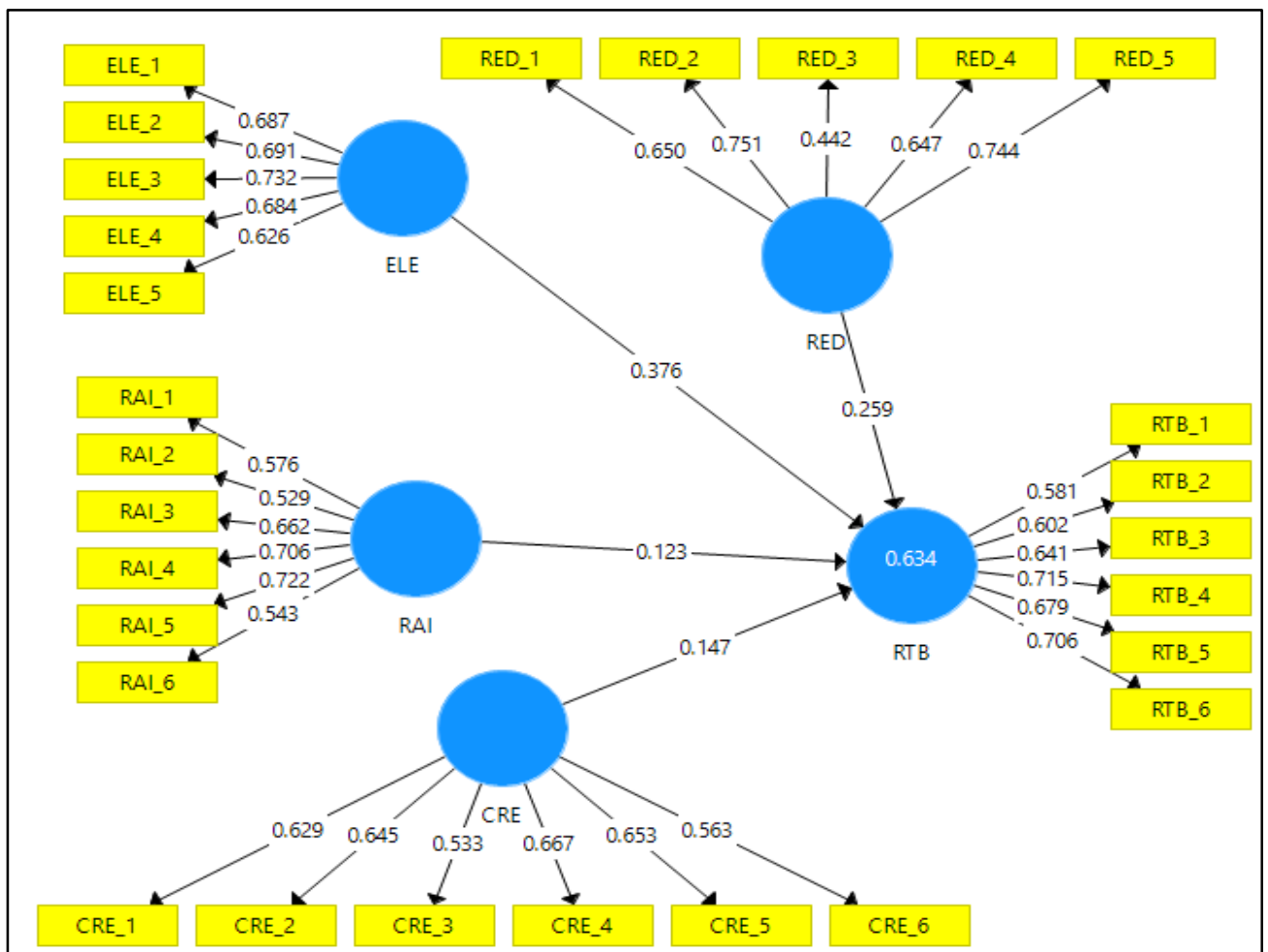


Figure 10.20 constructs of four action framework with associated variables

Table 10.33 Constructs of four action framework with associated variables

Eliminate (Ind. Variables)	ELE ₁ bKash takes less time to process a transaction than the others. ELE ₂ bkash Eliminates banking formalities ELE ₃ bKash saves time for people ELE ₄ bkash is providing services as per your need (needful service) ELE ₅ BKash abolishes the intermediaries (Middleman)	Eliminate time constraint
Create (Ind. Variables)	CRE ₁ Transaction through bKash is very easy (Easy Trans) CRE ₂ Agents are providing services as per to the demand CRE ₃ Transaction through bkash is secured CRE ₄ People can reach easily to bKash agent (available agent) CRE ₅ The remittance facility of bKash makes the life of rural women easy and comfortable. (Easy Life) CRE ₆ bKash agent are self-motivated	Create Easy Banking
Reduce (Ind. Variables)	RED ₁ Transaction cost of bKash is very reasonable (Trans cost) RED ₂ bkash Reduces people's non-monetary costs . Such as time, psychological cost, energy cost. RED ₃ bKash has adequate measures against hacking (Anti hacking) RED ₄ bkash Playing role of reducing unemployment in the country RED ₅ Marginal farmers are getting reasonable price with the support of bKash RED ₆ bKash largely reduces the risk of carrying cash. (reduce risk)	=Reduction of cost and trouble
Raise (Ind. Variables)	RAI ₁ Agents of bKash influence customers to use this service RAI ₂ Agents of bKash are skilled (Skilled agent) RAI ₃ bKash has available agents RAI ₄ bKash has sufficient measures to prevent fraud (block,SMS, Fraud phone call, magic calls, etc.) RAI ₅ Technology of bKash is good	Raise value chain and efficiency
Dependent variables (New value curve)	RTB ₁ bKash largely reduces the risk of carrying cash. RTB ₂ bkash successfully included non-bank people to the mainstream of banking culture RTB ₃ By creating new opportunities bKash is increasing new customers . RTB ₄ bKash occupied the heart of the people. RTB ₅ bKash created revolution in the MFS market of Bangladesh RTB ₆ Mobile banking means bKash (MB means bkash)	Blue Ocean

10.5.2 Measuring the validity and reliability of the constructs of the model - Based on the results of the initial measurement model, Out of 26 variables, eight items with poor factor loadings have dropped, the remaining 18 items are kept for the final analysis. All 18 standardized loadings are high and positively significant ($p < 0.10$) have been shown in the following model (Figure 10.21). To describe the model the different tables have

been drawing in the following Table 10.33 that displays the constructs with composite reliability and AVE (average variance extracted) values and Cronbach's Alpha and items with standardized factor loading. The internal reliability can be evaluated considering Cronbach's alpha and composite reliability. A satisfactory reliable value is between 0.60 and 0.95 (Bagozzi & Yi, 1988; Hair, Ringle, & Sarstedt, 2013).

The following models comprised of five constructs, Eliminate, create, reduce, raise and Revolution, The construct, Eliminate belongs to five simple factors and each factor has the values that contribute to creating blue ocean opportunity.

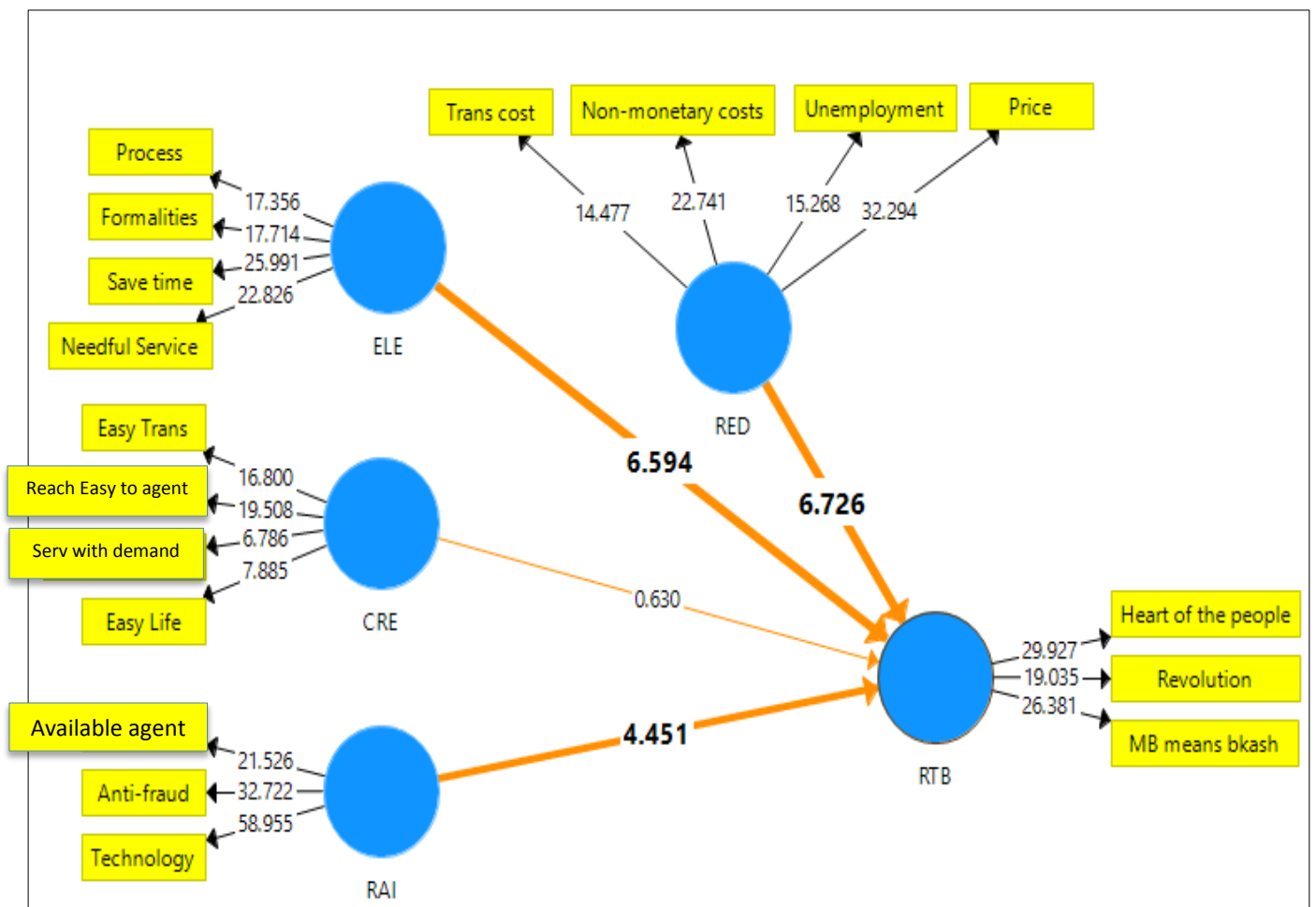


Figure 10.21 Four action framework model with bootstrapping

Table 10.34 Construct and Items with Standardized factor loading

Eliminate (Composite reliability=0.82, average variance extracted=0.53, Cronbach's Alpha= 0.71) Factor loading

ELE-1	0.706
ELE-2	0.700
ELE-3	0.770
ELE-4	0.738

Create (Composite reliability=0.78, average variance extracted=0.46, Cronbach's Alpha= 0.62)

1. CRE-1	0.670
2. CRE-2	0.699
3. CRE-4	0.657
4. CRE-5	0.696

Raise (Composite reliability=0.85, average variance extracted=0.65, Cronbach's Alpha= 0.73)

1. RAI-3	0.730
2. RAI-4	0.813
3. RAI-5	0.861

Reduce (Composite reliability=0.81, average variance extracted=0.51, Cronbach's Alpha= 0.67)

1. RED-1	0.655
2. RED-2	0.766
3. RED-4	0.663
4. RED-5	0.749

Revolution through bKash (Composite reliability=0.81, average variance extracted=0.58, Cronbach's Alpha= 0.64)

1. RTB-4	0.795
2. RTB-5	0.721
3. RTB-6	0.769

Reliability estimates for each construct using composite reliabilities all exceed the threshold value of 0.70 (Nunnally & Bernstein, 1994). Here, all the reflective constructs have a value

above 0.7 that confirms strong internal reliability. Although Cronbach's alpha has been used widely in social science, it provides a conservative outcome for PLS-SEM; consequently, researchers suggested composite reliability as an alternative measure (Wong, 2013). Also, table 10.34 demonstrates that Cronbach's alpha (CA) values are considered satisfactory. The computed average variance extracted (AVE) also known as convergent validity, shows the degree of shared representation of items with constructs. All AVE values for each construct are acceptable as they exceed the recommended 0.50 value (Bagozzi & Yi, 1988) except create. Table 10.35 shows that all of our reflective indicators are statistically significant (t-value > 1.65 and p-value < 0.10). These results confirm strong convergent validity in our model for the reflective constructs.

Table 10.35 T-statistics and p-values for convergent validity of constructs

Constructs (latent variables)	Indicators	Original Sample	T Statistics	P Values
CRE	CRE_1	0.670	14.547	0.000
	CRE_2	0.699	15.695	0.000
	CRE_4	0.657	14.071	0.000
	CRE_5	0.696	17.560	0.000
ELE	ELE_1	0.706	17.167	0.000
	ELE_2	0.700	17.835	0.000
	ELE_3	0.770	27.335	0.000
	ELE_4	0.738	24.584	0.000
RAI	RAI_3	0.730	22.248	0.000
	RAI_4	0.813	32.321	0.000
	RAI_5	0.861	55.208	0.000
RED	RED_1	0.655	14.777	0.000
	RED_2	0.766	23.296	0.000
	RED_4	0.663	14.883	0.000
	RED_5	0.749	31.051	0.000
RTB	RTB_4	0.795	29.231	0.000
	RTB_5	0.721	19.514	0.000
	RTB_6	0.769	27.583	0.000

To test the discriminant validity we used the Fornell–Larcker criterion (1981) and cross-loading (Wong, 2016). Fornell and Larcker used the square root of AVE, which should be larger than the latent variable correlations (LVC). For cross-loading examination, each indicator's loading to its latent construct should be higher than that of other constructs. Table 10.35 shows the square root of AVE, where each latent variable's value is greater than the other

LVC. Table 10. 36 shows the cross-loading of all indicator items with each construct. It can be observed that the items loading of the construct has a higher value than loading on other constructs. Both of these findings confirm the strong discriminant validity of the reflective constructs.

Table 10.36 Fornell–Larcker criteria of discriminant validity

	CRE	ELE	RAI	RED	RTB
CRE	0.681				
ELE	0.698	0.729			
RAI	0.564	0.423	0.803		
RED	0.634	0.605	0.471	0.710	
RTB	0.607	0.653	0.521	0.672	0.762

Table 10. 37 Value of the Cross Loadings of Observed variables and Latent variables

	CRE	ELE	RAI	RED	RTB
CRE_1	0.670	0.534	0.204	0.362	0.357
CRE_2	0.699	0.564	0.423	0.438	0.409
CRE_4	0.657	0.433	0.348	0.510	0.426
CRE_5	0.696	0.389	0.525	0.408	0.450
ELE_1	0.531	0.706	0.253	0.389	0.398
ELE_2	0.497	0.700	0.260	0.452	0.458
ELE_3	0.472	0.770	0.288	0.453	0.502
ELE_4	0.542	0.738	0.412	0.462	0.530
RAI_3	0.474	0.308	0.730	0.340	0.357
RAI_4	0.475	0.331	0.813	0.405	0.392
RAI_5	0.427	0.374	0.861	0.391	0.492
RED_1	0.486	0.429	0.391	0.655	0.410
RED_2	0.492	0.562	0.267	0.766	0.529
RED_4	0.378	0.348	0.309	0.663	0.427
RED_5	0.449	0.372	0.386	0.749	0.527
RTB_4	0.529	0.588	0.389	0.543	0.795
RTB_5	0.430	0.479	0.371	0.422	0.721
RTB_6	0.422	0.418	0.433	0.562	0.769

10.5.3 Construct validity for formative indicators - The construct validity for formative constructs is measured by indicator weights. When the indicator weights for formative constructs are roughly equal and significant, then the formative constructs are said to have construct validity (Lowry & Gaskin, 2014). Table 10.38 shows that all the

indicator weights are roughly equal and significant. Thus, formative constructs are valid.

Table 10.38 Indicators weights for formative constructs

Formative constructs	Original Sample	T Statistics	P Values
CRE_1 <- CREATE	0.319	8.657	0.000
CRE_2 <- CREATE	0.366	10.155	0.000
CRE_4 <- CREATE	0.381	9.019	0.000
CRE_5 <- CREATE	0.402	11.358	0.000
ELE_1 <- ELIMINATE	0.288	10.344	0.000
ELE_2 <- ELIMINATE	0.332	11.974	0.000
ELE_3 <- ELIMINATE	0.364	15.014	0.000
ELE_4 <- ELIMINATE	0.384	14.390	0.000
RAI_3 <- RAISE	0.356	11.210	0.000
RAI_4 <- RAISE	0.391	15.551	0.000
RAI_5 <- RAISE	0.491	17.055	0.000
RED_1 <- REDUCE	0.303	10.960	0.000
RED_2 <- REDUCE	0.391	13.276	0.000
RED_4 <- REDUCE	0.316	10.666	0.000
RED_5 <- REDUCE	0.390	14.195	0.000
RTB_4 <- RTB	0.480	20.509	0.000
RTB_5 <- RTB	0.394	18.163	0.000
RTB_6 <- RTB	0.435	19.734	0.000

10.5.4 Structural model

After the measurement model, the structural model needs to be evaluated to draw a conclusion. For formative constructs, we will evaluate three things: collinearity, coefficient of determination (R^2), and the path coefficient between the constructs.

Table 10.39 Multi-collinearity measurement by VIF

	VIF
CRE_1	1.271
CRE_2	1.273
CRE_4	1.138
CRE_5	1.169
ELE_1	1.377
ELE_2	1.268
ELE_3	1.437
ELE_4	1.276

RAI_3	1.302
RAI_4	1.538
RAI_5	1.553
RED_1	1.230
RED_2	1.345
RED_4	1.225
RED_5	1.295
RTB_4	1.269
RTB_5	1.222
RTB_6	1.271

10.5.5 Collinearity assessment

Collinearity is assessed by variance inflation factor (VIF), for which a value of 5 or above typically indicates a problem (Hair, Ringle, & Sarstedt, 2011). However, a maximum, the VIF for formative factors should be below 10, but for a more rigorous test, they should be below 3.30 (Petter, Straub, & Rai, 2007). Collinearity assessment of our model shows that all the construct values of independent variables are below 3.30 (see Table 10.39).

10.5.6 The coefficient of determination (R^2)

The R^2 is a measure of the model's predictive accuracy. Another way to view R^2 is that it represents the exogenous variable's combined effect on the endogenous variable. That is, the coefficient represents the amount of variance in the endogenous constructs explained by all of the exogenous constructs linked to it. R^2 values of 0.25, 0.50, and 0.70 are referred to as a weak, moderate, and strong coefficient of determination, respectively (Hair, Hult, Ringle, & Sarstedt, 2013). In our model, four exogenous variables such as eliminate, raise, reduce & create and revolution through bKash are the endogenous variable. These four independent variables are responsible to explain 63.04% of the variance of revolution through bKash (see figure10. 20) in this PLS-SEM model.

10.5.7 Path co-efficient

Path coefficients in the PLS-SEM are tested for the relationship between constructs and significance level. Table10.38 shows that revolution through bKash strongly affects by eliminate ($\beta = 0.324$, $t = 5.254$, $p < 0.10$); however, raise has strong significant effect on blue ocean through bKash ($\beta = 0.190$, $t = 3.792$, $p < 0.10$). Reduce has significant effect on blue ocean through bKash ($\beta = 0.357$, $t = 6.613$, $p < 0.10$) and another elements

of blue ocean i.e. create has almost no effect on making revolution through bKash ($\beta = 0.047$, $t = 0.836$, $p > 0.10$).

Table 10.40 Significance testing results of the structural model path coefficients

Path	Path coefficients (β)	T Statistics	P Values	Hypothesis
ELE -> RTB	0.324	5.254	0.000	Accepted
RAI -> RTB	0.190	3.792	0.000	Accepted
RED -> RTB	0.357	6.613	0.000	Accepted
CRE -> RTB	0.047	0.836	0.403	Rejected

10.5.8 Cross-validated redundancy (Q^2)

The Q^2 is a means for assessing the structural model or inner model's predictive relevance. Especially, a Q^2 value larger than zero for a particular endogenous constructs indicates the path model's predictive relevance for this particular construct (Hair, Hult, Ringle, & Sarstedt, 2014). In this model, the Q^2 value for the overall model is 0.311 means that the predictive relevance of the path model was properly done.

10.5.9 Effect Size (f^2)

The effect size for each path model can be determined by calculating Cohen's f^2 . The f^2 is computed by noting the change in R^2 when a specific construct is eliminated from the model. To calculate the f^2 , the researcher must estimate two PLS path models. The first path model should be the full model as specified by the hypotheses, yielding the R^2 of the full model (i.e. $R^2_{included}$). The second model should be identical except that a selected exogenous construct is eliminated from the model, yielding the R^2 of the reduced model (i.e. $R^2_{excluded}$). Based on the f^2 value, the effect size of the omitted construct for a particular endogenous construct can be determined such that 0.02, 0.15, and 0.35 represents small, medium, and large effects, respectively, (Cohen, 1988). That is, if an exogenous construct strongly contributes to explaining an endogenous construct, the difference between $R^2_{included}$ and $R^2_{excluded}$ will be high, leading to a high f^2 value. The effect size can be calculated using the formula below:

$$f^2 = \frac{R^2_{include} - R^2_{excluded}}{1 - R^2_{included}}$$

$$= \frac{0.634 - 0.579}{0.579} = 0.095 \quad [\text{Value from the figure 1 \& 2}]$$

10.6 Evaluation of the output of the model in the light of bKash

Among the four constructs of independent variables, raised was proved as the strongest one that was highly accepted by the customers of the MFS market of Bangladesh. Raise contains three variables representing the values of 0.730, 0.813 and 0.861 are shown a strong position in the model and supported bKash in the way of creating Blue Ocean. The three variables are:

RAI₃ bKash has available agents;

RAI₄ bKash has sufficient measures to prevent fraud;

RAI₅ Technology of bKash is good.

Which touched the pain points of customers. Here it is being shown that the element “available agents” playing a very influential role in the way of creating revolution in the MFS market. It means that the mobile banking market is strongly dominated by the agents. Very practically it was also observed that everywhere bKash setup their agents to make sure the seamless services for the customers and in this respect this model also bring into focus that the availability of agents, the technology of bKash and the preventive measures of fraud are really very persuasive variables in the MFS market of Bangladesh.

The next stronger construct is Eliminate comprised of four variables showing the values of 0.706, 0.700, 0.77 and 0.74 which are highly accepted by the customers. The variables are:

ELE₁ bKash takes less time to process a transaction than the others;

ELE₂ bKash Eliminates banking formalities;

ELE₃ bKash saves time for people;

ELE₄ bKash is providing services as per your need;

ELE₅ bKash abolishes the intermediaries.

All the variables directly or indirectly related to the issue of time, though mobile banking activities largely related to unbanked and underprivileged people, they voted for these factors. It does mean that time was the important constraint that successfully addressed and substantially reduced by bKash. The reasons assumed that before mobile banking facilities started, for any financial transaction, this segment of people who were working in the distant places basically used to transact or to reach the money to their relatives or family members by their neighbors, relatives, SA Paribahan, post office, or by the staffs of long road vehicles or by himself or herself and so on. So, all these media were a huge time consuming, costly and unsecured. bKash a very innovative way to reach the banking services to every consumer by enhancing the agent service counters.

The four factors of the construct 'reduce' are basically giving emphasis on the reduction cost

RED₁ Transaction cost of bKash is very reasonable

RED₂ bkash Reduces people's non-financial costs. Such as time, trouble

RED₄ bkash Playing role of reducing unemployment in the country

RED₅ Marginal farmers are getting reasonable price with the support of bKash

of consumers. In this model, it shows that bKash has reduced the transactional as well as non-monetary cost of customers and thus attracted the heart of customers.

The construct 'create' accordingly is not playing a crucial role to create the opportunity of Blue Ocean by bKash. This construct is comprised of the following ingredients:

CRE₁ Transaction through bKash is very easy

CRE₂ Agents are providing services as per to the demand

CRE₃ Transaction through bKash is secured

CRE₄ People can reach easily to bKash agent

CRE₅ The remittance facility of bKash makes life easy and comfortable.

So, the above model shows a very learning picture of the MFS market in Bangladesh. Though the value of the construct "create" is not positive, the other independent variables are playing a strong role in achieving the Blue Ocean opportunity.

11.0 SUMMARY FINDINGS, CONCLUSION AND RECOMMENDATIONS

The picture of the whole study is drawn in the following figure 11.1 where it is shown that the basic study started from literature of Blue Ocean strategy and mobile financial services (MFS) to find out the related variables.

A BRIEF CANVAS OF THE STUDY

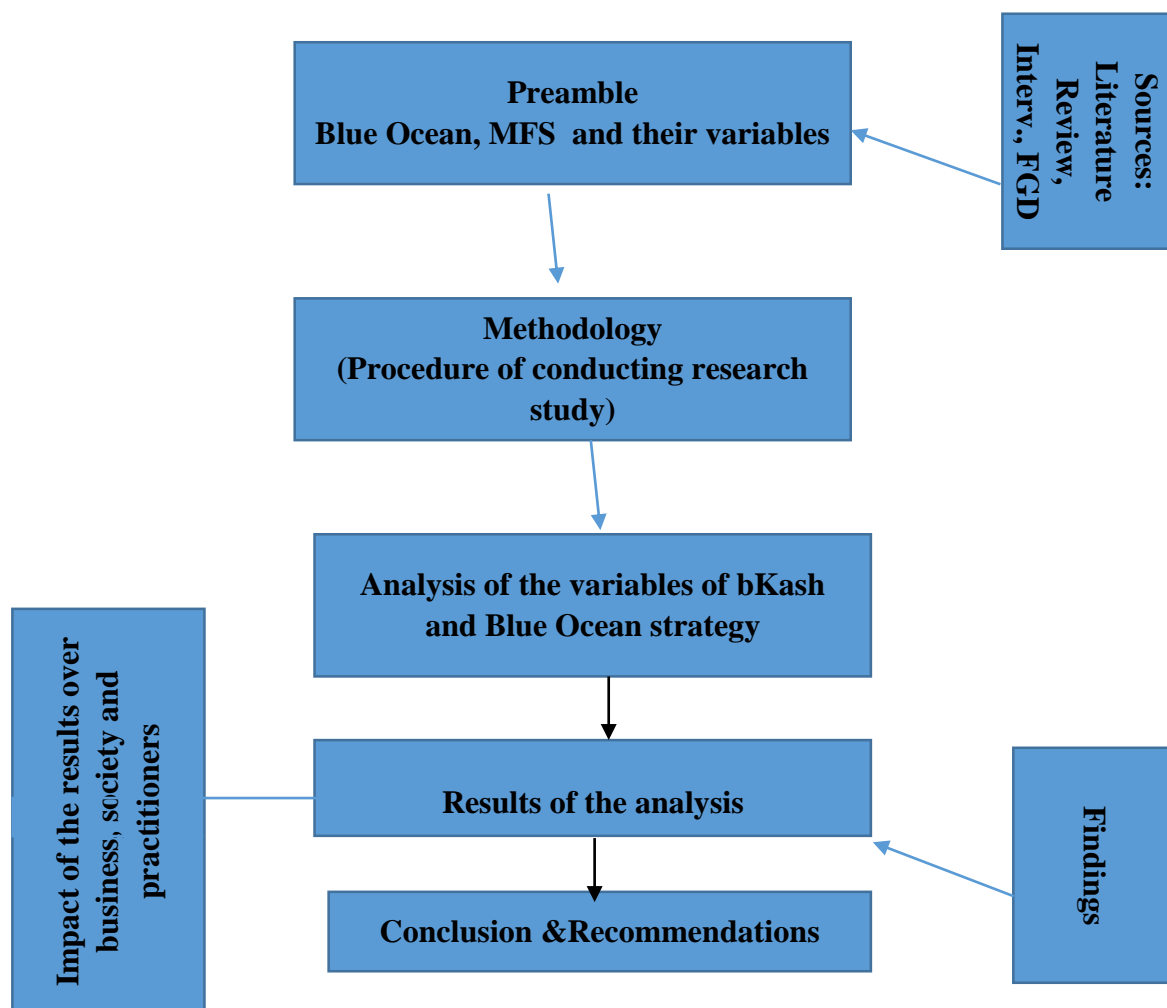


Figure 11.1 A brief canvas of the study

Accordingly, the next step was the methodology of the study, which means the procedure followed to complete the research. The nature of the research design, data collection method, data analysis and tools of the data analysis was depicted here. The all literature supported to find out the variables that directed to prepare the methodology and design of the study,

whether the study was qualitative, quantitative or mixed-method and then analyzed the survey data by applying different statistical tools and techniques and the results of the analysis was decorated as the findings of the study to come into the conclusion and recommendations regarding the stated objectives. From the analysis in different chapters, it was found that mobile banking activities were more eagerly accepted by rural people than urban citizens. Behind the exclusive acceptance of this service the most valuable elements that emphasized by all level of people regardless of urban and rural were: Less Time for transaction, instant banking, huge number of agents, no formalities, no timing for banking, safety and security, and affordability were highly considered by the customers either they were rural or urban.

A key difference created by MFS operators in the context of agents and branches of financial institutions (branch of bank, NGO, Microfinance or insurance company). Where there is no single branch of financial institutions within 100 kilometers, there is 10.125 agents for a single village (on an average) and here bKash played very strong role by appointing 0.51 million agents and this is 64% of the total market share and thus created position that made competition irrelevant with other players in the market.

11.1 Summary findings as per the stated objectives of the study

The strategic process of avoiding the crowds of products and services in the extreme competition, rather open a new avenue of opportunity for achieving the goal of substantial profit growth and thus make the competition irrelevant with other players in the market are the basic themes of Blue Ocean strategy. According to Kim (2017), what are admired, what inspired us, were the organizations and individuals that went beyond competing to create new frontiers of opportunity, growth, and jobs, where success was not about dividing up an existing, often shrinking pie, but about creating a larger economic pie for all what we refer to as Blue Ocean. Within seven years of operations, mobile financial services become the most popular medium of financial transactions in Bangladesh just because of its ease and speed. The number of account holders in 2014 was 3% of the total population and in 2018 it raised to 38%. This growth (38%) is higher than the South Asian average 33% and also higher than the global lower-middle-income countries of 27% (Financial Express, 2018).

The analysis of this part has revealed that mobile financial services (MFS) activities motivated the targeted audiences very successfully and are accepted by the people who were out of the boundary of the traditional financial market and also most of them were not familiar with mobile financial services before. In the same way, the banked community also have taken this

service enormously both in urban and rural areas. Among the total population of Bangladesh, 72% (Source: CIA, World Fact Book, 2013) are rural, vulnerable who couldn't even think for banking practices earlier before the inauguration of mobile banking. From the different chapters it was found that in case of motivation and engagement of the targeted audiences, all players of MFS market couldn't show the same proficiency rather the management of bKash had taken the steering of this market as the most successful one who occupied the lion share as a gigantic leader. Newmarket space, non-tier customers, excellent pace of growth made bKash as if the Blue ocean organization in Bangladesh. In the following, the findings of the previous chapters will be depicted according to the objectives of the study.

Objective 01- To analyze the concept and practices of Blue Ocean strategies

The literature and application of Blue Ocean strategy by different organizations reveal that it is not a single strategy rather it is the composition of many strategies like marketing strategy, financing strategy, operating strategy related to the strategic goals of a respective organization. As a whole, it is a business strategy. In the literature, it was found that to be recognized as Blue Ocean an organization must consider the relationship between cost and value innovation properly. In the world of Blue Ocean, the cost and the value innovation are considered as the cornerstone of achieving success. Only cost minimization or only innovation can't make an organization as a Blue Ocean. A very big difference between the conventional competitive phenomena and Blue Ocean strategy is that there must be an increment of value innovation with reduced cost. It means that an organization must enhance values by reducing costs. Literature also revealed that innovation does not mean technological development or any new technological attachment rather value innovation was recognized in the language of Professor Chan Kim as the values or any functional qualities of a product or service that easily meet the latent utility of the target customers. This theory also revealed that Blue Ocean can be created by a person, organization and even by a country by adapting one of the six BOS principles or by following one of the six paths under the principle of reconstruction of existing market boundaries. Four action framework, "Eliminate, Reduce, Raise and Create Grid" was found as one of the most important models in the literature of Blue Ocean applied almost in all organizations for creating exceptional utility for the targeted audiences in the respective industry and to prove themselves as Blue Ocean. Another important diagnosis of literature was that the organizations which intended to go out of the box, they first tried to identify the pain points of the customers created by the respective industry and then applied the four action framework model and thus most of the time got the result.

Objective 2: To study the evolution and market competitiveness of mobile financial service operators in Bangladesh.

The mobile banking practice has been adopted by every society in the world regardless of developed or developing countries. According to the GSMA report (2016), about 277 services have been now being provided by mobile financial services operators in 52 markets in the world. This practice first started in 1999 in Europe in the form of SMS and then in the developing countries, the formal mobile banking services launched in Kenya by mobile operator 'Safaricom' as the name M-Pesa and it wonderfully attracted the all level of people, especially lower-income migrant people as they could easily use M-Pesa to send the money to their relatives live in the remote rural areas of the country. In Bangladesh bank-led mobile banking services started formally in March 2011 by Dutch Bangla mobile banking which is now renamed as Rocket and subsequently by bKash and other 18 banks got permission from Bangladesh bank to serve the financial services to masses who were financially excluded from the formal roads of economy. The competitive picture in respect of secondary data depicted in chapter nine and primary data in chapter ten reflected that there was little bit competitive pace created in between Rocket and bKash, however, the other few players like Ucash, Sure cash, mCash and so on couldn't create any role of competition. It was also found in chapter nine that the five organizations like, bKash, Rocket, mCash, Sure Cash and Ucash have occupied the 99% of the total market where bKash occupied 91%, Rocket 17%. The percentage is more than 100% because many single consumers have more than one account of different MFS operators. It is also reflected that bKash has been continuously growing faster than any other competitors in the market. It simply stopped the competition and made it irrelevant. Moreover, in respect of a number of agents, out of 0.81 million agents bKash appointed more than 0.5 million, in 2015, the number of account holders in the industry was 11.7 million and part of bKash was 10.6 million. So, the percentage of bkash was 90.50% and even in the volume of transactions, especially in Cash In and Cash Out 95% are made by bKash (Ashraful, 2016).

In the context of revenue, bKash earned BDT381.61 million in 2012 and in 2016 it raised to BDT-12,088.68 million. Within four years the raising percentage was 3072.70%, which was an unbelievable success that bKash achieved within a short period of time. More influential matter was that within three years such a big organization overcomes breakeven

point and enjoyed profit of BDT 342.26 million in 2014 and by 2016 it raised to BDT 652.15 million. Whereas the close competitor Rocket was suffering from loss for the last five years and executive director of Rocket said that every year they suffered the loss of BDT 300 million. So, a vast differential competitive canvas of the MFS revealed between bKash and other MFS operators in the mobile banking operators of Bangladesh.

In this study, it was selected 56% from rural areas and 44% from urban areas, and among the rural people 70% are unbanked. Unanimously bKash occupied the minds and hearts of most of the people irrespectively banked, unbanked or area. In chapter 10, it was shown among the unbanked masses 96% chose bKash as their medium of transactions and for the banked, the percentage was only 67%.

So, a clear picture has been revealed from the above data that in the rural area and to the unbanked community, bKash has created an extraordinary position that couldn't be done by other competitors. In the same way, there is a place for the banked people where bKash needs to give more concentration so that it can conquer the heart of banked people as well.

The choice of MFS was also justified by the different levels of education and occupations, interestingly in all levels of education and occupations, bKash was highly accepted shown in figure 11.6 and 11.7 shown in chapter 10. In figure 11.7 the highest percentage (95.2%) is depicting in the occupations 'others' which included the classes of rickshaw pullers, hawkers, day laborers, blue color garment workers, floating people and so on. Thus, a beautiful picture of fantastic relation that bKash established with all levels of people also proved from figure 11.8 where it shows how much bKash occupied the hearts of people. Figure 11.8 shows that more than 80% of people 'Agree' and 'Fully agree' both in rural and urban areas with the statement. So, all the figures and information indicate that undoubtedly, bKash made the competition irrelevant to the other players in the market.

Objective 3: To identify the strategies of mobile financial service operators in Bangladesh.

Mobile financial service (MFS) is now about \$40 billion dollar Business (Bangladesh Bank, 2016) and obviously has created revolution in the financial sector of Bangladesh by including financially excluded, non-banked, and underprivileged people in both urban and rural areas all over the country and in the elapse of time now MFS is for all, regardless of

rich or poor, educated or uneducated, urban or rural. In the light of Blue Ocean strategy and from the performance of the analysis of the MFS players, it has been observed that few of them wholly or partly matched with the features and framework of Blue Ocean Strategy. According to Ashraf (2016), bKash solely has occupied the lion share and also has matched most of the criteria of the Blue Ocean strategy. However, it is also a vital issue that the other players like, Rocket, Sure cash and mCash started with a very good target strategy and tried to conquer a specific profitable segment. However, they could not reach the target level due to some strategic flaws. A thorough discussion in chapter 8 revealed the picture that in the initial stage the strategies of the said organizations very much resembled Blue Ocean. Such as Rocket started the first time with a new product in the new market with a very reasonable price strategy, Sure cash started with new ideas to capture the 13 million mothers of primary school students and they had done it successfully with the support of the ministry of education and other agency. Along with mothers, there were also other stakeholders who automatically could keep in the grief like the same number of fathers, other family members, the school teachers and so on. They completed the registrations of all 13 million mothers but did not give any focus on the other stakeholders and thus skipped the very easy opportunity. Moreover, they had started to complete the transactions of the tuition fees and other fees of government agencies alike, the bill of the police case, electricity bill, WASA, DESCO bill and so on. All the mentioned strategic segments were big enough to create and enjoy the opportunity of Blue Ocean in the mobile financial service sector of Bangladesh.

Similarly, mCash by Islamic Bank started with a new concept of sharia-based mobile banking with the purpose of attracting the 90% Muslim community. The pricing strategy of mCash was as usual market price, they had a very strong brand image of Islamic bank Bangladesh limited, largest sharia-based, profitable bank in Bangladesh. However, they couldn't do well even failed to raise a competitive image. Their big strategic failure was pointed out in the fact of the agent network. Only 26 thousand agents was not at all sufficient supply chain for a large community.

However, the statistical report by Bangladesh bank regarding the total market share, the volume of sale, active customers and agents is a totally of 20% and bKash separately owned more than 80%. The results of an interview, FGD and other information from literature revealed that along with other strategic reasons, the key flaws of Rocket, Sure,

Ucash and mCash were that they could not properly identify the pain points that have been created by the industry. Thus the following reasons were plotted behind the strategic failure of MFS operators:

Table 11.1 Drawbacks of MFS operators, Rocket, mCash, and Sure Cash

Rocket	mCash	Sure Cash
Improper target strategy	Very complex operating management system	Very complex management system
Shadow management system	Lack of value chain strategy	Lack of value chain strategy
Lack of communication in rural areas	Poor relation with agents and retailers	Poor relation with agents and retailers
Delay in registration	No proper communication for awareness	No proper communication for awareness
Lack of available agents in the rural areas	Technological deficiency	Technological deficiency
Complexity of extra number	Couldn't properly use the brand image of Islamic bank Bangladesh Limited	Multiple code system
More urban-oriented strategy		

Objective 4: To determine the components for creating a blue ocean strategy in the mobile financial sector.

By occupying more than 91% of the market share, bKash created an uncontested market space. Here, the rocket is a little bit of a fighting position and giving the highest effort to create a competitive environment. However, its market share is still 17%. and the other players acquired less than 1%. So, the inferential point is that bKash in Bangladesh has achieved this

Blue Ocean feature. At First, Rocket created the new market option in March 2011 beyond the conventional banking phenomena but unfortunately couldn't properly explore the latent massive demand in the mind of every people especially to the unbanked and underprivileged poor, rural people of Bangladesh.

The result of analysis shows that most convenient way bKash, the core financial services of MFS industry domain, successfully reached the door of almost every customer of Bangladesh, even a customer without moving anywhere started to take lot of services like, mobile recharge, internet loading, sending money to the desired destination, online/offline purchasing, and bill payment and so on. Due to a lot of limitations, other MFS operators couldn't create this value-cost trade-off. So, from the overall discussion regarding Blue Ocean and the achievements of bKash the following variables were found the most influential:

Table 11.2 Influential factors of MFS Market

Formalities
Save Time
Needful service
Available Agents
Entry Fraud
Technology
Transaction cost
Reduction of non-monetary cost
Unemployment
Price

Objective 5: To evaluate whether the strategy of bKash was conducive to the creation of Blue Ocean in the mobile financial sector of Bangladesh.

The first feature of Blue Ocean Strategy is to explore new market boundaries where rules of the game yet to be set (Kim and Mauborgne, 2004). bKash, from the very beginning, focused on the completely unknown and untouched market segment (unbanked and underprivileged poor people in the rural areas as well as their relatives who have already

migrated in the urban areas) which is called new market boundaries. In the same, they had started with very innovative products for which rules of the game couldn't be set.

Another feature of Blue Ocean Strategy is to stop the competition and makes the competition irrelevant. By occupying more than 90% market share bKash really stopped competition with other as others position in the market is very poor, most of them occupied less than 1% except Rocket (17%). Moreover, it was found in chapter ten in the section of comparative analysis and perception of customers regarding bKash, in all cases, the position of bKash and other MFS players is 80:20`

According to Kim and Mauborgne (2005) value innovation is the cornerstone of Blue Ocean Strategy. bKash very successfully identified the pain points of the group of people who had neither huge money that would lead them to go to a bank nor had huge economic transactions that would create the necessity of banking services. However, they had the long term latent demand for enjoying banking services and this was explored by bKash in a very innovative way. Banking services without bank account, without banking formalities of recording, delivering, line, banking time, depositing and other at the doorstep of every consumer within a couple of seconds without any internet service rather just by a normal mobile set, was not even thought by consumers themselves. Such a seamless wonderful service strategy made the bulk of difference from other competitors in the market and bKash reached the peak of the mountain.

Blue Ocean Strategy focuses on both value innovation and cost. It does mean that when an organization can ensure the added values with reducing cost then it can enjoy the Blue Ocean opportunity. bKash very successfully achieved these phenomena. It has established the largest networks, appointed more than half a million non-exclusive agents, massive advertisements and other promotional campaigns but the price bKash offered was very reasonable and the establishment cost of business by an agent was also a very small amount and thus it has enjoyed the Blue Ocean opportunity.

Business growth like a Blue Ocean organization. Within two and a half years of operation, it met the breakeven point and from third-year start to enjoy profit. An annual report of bKash it was found that in 2012 the loss of bKash BDT115 million and in 2014 the profit raised to BDT 342.26 million from the total revenue of BDT 5731.5 million. Very positively the growth was sharper in 2016 when profit-earning was BDT 652.14 million

from the total revenue of BDT 12088 and all stakeholders (agents, dealers, and super agents) enjoyed a profitable business without mentionable investment. The cent percent of agents have been enjoying a very good cash profit margin from the first month of operation without any troublesome.

Moreover, bKash is not staying at one point i.e at the first time they came with only sending and receiving money, gradually they came with services that good fit with the demand of the different levels of customers. Phase by phase bKash came with services like mobile recharge, remittance, merchant service, bill payment, corporate services, online purchasing and selling and so on. Every service segment is pretty big that can create a new blue ocean market space and they were doing so. More than 40 million consumers are also proving their level of sustainability in this sector. They are always searching for new fields of opportunity and thus in the last year 2018, they have engaged with another international organization Alipay, one of the largest Chinese e-commerce concerns and Tech giants of ALIBABA group by selling their 20 % share to them. Kamal Quadir, CEO of bKash is very much hoping to have Alipay as the strategic partner. He said, along with the investment, Alipay will bring the best payment technologies built by thousands of engineers and the knowledge of applying those technologies to the economy like China. Eric Jing, executive chairman and CEO of Ant Financial said that as a very good part of global strategy they had a keen interest to share its technological knowledge with partners like bKash, which has successfully brought financial services to the largely unbanked population. Above all, Alipay expressed high hope about its investment in bKash. At the last, not the least the 91% market share is occupied by bKash also revealed how successfully bKash has created Blue Ocean in the MFS market of Bangladesh.

So far, so long it was revealed in the world of Blue Ocean, in case of mass products or services, the respective organizations have reduced the customer cost (price of the product/ service) substantially but have simultaneously increased the customer values (focused on value innovation) than that of the competitors in the industry in Bangladesh, a developing country has shown a very exceptional picture in the mobile financial industry where bKash has created blue ocean without reducing cost rather in some extend the customer cost is higher than that of the other players in the market. So, from this study, it has been established a new concept that by creating innovative values and by properly addressing the latent thirsty of the target audience Blue Ocean opportunity can be enjoyed without reducing the monetary cost of

customers even in case of mass products or services. At the same time, it is very much true that though bKash has not reduced the monetary cost, it has substantially reduced the non-monetary costs (energy cost, time cost, psychological cost and so on). The example of bKash can be very much an enthusiastic matter to other industry players to create such a revolutionary development in the respective sector.

No doubt the enormous expansion of transactions and the velocity of money and a huge volume of financial inclusion, MFS created a strong backbone of the economy of Bangladesh. Monthly approximately BDT-30 thousand crore, which was once out of the formal channel, now has been included, is a really vast amount that has been leveraging financial institutions for further investment in the new fields of opportunity (Bangladesh Bank, 2018). The tax, VAT-related to this amount also supports the government for preparing the development budget. MFS has facilitated Bangladesh Bank to save million-dollar spending for publishing paper money every year as well. Mobile financial services can be the best alternative of hard cash by enhancing its application at the mass level. The growth, multiple applications, and popularity of the MFS reflect that near future remote Bangladesh will be recognized as the country of paperless monetary economy.

Mobile money transfer is now the key medium to the hijacker, kidnapper, Professional killers, black marketers and others who are always searching the illegal way of doing any monkey business. These are being done due to the absence of proper follow-up and technological deficiency.

Mobile financial services in Bangladesh is strongly dependent on the mobile operators who are very much inclined to enter into this market. Due to the policy of Bangladesh bank, they can't enter this market. In the near future, if government changes, the policy would have taken to open the door for all, then there would be an adverse competition in this market.

A single MFS account in a mobile phone is enough for buying, selling, transferring money, merchant payment and savings. So, in the very near future people would find a strong alternative of debit and credit card for which it is required ATM machine and many more formalities of the respective banks or financial institutions. Whereas the MFS transaction process is easier than that of debit and credit card.

11.2 Other Findings

Beyond the above findings, there were some other results found from the FGD, interview with different experts and also from other primary and secondary sources. The key ones are given in the following:

11.2.1 Mobile banking enhancing the living standard of rural people- Before investiture of mobile banking there were huge difficulty of the migrant people in the urban area like, Rickshaw puller, day laborer or small businessman to reach their part of income to their relatives, living in the rural areas, just because of the absence of right media. MFS, specially bKash has successfully overcome this problem, rather now a person can send or receive money instantly in any time and the results are:

- i) Family members are solving their financial needs
- ii) Can full fill their day to day demand
- iii) Purchasing ability has been increased
- iv) Financial solvency also increased

11.2.2 Contribution in the economic development of the country- about \$40 billion has been including with a formal economy and playing a very important role in many aspects of the economic development of a country like Bangladesh.

11.2.3 Contribution in the academic development of the rural children- Though students in the rural areas have been enjoying the full free student facilities however the other costs like, khata, pen, pencil, exam fees and so on were also a very important part. With the contribution of MFS, a father from the furthest place of the country can solve the problem of his son or daughters.

11.2.4 Contribution in the women empowerment- Now a village woman has got monetary empowerment by the dint of the MFS. Now a husband cant creates cause for not sending money and this regular money gives the chance of a woman to save a part and thus gradually stabilizing their financial empowerment.

11.3 Conclusion

According to Kim (2017) “Unless the technology makes buyers’ lives dramatically simpler, more convenient, more productive, less risky, or more fun and fashionable, it will not attract the masses no matter how many awards it wins.”

So far, so long it was revealed in the world of Blue Ocean, in case of mass products and services, the respective organizations have reduced the cost of customers (price of the product/ service) substantially but simultaneously increased the convenient values for the customers

(focused on value innovation) than that of the competitors in the industry. For example Curve, the Texas-based women's fitness company, Beauty, Novo Nordisk, The Danish Insulin producer (Kim & Mauborgne, 2004) and many organizations created Blue Ocean by reducing the cost of customers. In Bangladesh, a developing country has shown a very exceptional picture in the mobile financial industry where bKash has created a blue ocean without reducing the direct cost of customers rather some extend the customer cost was higher than that of the other players in the market. So, from this study, it has been established a new concept that by creating innovative values and by properly addressing the latent thirsty of the target audience Blue Ocean opportunity can be enjoyed without reducing the monetary cost of customers even in case of mass products or services. At the same time, it is very much true that though bKash has not reduced the monetary cost, it has substantially reduced the non-monetary costs (energy cost, time cost, psychological cost and so on). The example of bKash can be a very enthusiastic matter to other industry players to create such a revolutionary development in the respective sector.

No doubt the enormous expansion of transactions and the velocity of money and a huge volume of financial inclusion, MFS has created a strong backbone of the economy of Bangladesh. Monthly approximately BDT-300 thousand million, which was once out of the formal channel now has been being included, is a really vast amount that has been leveraging financial institutions for further investment in the new fields of opportunity(Bangladesh Bank, 2018). It is created an unthinkable success history for the financial inclusion program taken by Bangladesh Bank.

The vast amount of tax, VAT-related to mobile banking is supporting the government for preparing the development budget. MFS has facilitated Bangladesh Bank to save million-dollar spending for publishing paper money every year as well. Mobile financial services can be the best alternative of hard cash by enhancing its application at the mass level. The growth, multiple applications, and popularity of the MFS reflect that near future remote Bangladesh will be recognized as the country of paperless developed monetary economy.

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11.4 Recommendations

An unbounded untapped market opportunity is waiting for the talented entrepreneurs who have visionary eyes, can read the pain(s) of the customers and would have the wish of providing the easiest solution. Tomorrow morning is for the mobile by which people will try to find out their every solution either it is economic or non-economic. So, the key message for the other MFS operators is to search an untapped market opportunity that can be served more than the expectation of the respective customers with an obviously very easy way and by affordable cost. For creating Blue Ocean it must focus on not the number of opportunities, rather on the strategic large canvas of the market. The development of the mobile financial service market in Bangladesh is very revolutionary and their phases of development were looked very well. However, except cash Out and cash In progress in other products and services of MFS are not that substantial. bKash the leader of MFS, has the great opportunity to explore another Blue Ocean or strengthen the existing one by grabbing other non-tier customers of the existing industry or from other industries.

11.4.1 The services of mobile operators and others

bKash has reached in such a position where it can be the best alternative of the mobile phone operators to the customers as nowadays people keep their money in their mobile wallet from where they can use it different alternative purposes. The most potential ones by which bKash can easily create another number of Blue Ocean like,

- a. Mobile recharge:** Another alternative massive market for bKash is mobile recharge. It is even much bigger than that of cash transfer because there is regulation on Cash In or Cash Out but there is no limitation in mobile recharge, as many times a person can make this transaction. About 130 million mobile accounts can easily be reached by bKash

as they have already established a very strong relationship with all agents as well as customers of every corner of the country.

- b. Medium of online transactions:** Online consumers are increasing at a good pace due to the engagement of social media. The key obstacles in online business is the method or medium of payment. bKash is well accepted to almost all levels of people. So this market can be another very potential one for the near future. By this time bKash has been promoting its apps application to all levels of consumers and if they can successfully educate and motivate the mass level of customers, their new success story will be started.
 - c. Profit instead of interest on savings:** bKash has started providing interest on the savings of the customers. But as the country is Muslim oriented, it would be the attractive option of savings for the religious Muslims if bKash introduces profit scheme instead of interest, or it can be an option for both interest and profit. A single project can be another Blue Ocean.
 - d. Remittance and other options:** bKash can also give more focus on remittance, bill and utility payment, tuition fees and other government fees, salary disbursement of different private and public organizations and so on. Here every segment can be the new option of Blue Ocean as any of the segments very usually complete the transactions of billion-dollar.
 - e. Facilities for marginal farmers:** The consumer field of bKash is very strong and stable, they have already connected, and created a fantastic brand image with the massive number of customers both in urban and rural areas. So, they can move with potential products and services like, special service for the millions of marginal farmers who are highly suffered by the middle man. Here bKash can open an exclusive service for them by creating direct relationships with wholesalers, dealers or exporters of different markets in Bangladesh, A single database can give such a wonderful support and thus the influence of middle man would be abolished and it will be another segment of blue Ocean for bKash or can be of others.
- 11.4.2 Enhance the security and safety measures:** The customers, agents, sales representatives and dealers, all are concerned with cash money and there is a huge number of mischiefs made by this time. There are huge numbers of fake id by which hijackers conduct their misdeeds, hackers hack the mobile accounts of others and a lot of fraud activities are also made in the rural areas where people are not enough

conscious. Police investigation report revealed that 99% of the occurrence done by hijacking with fake id numbers. So, bKash must address all the issues properly and must take adequate measures to reduce this occurrence at the minimum level.

11.4.3 Focus on young generation: It was observed in chapter 10 that in the demographic part the age group 15-20 was very less engaged with MFS activities whereas this is very big segment and have lot of monetary involvement with them, especially their School and college fees and they are strong reference group of their families and surroundings. So, bKash should give motivational attention to this segment.

The above mentioned all sorts of products and services can be a potential Blue Ocean for any of the MFS operators of Bangladesh if they can properly address the pain points of the particular segment and keep the strategic sequence right. Moreover, commercial banks and e-commerce organizations can easily adapt the model that bKash has executed to reach to the mass people successfully and substantially. Because tomorrow's banking solution and off or online buying and selling solution would be totally ensured by mobile and mobile instruments as this sort of activity increasing every day.

11.4.4 Proposal for government and for government organizations

From the above lesson through bKash government can even create Blue Ocean for the following fields:

11.4.1.1 Opportunity for Bangladesh creating Blue Ocean by the confirmation of the proper disbursement of Loan, credit and other farming subsidy

In the financial year 2009-10 the Bangladesh Bank agricultural credit disbursement was BDT 110.5 thousand million, in 2011-12 it was BDT 138.0 billion (appx \$1.65 billion) and in 2012-13 it was BDT 143.1 billion. Moreover in 2012 Bangladesh Bank launched credit facilities for landless sharecroppers BDT 5.0 billion (Atiur, 2013). Moreover, there are huge number of government schemes for rural and agriculture development and in most of the cases due to the absence of proper channel and due to the undue influence of corruption in different level of administration the huge amount of money could not be received by the right person, rather a very ignorable part of the sanctioned amount by government and of Bangladesh Bank reached to them. So, the real dream of government “Shonirbar Bangladesh” or “Alleviation of poverty” remains the same. MFS, the only organization can help to achieve the real success of the Government. A collaboration

with the government and the respective bodies of Government and Bangladesh Bank can change the total scenario of rural Bangladesh. Because MFS is such a platform have already reached almost all the poor, vulnerable and underprivileged segment of the country. So, the sanctioned all money can be disbursed through bKash and thus bKash can also create another big ocean in the Bangladesh market and in the same way another revolution would be enjoyed by the rural people of the country.

11.4.5 Alternative of hard cash- Every day mobile banking activities are increasing tremendously in the level of people. So, mobile financial services can be the best alternative of hard cash by enhancing its application at the mass level by all operators.

11.5 Suggestions for further research

Obviously, research is an ongoing process, it is an ocean and as there is no transcendent level especially in social research so this present study can be extended for having more precise results from different viewpoints. Moreover, Blue Ocean strategy itself is a very innovative concept and so far no work has been done in Bangladesh on this topic. So, this study can be a starting point for further development in a more extensive way. A very important issue is, as the product and service market is full of crowd, this study can be an inspiration for the other industry players of Bangladesh to escape from the extreme bloody competition with each other. The study strongly considered the perception, choice, and dis-choice of the customers and the next can be over the agents who are very strong stakeholders of the MFS market in Bangladesh.

Appendix - I

QUESTIONNAIRE

THE PRACTICES OF BLUE OCEAN STRATEGY IN MOBILE FINANCIAL SECTOR OF BANGLADESH: A STUDY ON bKASH

The Doctoral student is carrying the research at IBA under the University of Dhaka, requesting you to fill up the questionnaire. The questionnaire contains three sections A, B and C, and the data will be used only for academic purposes. So, you are highly assured of confidentiality of your information.

Identification Data

Name:

Address:

Telephone:

Section-A Please TICK () the most appropriate box.

1. Do you use mobile banking for financial transactions? Yes No
2. What services do you use most? Money transfer Mobile Refill Bill payment mCash
3. What service operators do you use most? bKash Rocket UCash mCash
4. You have learnt about bKash through
 Television Radio Facebook Newspapers Reference group
5. Please grade the following mobile banking service providers to the best of your knowledge (1st, 2nd, 3rd, ...).bKash.....RocketUCashmCash
6. Who provides the fastest service? bKash Rocket Ucash mCash
7. Who is the most accessible? bKash Rocket Ucash mCashes
8. Which service provider is the most affordable? bKash Rocket Ucash mCash
9. How you deal the mobile banking activities? Personal Agent

Section-B Customer perception regarding bKash

Give your agreement to one of the choices regarding the following statement

	F u l l y d i s a g r e e	D i s r e e	S o m e w h a t a g r e e	A g r e e	F u l l y a g r e e
bKash'spersuation of unbanked community to adopt banking culture					
1. bKash has created savings habit of the non-bank people.					
2. Transaction through bKash is very easy.					
3. Agents are providing services according to the demand of the clients.					
4. Dealing through bKash is secured/ safe					
5. Agents of bkash provide services you need.					
6. bKash takes less time to process a transaction					
7. Agents of bKash pursue customers to make transaction through bkash.					
8 It is very easy to reach bKash agents.					
9. Mobile banking means bkash.					
10. bkash successfully included non-bank people to the main stream of banking culture.					
11. By creating new opportunities bkash is increasing new customers.					
12. Registration of bkash takes less time than that of the othserts MFS operators.					
13. bKash has available agents.					
14. Transaction cost of bKash is very reasonable.					
15. bKash occupied the heart of the people.					
16.bKash saves the time of the clients.					
17. bKash saves energy (non-monetary cost like physical, psychological cost and time cost) of the clients.					

18. The remittance facility of bKash makes the life of the rural women easy and comfortable.					
19. bKash is capable to provide services you need					
20. bKash created revolution in the MFS market of Bangladesh					
21. bKash has adequate measures against hacking.					
22. Agents of bKash are skilled.					
22. bKash has adequate measures to preventive human error.(for bKash, account number is the mobile number while for DBBL has check digit)					
23. bKash agents are self- motivated					
24. bKash has created saving account resembles to conventional banking without formalities.					
25. bKash eliminated the influence of middle man					
26. bKash has sufficient measures to prevent fraud (block SMS, Fraud phone call, magic calls etc.)					
27. Technology of bKash is good.					
28. Management team of bKash is efficient					
29. bKash plays vital role in the economic development of the country.					
30. bKash enhances the living standard of rural masses					
31.To reduce unemployment bKash has very good role.					
32. Marginal farmers are getting their reasonable price with the support of bKash					
33. bKash has been creating new employment opportunities.					
34. bKash is playing role in strengthen the financial sector of Bangladesh					
35. bKash largely reduces the risk of carrying cash.					

Section-C Personal Information

- Gender: Male Female
- Age: 15-20 20-25 25-30 30 and above
- What is your Religion? Islam Hinduism Buddhism Christianity others
- Highest educational or professional qualification?

<input type="checkbox"/> Below SSC or equivalent	<input type="checkbox"/> SSC or equivalent	<input type="checkbox"/> HSC or equivalent
<input type="checkbox"/> Graduate	<input type="checkbox"/> Post Graduate	<input type="checkbox"/> Other
- Highest professional qualification?

<input type="checkbox"/> Student	<input type="checkbox"/> Job	<input type="checkbox"/> Business	<input type="checkbox"/> Others
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6. Monthly household income: 5000-10,000 10,000-15,000
 15,000-20,000 20,000 and above
7. have you bank account? Yes No
8. Your residence in Urban area Rural area

Thank you very much for your valuable assistance in this research

Appendix - II

QUESTIONNAIRE

THE PRACTICES OF BLUE OCEAN STRATEGY IN MOBILE FINANCIAL SECTOR OF BANGLADESH: A STUDY ON bKASH

এই প্রশ্নপত্রটি IBA এর অধীন Doctor of Business Administration (DBA) প্রোগ্রামের একজন ছাত্রের শিক্ষা বিষয়ক গবেষণার অংশ। এটি পূরনে আপনাকে বিশেষভাবে অনুরোধ করছি। প্রশ্নপত্র তিনটি ভাগে ক্ষিভক্ত A,B, এবং C। উল্লেখ্য যে, এটা শুধুমাত্র শিক্ষা গবেষণার জন্যই করা এবং আপনার সকল তথ্য সম্পূর্ণ ভাবে গোপন থাকবে।

পরিচয়দানকারী তথ্যঃ

নামঃ

ঠিকানাঃ

মোবাইলঃ

সেকশন - A, দয়াকরে আপনার পছন্দনীয় বটে টিক (✓) প্রদান করুনঃ

১। আপনি টাকা লেনদেনের ক্ষেত্রে মোবাইল ব্যাংকিং ব্যবহার করেন কি?

হ্যাঁ না

২। আপনি কোন সেবাটি সবচেয়ে বেশি ব্যবহার করেন? একাধিক সার্ভিসও পছন্দ করা যাবে।

টাকা প্রেরণ মোবাইল রিফিল বিল প্রদান রিমিট্যান্স অন্যান্য (দয়া করে উলে-খ করুন)।

৩। কোন সেবা প্রদানকারী প্রতিষ্ঠানটি আপনার বেশী পছন্দ?

বিকাশ রকেট U Cash m Cash অন্যান্য (দয়া করে উলে-খ করুন)।

৪। আপনি বিকাশ সম্পর্কে কিভাবে জেনেছেন?

টেলিভিশন রেডিও ফেইসবুক সংবাদপত্র লোকমুখে।

৫। সবচেয়ে বেশী ভাল প্রতিষ্ঠানটিকে ক্রমানুসারে (১, ২, ৩,) গ্রেইড দিন।

(১ম, ২য় , ৩য়)-----bkash-----Rocket-----Ucash-----mCash

৬। সবচেয়ে দ্রুত সেবা প্রদান করে bkash Rocket ucash mCash অন্যান্য

৭। সবচেয়ে কাছে পাওয়া যায় bkash Rocket ucash mCash অন্যান্য

৮। সবচেয়ে সম্পূর্ণ সেবা প্রদান করে bkash Rocket ucash mCash অন্যান্য

সেকশন- B, বিকাশ সম্পর্কে গ্রাহকদের মূল্যায়ন

	সম্পূর্ণরূপে	অসম্মতি	অসম্মতি	মোটামোটি সম্মত	সম্মতি	গম্পূর্ণ সম্মতি
১। বিকাশ মানুষের মধ্যে সঞ্চয়ের অভ্যাস তৈরী করেছে।						
২। বিকাশের মাধ্যমে লেনদেন খুবই সহজ।						
৩। বিকাশের এজেন্টগন গ্রাহকদের চাহিদামত সেবা প্রদান করে থাকে।						
৪। বিকাশের মাধ্যমে লেনদেন নিরাপদ।						
৫। বিকাশের মাধ্যমে খুবই অল্প সময়ে লেনদেন সম্পাদন হয়।						
৬। বিকাশ আপনার পছন্দমত সেবা প্রদান করে।						
৭। বিকাশ এজেন্টদের খুব সহজে পাওয়া যায়						
৮। বিকাশ এজেন্টগন বিকাশ সেবা গ্রহনে গ্রাহকদের অনুপ্রানিত করে।						
৯। মোবাইল ব্যাংকিং মানেই বিকাশ						
১০। বিকাশ সফলভাবে নন ব্যাংক গ্রাহকদের ব্যাংক সেবার মূলধারার সাথে যুক্ত করেছে।						
১১। বিকাশ খুব কম সময়ে গ্রাহক একাউন্ট খুলে থাকে।						
১২। নতুন নতুন সেবার মাধ্যমে বিকাশ নতুন গ্রাহক তৈরী করেছে।						
১৩। বিকাশে যথেষ্ট এজেন্ট আছে।						
১৪। বিকাশের লেনদেন খরচ খুবই যুক্তিসঙ্গত।						
১৫। বিকাশ মানুষের হৃদয় জয় করেছে।						
১৬। বিকাশ মানুষের সময় বাচায়।						
১৭। বিকাশ মানুষের অনর্থক খরচ (non-monetary cost) কমায়, যেমনসময়, কষ্ট।						
১৮। বিকাশের রেমিটেন্স ব্যবস্থা গ্রামীন মহিলাদের জীবন সহজ এবং স্বাভাবিক করেছে।						
১৯। বিকাশ গ্রাহকদের চাহিদামত সেবা প্রদানে সক্ষম।						
২০। বিকাশ বাংলাদেশের মোবাইল বাজারে এক আর্থিক অভূত্থান সৃষ্টি করেছে						
২১। হ্যাংকিং এর বিষয়ে বিকাশের যথেষ্ট নিরাপত্তা ব্যবস্থা আছে।						
২২। বিকাশের এজেন্টরা অনেক বেশী দক্ষ।						
২৩। বিকাশের এজেন্টরা অনেক বেশী আত্মপ্রনোদিত						
২৪। প্রথাগত ব্যাংক ব্যবস্থার মতো বিকাশও সঞ্চয় সুবিধা প্রদান করে।						
২৫। বিকাশ মধ্য স্তরভোগীদের বিলুপ্ত করেছে।						
২৬। প্রতারনারোধে বিকাশের যথেষ্ট নিরাপত্তা ব্যবস্থা রয়েছে।						
২৭। বিকাশ অত্যাধুনিক উন্নত টেকনোলজী ব্যবহার করে।						
২৮। বিকাশের management team অনেকদক্ষ।						
২৯। দেশের অর্থনৈতিক উন্নয়নে বিকাশ দারুন ভূমিকা পালন করছে						
৩০। দেশের বেকারত্ব হ্রাসে বিকাশ ভূমিকা পালন করছে						
৩১। বিকাশ বিকাশ গ্রামীন মানুষের জীবন মানের উন্নয়নে অবদান রাখছে।						
৩২। প্রান্তিক কৃষকেরা তাদের নায্য মূল্য পেতে বিকাশের সহায়তা পেয়ে থাকে।						

৩৩। বিকাশ নতুন চাকুরীতে সুযোগ সৃষ্টি করছে।					
৩৪। বিকাশ দেশের আর্থিক খাতকে অনেক শক্তিশালী করেছে।					
৩৫। বিকাশ নগদ অর্থ বহনের ঝুঁকি ব্যাপক ভাবে হ্রাস করে দিয়েছে।					

সেকশন: C ব্যক্তিগত তথ্য:

১। লিঙ্গ: পুরুষ মহিলা

২। বয়স: ১৫-২০ ২০-২৫ ২৫-৩০ ৩০ এর উর্ধ্ব

৩। ধর্ম: মুসলিম হিন্দু খ্রীষ্টান অন্যান্য

৪। শিক্ষাগত যোগ্যতা:

SSC নীচে SSC/ সমমান HSC/সমমান ডিগ্রী মাস্টার্স

৫। পেশাগত যোগ্যতা:-- ছাত্র চাকুরী ব্যবসা অন্যান্য

৬। আপনার মাসিক আয়: ৫০০০-১০,০০০

১০,০০০-১৫,০০০

১৫০০০-২০০০০

২০০০০ এর উপরে

আপনার এই সহযোগিতার জন্য আপনাকে অনেক ধন্যবাদ

Appendix - III

Questionnaire for the Interview top Management

Name-	Designation-
Organization-	Address-
Contact Number-	email-

1. Why did you start this company? - Mission and Vision of the organization.
2. What is the organizational strategies you applied?
 - a) Occupy the more shares of the existing market or
 - b) To create a new market for a product.
 - c) To introduce an old product in new market.
3. What strategy (s) you have adopted to differentiate your product from other competitors?
4. What about the cost strategy?
 - i) Differentiation or low cost
 - ii) Differentiation and low cost
5. What innovative ideas have brought to the market?
6. What are the added benefits you are offering to the customers
 - i) Quality
 - ii) Service
 - iii) Price
7. What potential problems or threats you perceive that might be raised in MFS market in future?
8. What opportunities you think will uplift the MFS market in future and that also will create a new market space for your organization?
9. How do you engage/ motivate your people
10. Who the people you engage with your strategy?
 - i) Employees
 - ii) Dealers
 - iii) Agents
 - iv) All of them

11. What distribution strategy you follow?
12. What are the procedure for delivering the service to the ultimate consumers?
13. How do you see your organization ten years from now?

Appendix - IV

Questionnaire for Top Management Sure Cash

Name- Designation-
 Organization- Address-
 Contact No.- email-

1. Why did you start this company? - Mission and Vision of the organization.
2. What do you mean by open payment network partnership with 5 local banks?
3. What about 650 payment partner in sure cash management system?
4. What about Technology prepared by local people?
 - i) Fulfilling expected services
 - ii) Cant full fill the expected services
 - iii) Need more development
5. What is the organizational strategies you applied?
 - a) Occupy the more shares of the existing market or
 - b) To create a new market for a product.
 - c) To introduce an old product in new market.
6. How could you provide service at no cost to different corporate organizations?
7. How many agents appointed by Sure Cash?
8. What strategy (s) you have adopted to differentiate your product from other competitors?
9. What about the cost strategy?
 - i) Differentiation or low cost
 - ii) Differentiation and low cost
10. What innovative ideas have brought to the market?

11. What are the added benefits you are offering to the customers
 - i) Quality
 - ii) Service
 - iii) Price
12. What potential problems or threats you perceive that might be raised in MFS market in future?
13. What opportunities you think will uplift the MFS market in future and that also will create a new market space for your organization?
14. How do you engage/ motivate your people
15. How your people connected with your strategy?
 - i) Employees
 - ii) Dealers
 - iii) Agents
16. What distribution strategy you follow?
17. What are the procedure for delivering the service to the ultimate consumers?
18. How do you see your organization ten years from now?

Thank you for your nice cooperation

Appendix - V

Interview of Consumers

- ১। ব্যক্তির নাম
- ২। গ্রাম, থানা / জিলা
- ৩। কি কাজ করেন ?
- ৪। বর্তমানে কিভাবে দেশে টাকা পাঠান
- ৫। আপনি অন্য কোন মোবাইল ব্যাংকিং সেবা প্রদানকারী প্রতিষ্ঠানের নাম জানেন কি ?
- ৬। আগে কিভাবে টাকা পাঠাতেন
- ৭। কতদিন পরপর টাকা পাঠান
- ৮। বিকাশের মাধ্যমে কেন পাঠান, অন্য কোন উপায়ে পাঠান না কেন ?
- ৯। আগে কতদিন পর বাড়ী যেতেন
- ১০। বর্তমানে সময়মতো টাকা পাঠানোর জন্য আপনার পরিবার কি সুবিধা পাচ্ছে?
- ১১। বর্তমানে কতদিন পর পর বাড়ী যান
- ১২। বিকাশের টাকা পাঠানোর পূর্বে কতদিন পরপর বাড়ী যেতেন এবং কতদিন বাড়ীতে অবস্থান করতেন ?

- ১৩। বিকাশের খরচ কি আপনার নিকট বেশী মনে হয় ?
- ১৪। আগে বিভিন্নভাবে (তাস খেলে, আনন্দ ফুর্তি করে) অনেকে টাকা নষ্ট করে ফেলতো, এখন বিকাশের কল্যাণে এটা কমেছে। আপনার মন্তব্য কি ?
- ১৫। বিকাশের মাধ্যমে টাকা প্রেরণে আপনি কোন সমস্যায় পড়েছেন কখনো?
- ১৬। বিকাশের সেবায় কি আপনি খুশি ?
- ১৭। নিয়মিত টাকা পাওয়ার কারণে আপনার স্ত্রী কি বাড়তি টাকাটা বিভিন্নভাবে উৎপাদনশীল কাজে ব্যবহার করতে পারতেছে যেমন- হাঁস মুরগী পালন, ছোট দোকানে বিনিয়োগ ইত্যাদি।
- ১৮। টাকাটা সময়মতো পাঠানোর কারণে মা তার বাচ্চাদের চাহিদা মতো প্রয়োজনীয় খাদ্য, ঔষধ কিনে দিতে পারছে?
- ১৯। অন্যান্য প্রাসঙ্গিক প্রশ্নেব করা যেতে পারে।

আপনার মূল্যবান সময় দেয়ার জন্য আপনাকে অনেক ধন্যবাদ।

Appendix - VI

Krejcie and Morgan Statistical Table

Sample	First half-split				Sample	Second half-split			
	N	Mean	SD	SEM		N	Mean	SD	SEM
1	10	338.00	129.00	40.79	38	240	246.86	147.18	9.50
2	20	241.10	166.29	37.18	39	245	250.04	143.44	9.16
3	30	247.53	139.57	25.48	40	250	253.19	148.98	9.42
4	40	267.45	152.65	24.14	41	255	252.68	148.64	9.31
5	50	237.86	159.32	22.53	42	260	258.90	139.93	8.68
6	60	256.18	147.59	19.05	43	265	250.04	149.70	9.20
7	70	241.54	141.84	16.95	44	270	258.39	146.05	8.89
8	80	228.20	147.41	16.48	45	275	257.18	144.70	8.73
9	90	258.89	151.25	15.94	46	280	262.11	145.06	8.67
10	100	253.79	138.91	13.89	47	285	247.39	141.93	8.41
11	105	250.55	148.14	14.46	48	290	244.36	149.45	8.78
12	110	228.98	140.55	13.40	49	295	244.22	147.31	8.58
13	115	249.13	135.03	12.59	50	300	248.69	143.48	8.28
14	120	268.83	138.65	12.66	51	305	248.51	145.96	8.36
15	125	258.04	143.29	12.82	52	310	245.42	142.41	8.09
16	130	244.76	139.77	12.26	53	320	241.54	141.06	7.89
17	135	257.89	151.93	13.08	54	330	249.58	149.25	8.22
18	140	256.84	147.34	12.45	55	340	251.13	147.23	7.98
19	145	253.63	147.70	12.27	56	350	252.54	147.62	7.89
20	150	247.93	145.03	11.84	57	499	305.10	147.03	6.58
21	155	251.81	151.04	12.13	58	370	250.29	144.08	7.49
22	160	254.04	146.08	11.55	59	380	246.26	141.94	7.28
23	165	260.06	141.32	11.00	60	390	248.88	144.87	7.34
24	170	242.75	144.65	11.09	61	400	249.54	144.08	7.20
25	175	250.86	145.38	10.99	62	410	254.44	142.30	7.03
26	180	244.99	146.27	10.90	63	420	251.26	145.16	7.08
27	185	257.81	137.72	10.13	64	430	248.18	144.90	6.99
28	190	250.66	144.35	10.47	65	440	249.61	142.22	6.78
29	195	253.89	142.73	10.22	66	450	252.38	144.23	6.80
30	200	259.25	143.79	10.17	67	460	253.96	144.04	6.72
31	205	258.39	147.85	10.33	68	470	251.74	144.50	6.67
32	210	261.70	137.78	9.51	69	475	250.09	145.29	6.70
33	215	261.13	148.30	10.11	70	480	251.75	145.40	6.64
34	220	246.07	145.99	9.84	71	490	249.81	145.29	6.56
35	225	245.66	143.94	9.60	72	495	249.71	144.26	6.48
36	230	240.77	145.15	9.57	73	499	250.45	144.62	6.47
37	235	248.90	147.96	9.65	Population	500	250.50	144.48	6.46

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