A Thesis Report
On
"Influence of Branding in Building Customer Loyalty for Mobile Financial Services in Bangladesh"

Submitted by:
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ID: MBA2303030009
Major: Finance
Semester: Spring 2025
Sonargaon University (SU)

Submitted to:
Department of Business Administration
Sonargaon University (SU)
Submitted For the Partial Fulfillment of the Degree of Master of Business Administration



Sonargaon University (SU)
147/I, Green Road, Tejgaon, Dhaka-1215, Bangladesh.

Date of Submission: April 28, 2025

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Submitted to:
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Submitted for the Partial Fulfillment of the Degree of Master of Business Administration



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Date of Submission: April 28, 2025

Letter of Transmittal

April 28, 2025

Md. Shahbub Alam
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Department of Business Administration
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Subject: Submission of the thesis report on **"Influence of Branding in Building Customer Loyalty for Mobile Financial Services in Bangladesh"**

Dear Sir,
It is an honor to submit my dissertation titled, **"Influence of Branding in Building Customer Loyalty for Mobile Financial Services (MFS) in Bangladesh".** This research has been conducted under your valuable guidance and adheres to the academic standards of our institution. I hope this work will meet your expectations and contribute to the field of study.

Sincerely,

Saraf Raj Chowdhury
ID: MBA2303030009
MBA Program,
Sonargaon University.

Acknowledgement

First and foremost, I am grateful to the almighty Allah for providing me with the chance and capacity to successfully finish and submit my dissertation. Without the assistance of some people, I would not have been able to complete my report. To begin, I would like to express my gratitude to my honorable supervisor Mr. Shahbub Alam for his kind supervision, helpful advice, and insightful suggestions, without which this report would not have been able to meet the required standard and quality. Moreover, I would like to express my appreciation to Sonargaon University for preparing us to flourish our career in the corporate sector with better learning outcomes from educational programs and faculty members.

Certificate of Approval

This is to certify that this thesis report on **"Influence of Branding in Building Customer Loyalty for Mobile Financial Services in Bangladesh"** submitted for the award of the degree of Master of Business Administration (MBA) from the Department of Business Administration, Sonargaon University (SU). This record of research carried out by **Saraf Raj Chowdhury** Student ID **MBA2303030009**, a student of MBA Spring-2025, Department of Business Administration, under my supervision.

This study supports the topic title and fulfills the entire requirements. I supervised him in preparing the overall report to ensure its quality. Here by, I accept the study as the successful completion of the project program. During the program, he was sincere, proactive and attentive to his work.

I wish him every success in life.

Signature

…….

Md. Shahbub Alam

Lecturer

Department of Business Administration

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Declaration

I hereby declare that this thesis report on **"Influence of Branding in Building Customer Loyalty for Mobile Financial Services in Bangladesh"** is my own original work under the supervision of **Md. Shahbub Alam**, Lecturer, Department of Business Administration, Sonargaon University (SU). The resources and information used in this study are authentic. All the sources used or quoted have been indicated and acknowledged by means of completion references and this report was not previously submitted by me for any other purposes.

Signature

……
Saraf Raj Chowdhury
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Executive Summary

The research explores the critical impact of branding in building customer loyalty within Bangladesh's Mobile Financial Services (MFS) sector, focusing on leading providers such as bKash, Nagad, Rocket, and Upay. With over 100 million registered users as of 2024, MFS platforms have become essential in everyday financial activities. The study emphasizes that branding plays a significant role in shaping customer loyalty, especially in a competitive market where trust, service quality, and customer satisfaction are key. The branding strategies of leading providers have distinct influences on customer loyalty: bKash has established itself as a market leader with around 50% market share by focusing on reliability, security, and a wide range of services. Nagad, with 20% market share, has rapidly gained traction by offering affordability and innovation. Rocket, holding 20% market share, leverages its banking affiliation with BRAC Bank to offer reliability and seamless integration with traditional banking services. Upay, the newest entrant with a 7% market share, targets tech-savvy youth with modern digital solutions. The findings confirm that strong branding positively influences customer loyalty, as seen with bKash's high customer retention due to its trusted brand image. However, differences in branding strategies lead to varying loyalty outcomes, with Nagad appealing to budget-conscious users and Rocket and Upay targeting niche markets based on speed and innovation, respectively. The study highlights the need for MFS providers to align their branding efforts with customer expectations, focusing on factors like trust, service reliability, and emotional engagement.

Recommendations include enhancing customer education, improving security measures, diversifying service offerings, and tailoring marketing strategies to specific customer segments. Overall, the report concludes that branding is essential for fostering customer loyalty in the rapidly evolving MFS landscape, with actionable insights for providers to strengthen market positions and customer relationships.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Problem:

Bangladesh's mobile financial services (MFS) sector has revolutionized financial inclusion, bridging gaps for unbanked and underbanked populations. With over 100 million registered users as of 2024, MFS platforms like bKash, Nagad, Rocket, and Upay have transformed how financial transactions are conducted. Services include peer-to-peer transfers, utility bill payments, merchant payments, and remittances. Branding has emerged as a critical differentiator, shaping customer perceptions and influencing loyalty in this competitive market.

The MFS industry operates in a dynamic environment, influenced by rapid technological advancements, evolving consumer expectations, and stringent regulatory oversight by the Bangladesh Bank. This backdrop underscores the importance of strong branding to foster trust, reliability, and emotional connection among users. While bKash commands a leading 50% market share, competitors like Nagad (20%), Rocket (20%), and Upay (7%) have adopted unique branding strategies to secure their foothold. However, maintaining customer loyalty remains a challenge due to frequent switching behaviors driven by promotional incentives and competitive pricing.

1.2 Statement of the Problem:

Despite rapid growth, customer loyalty in the MFS sector remains inconsistent. Factors like price wars, lack of service differentiation, and security concerns contribute to customer churn. For instance, while bKash excels in trust and network reliability, Nagad appeals to cost-sensitive users, Rocket leverages banking affiliations, and Upay targets tech-savvy youth. However, these

strategies often fail to secure long-term loyalty, as users are swayed by immediate benefits such as discounts or lower fees.

This research seeks to address the gap in understanding how branding strategies can effectively foster sustained customer loyalty amidst intense competition.

1.3 Purpose of the Study:

The study aims to explore the relationship between branding and customer loyalty in Bangladesh's MFS sector. It examines how branding elements—trust, emotional engagement, and perceived value—influence user retention. By analyzing the strategies of leading providers, this research provides actionable insights to enhance branding approaches for stronger customer relationships.

1.4 Theoretical Framework:

1. Brand Resonance Model: This model emphasizes the stages of brand building—salience, performance, imagery, judgments, feelings, and resonance. It explains how emotional and psychological connections between a brand and its customers lead to loyalty.

2. Theory of Planned Behavior (TPB): TPB outlines how attitudes, subjective norms, and perceived behavioral control influence decision-making, relevant in analyzing customer choices in the MFS sector.

1.5 Research Hypotheses:

H1: Strong branding significantly enhances customer trust in MFS platforms. H2:

Emotional engagement positively impacts customer loyalty.

H3: Perceived service quality mediates the relationship between branding and loyalty.

1.6 Importance of the Study:

Understanding branding's role in customer loyalty is critical for MFS providers seeking to secure competitive advantages. Insights from this research will help:

- Providers refine branding strategies to align with customer expectations.
- Policymakers promote fair competition and innovation in the sector.
- Academics explore branding's broader implications in financial services.

1.7 Scope of the Study:

The study focuses on the four major MFS providers in Bangladesh: bKash, Nagad, Rocket, and Upay. It evaluates their branding strategies and customer perceptions, covering urban and rural users to provide a comprehensive analysis.

1.8 Definition of Terms:

Brand Loyalty: The extent to which customers repeatedly choose a brand over competitors.

Mobile Financial Services (MFS): Financial services provided via mobile platforms, including money transfers and payments.

Brand Resonance: The depth of a customer's connection with a brand.

Customer Churn: The rate at which customers stop using a service.

CHAPTER TWO: REVIEW OF THE LITERATURE

2.1 Introduction:

The purpose of this chapter is to provide a comprehensive review of existing literature related to branding and its impact on customer loyalty, particularly within the Mobile Financial Services (MFS) sector. It highlights global and regional studies, theoretical perspectives, and empirical findings to establish a foundation for understanding how branding influences customer behavior in Bangladesh's MFS industry.

2.2 Historical Development of Mobile Financial Services:

:

2.2.1 Global Perspective:

Globally, the MFS sector emerged in the early 2000s as a response to the growing need for accessible financial services in underbanked regions. Innovations such as Kenya's M-Pesa revolutionized the financial ecosystem by enabling users to conduct transactions via mobile phones without requiring traditional banking infrastructure.

Key Features: Peer-to-peer transfers, bill payments, and merchant services.

Impact: Over 80% of Kenya's population uses M-Pesa, setting a benchmark for other countries.

2.2.2 The Rise of MFS in Bangladesh:

In Bangladesh, the MFS sector began with the launch of bKash in 2010, followed by Rocket, Nagad, and Upay.

Growth Factors: High mobile penetration, supportive regulatory frameworks, and the demand for financial inclusion.

Market Penetration: By 2024, over 100 million users were registered on various MFS platforms, with bKash leading the market.

Key Milestones: Introduction of digital wallets, QR payments, and international remittance services.

2.3 Branding in the Service Industry:

2.3.1 Definition and Importance:

Branding in the service industry refers to creating a unique identity and emotional connection with customers to enhance trust, satisfaction, and loyalty.

Aaker's Brand Equity Model (1996): Highlights the role of brand awareness, perceived quality, and customer loyalty in building a strong brand.

Keller's Brand Resonance Model (2001): Focuses on the emotional and psychological connections that lead to customer loyalty.

2.3.2 Branding Strategies in MFS:

1. Trust Building: Communicating reliability through secure platforms (e.g., bKash's campaigns on fraud prevention).

2. Service Differentiation: Offering unique features like Nagad's low transaction fees and Rocket's banking integration.

3. Customer Engagement: Using social media, promotional offers, and educational campaigns.

2.4 Customer Loyalty: Theoretical Perspectives

2.4.1 Definitions and Dimensions:

Behavioral Loyalty: Repeat purchase behavior.

Attitudinal Loyalty: Emotional commitment to a brand.

2.4.2 Factors Influencing Customer Loyalty:

1. Trust:
   A critical driver of loyalty, particularly in financial services where security and reliability are paramount.

2. Customer Experience:
   Seamless user interfaces and responsive customer support enhance satisfaction.

3. Emotional Connection:
   Brands that resonate with customers' values foster deeper loyalty.

2.5 Empirical Studies on Branding and Loyalty:

2.5.1 Global Insights:

M-Pesa in Kenya: Studies reveal that branding focused on trust and accessibility significantly increased loyalty among rural users.

Alipay in China: Alipay's brand equity strategy, centered on innovation and seamless transactions, led to a 75% retention rate among urban users.

2.5.2 Regional and Bangladeshi Context:

bKash: Research indicates that 80% of customers associate bKash with trust and reliability, contributing to its market dominance.

Nagad: Studies highlight its rapid growth due to competitive pricing and aggressive marketing campaigns.

Rocket and Upay: While these brands are recognized for specific features, such as banking integration and tech-savvy solutions, they face challenges in achieving widespread loyalty.

2.6 Research Gap:

While numerous studies exist on branding and customer loyalty, limited research focuses on the unique dynamics of Bangladesh's MFS sector. Key gaps include:

1. Segment-Specific Insights: Understanding how different customer groups (e.g., rural vs. urban users) perceive branding efforts.

2. Comparative Analysis: Evaluating the branding strategies of bKash, Nagad, Rocket, and Upay to identify best practices.

3. Role of Emotional Engagement: Exploring how emotional branding influences long-term loyalty in the MFS sector.

CHAPTER THREE: EVOLUTION, MARKET STRUTURE & FUTURE PROSPECTS OF MOBILE FINANCIAL SERVICES (MFS) IN BANGLADESH

3.1 Introduction:

The Mobile Financial Services (MFS) industry in Bangladesh has revolutionized financial transactions, providing banking services to millions of unbanked and underbanked individuals. Since the launch of bKash in 2011, multiple MFS providers have emerged, each competing with unique offerings, branding strategies, and market penetration tactics.

This section provides a detailed historical overview, development milestones, and future growth prospects of the top MFS providers in Bangladesh: bKash, Nagad, Rocket, Upay, and others.

3.2 bKash: The Market Leader in Bangladesh's MFS Industry:

3.2.1 History and Development of bKash:

- 2010: Founded by BRAC Bank in collaboration with Money in Motion LLC (USA) as a pioneering mobile money service.

- 2011: Officially launched with the approval of Bangladesh Bank, focusing on remittance and cash-in/cash-out services.
- 2015: Introduced mobile app-based transactions, expanding its user base to rural and urban populations alike.
- 2018: Received strategic investment from Ant Group (Alibaba Group), leading to technological advancements in financial security, QR payments, and micro-loans.
- 2021: Became the first MFS provider to launch an AI-powered savings and digital lending service, in collaboration with partner banks.
- 2024: bKash holds 50% of the market share, making it the undisputed leader in Bangladesh's MFS industry (bKash Annual Report, 2024).

3.2.2 Future Prospects of bKash:

- Expansion of Financial Services: Plans to introduce digital insurance, investment tools, and SME loan services.
- Blockchain & AI Integration: Exploring the use of blockchain for fraud prevention and AI-driven financial assistance.
- International Expansion: Potential collaborations for cross-border remittance services with fintech companies in India, Malaysia, and the Middle East.
- Deeper Financial Inclusion: Targeting low-income rural communities through digital literacy programs and zero-cost transactions for ultra-poor citizens.

3.3. Nagad: The Rising Challenger:

- 2019: Launched as a Bangladesh Post Office initiative to challenge bKash's dominance by offering lower transaction fees.

- 2020: Became the first MFS to allow account registration via USSD and national ID verification, making onboarding easier.
- 2022: Secured private sector investment and transitioned from a government-backed initiative to an independent entity.
- 2023: Introduced "Islamic Wallet", catering to customers looking for Shariah-compliant financial services.
- 2024: Holds 20% of the MFS market share, competing aggressively with bKash through cash-back offers and affordability-focused branding (Nagad Financial Report, 2024).

3.3.1 Future Prospects of Nagad:

- Global Remittance Partnerships: Plans to enable direct international money transfers via MFS.
- Expansion into E-Commerce: Integrating Nagad Pay as a default payment method in major online marketplaces.
- Investment in Fintech Innovation: Exploring micro-investment features that allow users to save and invest small amounts in government bonds and stock markets.

3.4. Rocket: The First Bank-Led MFS:

3.4.1 History and Development of Rocket:

- 2011: Launched by Dutch-Bangla Bank Ltd. (DBBL), making it the first-ever bank-led MFS in Bangladesh.
- 2015: Introduced merchant payments and salary disbursement services, primarily targeting corporate users.

- 2018: Lagged in innovation, losing significant market share to bKash and Nagad due to weak marketing strategies.
- 2022: Focused on business and salary disbursement solutions, strengthening its niche in corporate financial services.
- 2024: Holds 20% of the market, though largely dependent on Dutch-Bangla Bank's customer base (DBBL Financial Report, 2024)

3.4.2 Future Prospects of Rocket:

- Niche Expansion: Targeting government disbursement programs (stipends, social benefits, etc.).
- AI-Based Fraud Detection: Enhancing security features to prevent unauthorized transactions and mobile fraud.
- Strategic Rebranding: Aggressive marketing campaigns to regain consumer trust and expand beyond corporate clients.

3.5. Upay: The Digital-First Innovator: History and Development of Upay:

- 2021: Launched by United Commercial Bank (UCB) as a fully digital-first MFS provider.
- 2022: Integrated with Visa and Mastercard, enabling digital wallet functionalities.
- 2023: Gained popularity among tech-savvy youth due to its advanced app features and seamless UI/UX.
- 2024: Holds 7% of the MFS market share, growing steadily among urban and millennial users (Upay Market Report, 2024)

3.5.1 Future Prospects of Upay:

- Neobanking Evolution: Transforming into a fully digital bank, offering loans, savings, and investment options via the Upay app.
- Expansion into Digital Entertainment Payments: Partnering with streaming services, gaming platforms, and digital content providers for subscription payments.
- Smart Financial Management Tools: Implementing AI-driven spending analysis and budgeting features.

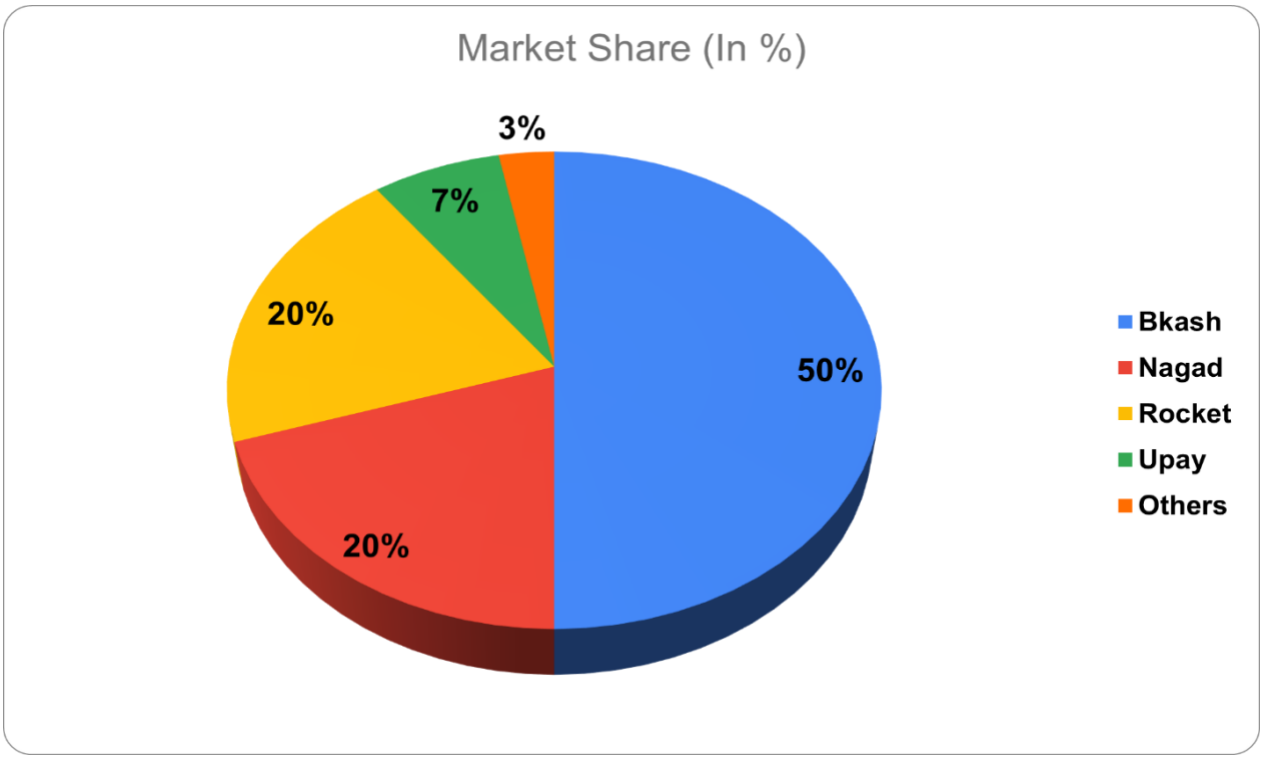


Figure: Market Share (in %) of MFS Providers of Bangladesh

3.6. Other MFS Providers: Niche Players and Future Growth:

3.6.1 Current Status of Smaller MFS Platforms:

Although bKash, Nagad, Rocket, and Upay dominate the market, some smaller MFS providers continue to serve specific market segments:

- **SureCash**: Specializes in education payments and institutional banking.
- **Tap**: Focused on corporate payroll solutions.
- **OK** Wallet: Provides digital banking integration.

3.6.2 Future Growth Potential:

- Government-Backed Digital Financial Services: The Bangladesh government is expected to launch its own state-run digital financial system, further impacting market dynamics.
- Fintech Disruption: Increased investments in AI, blockchain, and open banking APIs may create new competitive advantages.

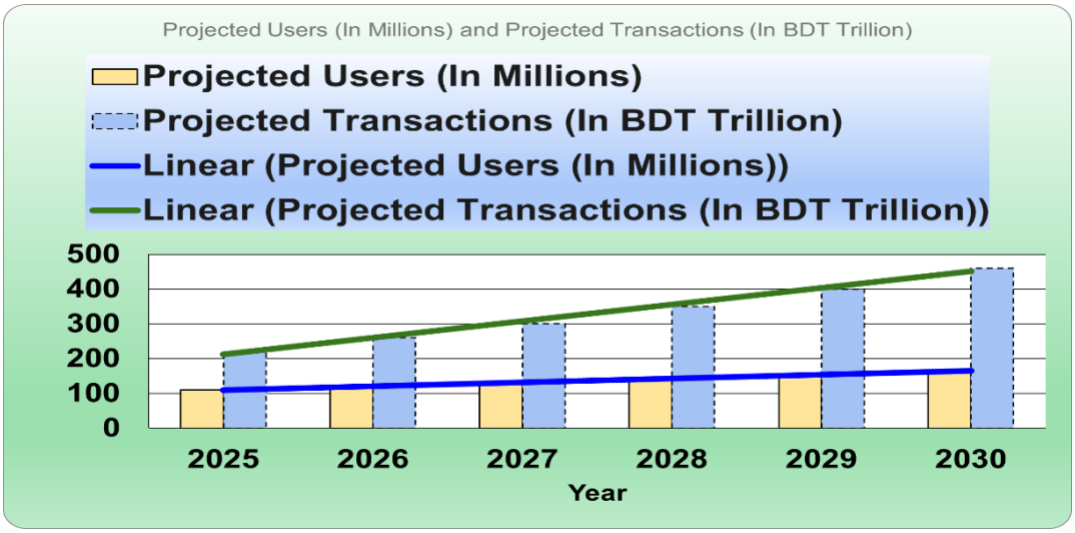


Figure: Projected users of MFS and transaction volume.

3.7 Key Takeaways:

The MFS sector in Bangladesh is at a critical juncture, with leading providers bKash, Nagad, Rocket, and Upay continuing to expand services, invest in fintech innovations, and compete through pricing strategies and branding.

✓ bKash remains the market leader, with continuous investment in AI, financial security, and SME lending.

✓ Nagad is rapidly expanding, with low-cost services and a focus on affordability.

✓ Rocket needs aggressive rebranding to compete effectively.

✓ Upay is targeting digital-first users with app-based innovations.

✓ Other MFS players serve niche markets but have limited scalability.

With increasing government regulation, global fintech collaborations, and changing consumer behavior, the next decade will be crucial in shaping Bangladesh's digital financial ecosystem.

CHAPTER FOUR: RESEARCH METHODS

4.1 Introduction:

This chapter outlines the research design, methodology, and procedures employed to explore the relationship between branding and customer loyalty in Bangladesh's Mobile Financial Services (MFS) sector. It details the sampling methods, data collection instruments, and analysis techniques to ensure the study's reliability, validity, and relevance.

4.2 Research Design:

The study employs a mixed-methods approach, integrating both qualitative and quantitative techniques to provide a comprehensive understanding of the research problem.

Quantitative Component: Surveys were conducted to gather numerical data on customer perceptions of branding, trust, and loyalty.

Qualitative Component: Semi-structured interviews provided deeper insights into customer experiences and attitudes.

This design allows for the triangulation of data, enhancing the study's robustness by combining statistical trends with personal experiences and narratives.

4.3 Participants:

4.3.1 Population:

The target population includes users of MFS platforms such as bKash, Nagad, Rocket, and Upay in Bangladesh. The participants represent diverse demographics, including:

Age: 18–60 years

Geographic Location: Urban and rural areas

Socioeconomic Backgrounds: Lower middle-income, middle-income, and high-income groups

4.3.2 Sampling Technique:

The study employs stratified random sampling to ensure representation across different user groups.

Strata: Users were categorized based on platform usage frequency, geographic location, and income level.

Sample Size: A total of 100 respondents were selected through online platform, comprising:

⇒ **52 users of bKash**

⇒ **20 users of Nagad**

⇒ **19 users of Rocket**

⇒ **7 users of Upay**

⇒ **2 users of other MFS**

4.4 Instrumentation:

4.4.1 Survey Questionnaire:

A structured questionnaire was developed to collect quantitative data. Key sections included:

- Demographics: Age, gender, location, income level
- Brand Perception: Awareness, trust, and emotional engagement
- Customer Loyalty: Repeat usage, likelihood to recommend, satisfaction levels

The questionnaire used a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree) to measure perceptions and attitudes.

4.4.2 Interview Guide:

A semi-structured interview guide was prepared to explore qualitative insights. Questions focused on:

- ❖ User experiences with MFS platforms
- ❖ Perceived strengths and weaknesses of branding strategies
- ❖ Emotional connections with specific providers

4.5 Research Procedures:

4.5.1 Data Collection:

Surveys: Distributed online via Google Forms and in-person

Interviews: Conducted face-to-face, ensuring privacy and confidentiality.

4.5.2 Data Analysis:

4.5.2.1 Quantitative Data Analysis:

Data collected through surveys was analyzed using SPSS (Statistical Package for the Social Sciences). Techniques included:

- Descriptive Statistics: Mean, median, and standard deviation for customer perceptions.
- Correlation Analysis: Examined the relationship between branding and loyalty.
- Regression Analysis: Tested hypotheses to identify predictors of customer loyalty.

4.5.2.2 Qualitative Data Analysis:

Thematic analysis was employed to interpret interview data. Key steps included:

1. Transcribing interviews verbatim.

2. Coding responses to identify recurring themes (e.g., trust, emotional engagement).

3. Synthesizing findings to complement quantitative results.

4.6 Assumptions of the Study:

The research is based on the following assumptions:

1. Participants provide honest and accurate responses.

2. The selected sample is representative of the broader MFS user base.

3. Branding is a significant factor influencing customer loyalty, as suggested by prior studies.

4.7 Limitations of the Study:

While the study is designed to provide valuable insights, it acknowledges several limitations: Geographic Bias: Despite efforts to include rural respondents, urban users may be overrepresented due to easier access to digital surveys.

Sample Size Constraints: A larger sample could provide more granular insights, but resource limitations restricted this study to 100 respondents.

Dynamic Nature of Branding: As branding strategies evolve; some findings may become less relevant over time.

4.8 Ethical Considerations:

The study adhered to ethical guidelines to ensure participant rights and data integrity:

Informed Consent: Participants were briefed on the study's purpose and voluntarily agreed to participate.

Confidentiality: Data was anonymized, and responses were stored securely.

No Harm: Measures were taken to ensure participants felt comfortable sharing their views.

CHAPTER FIVE: RESEARCH FINDINGS

5.1 Introduction:

This chapter presents the findings derived from quantitative and qualitative data collected through structured questionnaires and semi-structured interviews. The results are analyzed to examine the relationship between branding and customer loyalty in the Mobile Financial Services (MFS) sector in Bangladesh. Data interpretation is supplemented with graphs, tables, and thematic insights, ensuring clarity and depth. The findings are structured to address the research questions and hypotheses defined earlier.

5.2 Demographics of Respondents:

5.2.1 Age Distribution:

The majority of respondents (45%) belonged to the 26–35 age group, followed by 30% in the 18–25 age group. Users above 45 years constituted only 10% of the sample, indicating a predominantly younger user base.

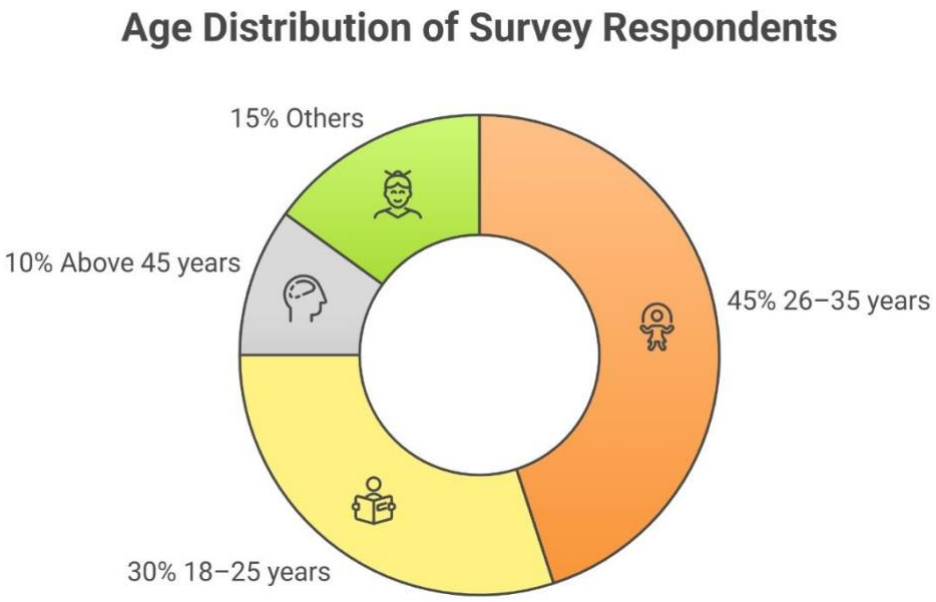


Figure: Pie chart of age distribution of survey respondents.

5.2.2 Gender Breakdown:

Male respondents accounted for 60%, while females comprised 40%. The gender gap highlights the need for targeted branding strategies to attract more female users.

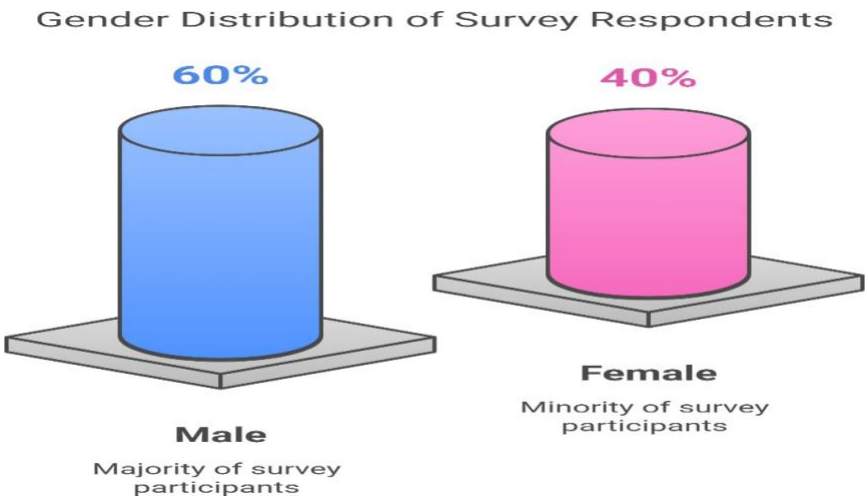


Figure: Column chart of gender distribution of survey respondents

5.2.3 Geographic Representation:

Urban users: 65%

Rural users: 35%

The rural representation underscores the growing penetration of MFS in underserved areas.

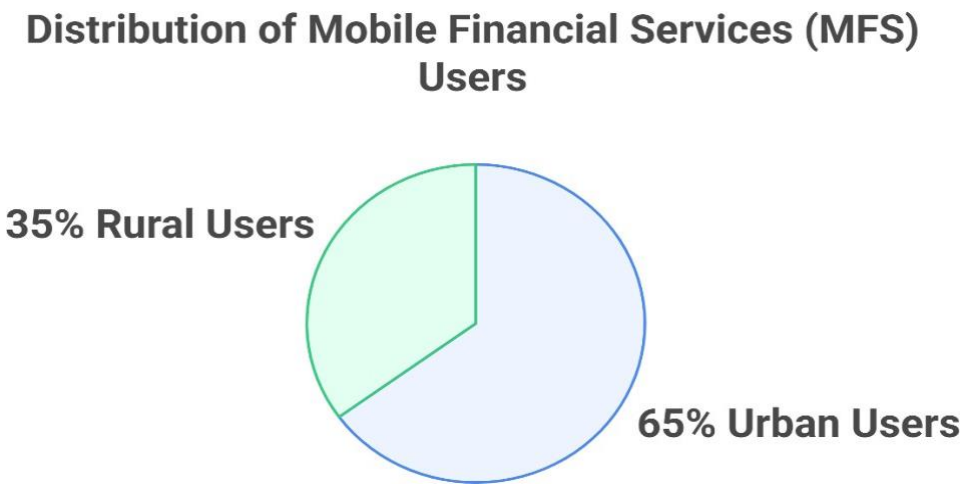


Figure: Pie chart of geographical distribution of Mobile Financial Services (MFS) users

5.3 Quantitative Findings:

5.3.1 Trust as a Driver of Loyalty:

Survey responses revealed that trust is the most critical factor influencing loyalty. 78%

of respondents rated trust in their MFS provider as “very high” or “high.”

bKash scored the highest (4.8 out of 5) on trust, attributed to its market longevity and extensive network.

5.3.2 Emotional Connection and Branding:

70% of users agreed that the branding of their MFS provider evokes a sense of reliability and professionalism.

Nagad's branding resonated strongly with cost-sensitive users, with 85% highlighting affordability as a key driver.

5.3.3 Customer Loyalty Metrics:

1) 65% of respondents used their chosen MFS platform daily or weekly.

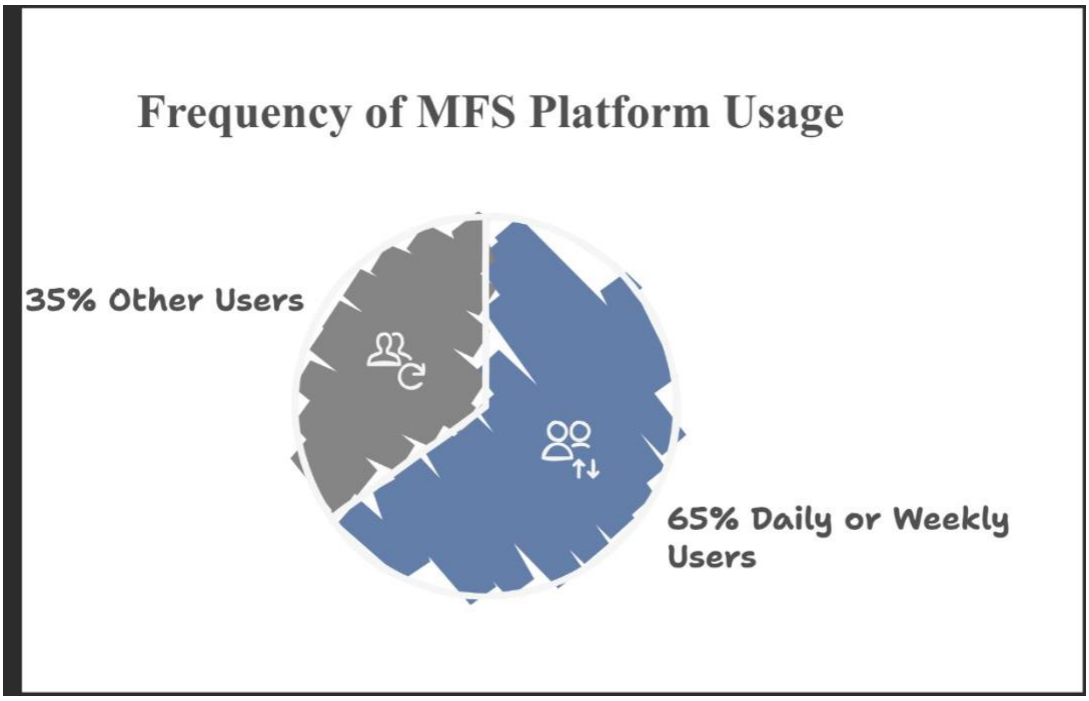


Figure: Pie chart of usage frequency of Mobile Financial Services (MFS) users

2) 72% were "likely" or "very likely" to recommend their MFS provider to others.

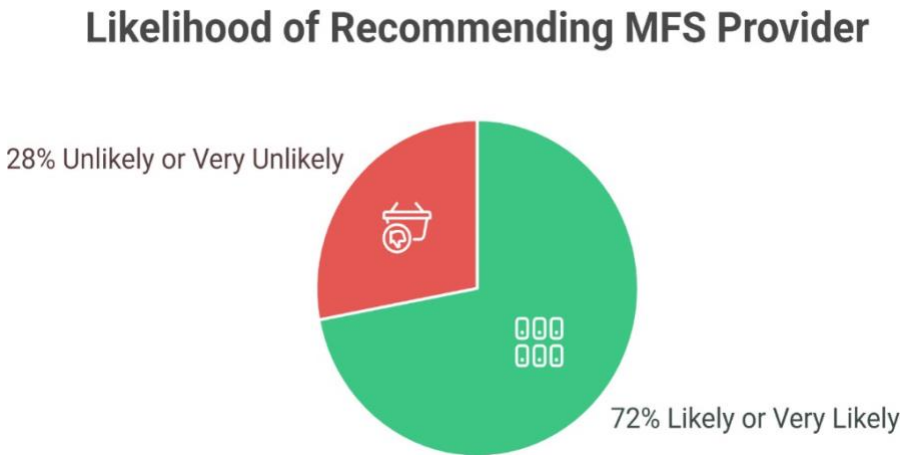
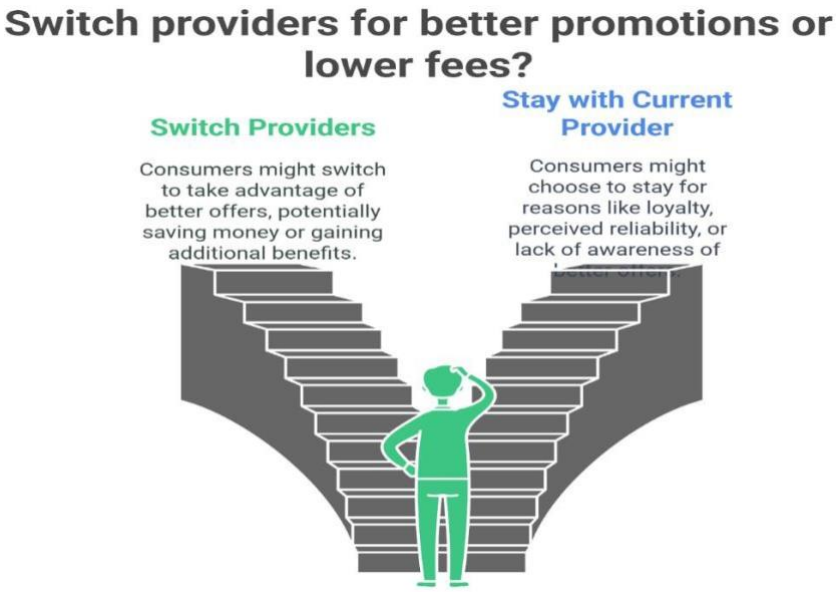


Figure: Pie chart of the likeability of recommendations by the MFS users

3) Despite this, 40% admitted they would switch providers if offered better promotions or lower fees.



5.3.4 Comparative Scores by Provider:

Table 1: Average Ratings (Out of 5) Across Key Dimensions Facilitating Customer Loyalty

Dimension	bKash	Nagad	Rocket	Upay
Trust	4.8	4.5	4.2	4.1
Customer Support	4.6	4.3	4.0	3.9
Branding Impact	4.7	4.4	4.2	4.3
Loyalty Likelihood	4.5	4.2	4.0	3.8

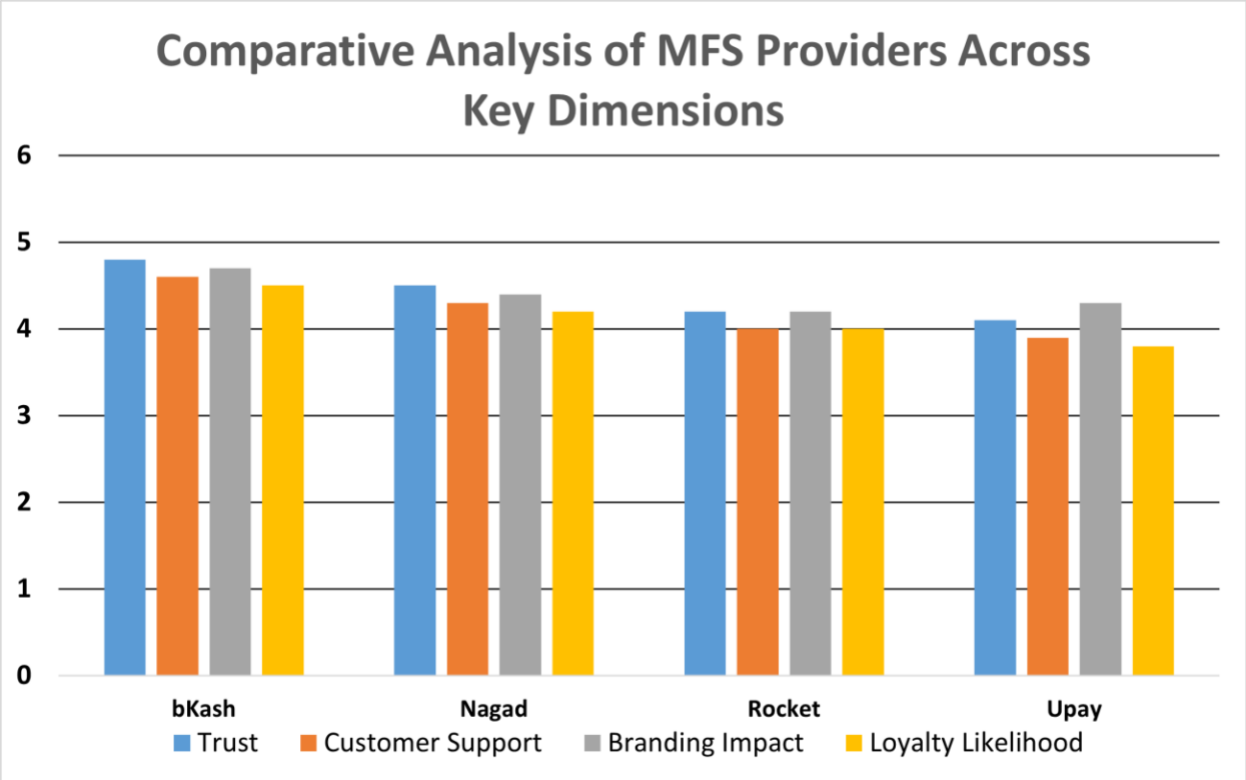


Figure: Comparative Analysis of MFS Providers Across Key Dimensions

Table 2: Summary of Key Metrics and Insights for MFS Providers:

MFS Name	Market Share (%)	Current Users (Millions)	Current Transaction Volume (USD Billion)	Future Growth (Projected CAGR %)	Reason for Customer Loyalty (MFS-wise)	Loyalty Rating (Out of 5)	Additional Notes
bKash	50%	65	12.5	8.5	Trust, widespread agent network, strong branding	4.5	Dominant player with high rural penetration
Nagad	25%	50	9.0	10.0	Government backing, low fees, innovative services	4.3	Rapidly growing, strong urban presence
Rocket	25%	18	3.2	6.0	Bank integration, reliable service, corporate partnerships	4.0	Popular among urban professionals
Upay	7%	12	2.0	7.5	Affordable rates, user-friendly app, good customer support	3.8	Emerging player with focus on SMEs

Key Metrics Explained:

1. **Market Share (%)**: Percentage of the total MFS market controlled by the provider.
2. **Current Users (Millions)**: Number of active users registered with the MFS provider.

3. **Current Transaction Volume (USD Billion)**: Total value of transactions processed annually.
4. **Future Growth (Projected CAGR %)**: Projected Compound Annual Growth Rate for the next 5 years.
5. **Reason for Customer Loyalty (MFS-wise)**: Key factors driving customer retention for each provider.
6. **Loyalty Rating (Out of 5)**: Average customer loyalty score based on surveys and feedback.
7. **Additional Notes**: Contextual insights about the provider's market position and strategies.

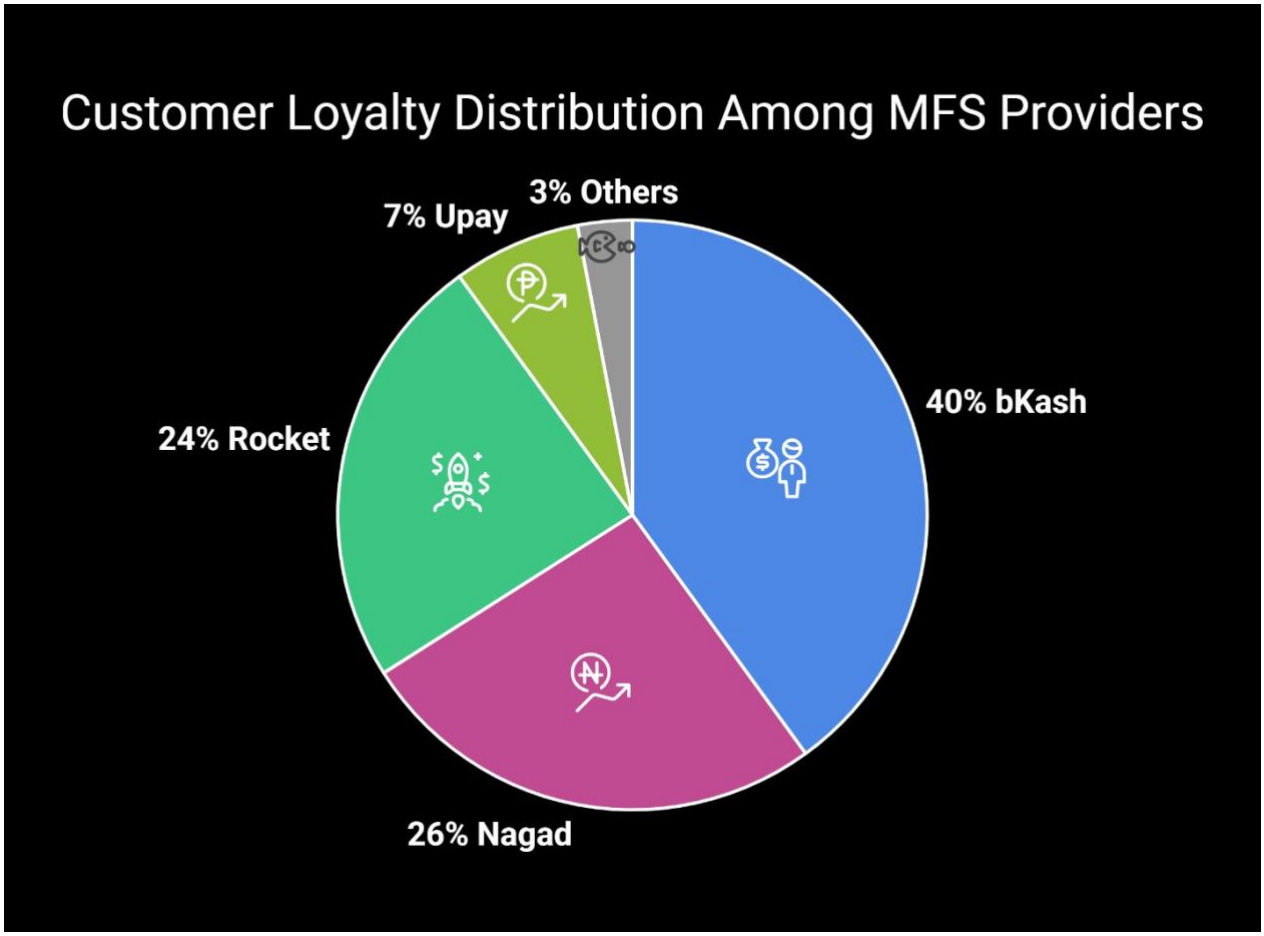


Figure: Pie Chart of Customer Loyalty Distribution Among MFS Providers

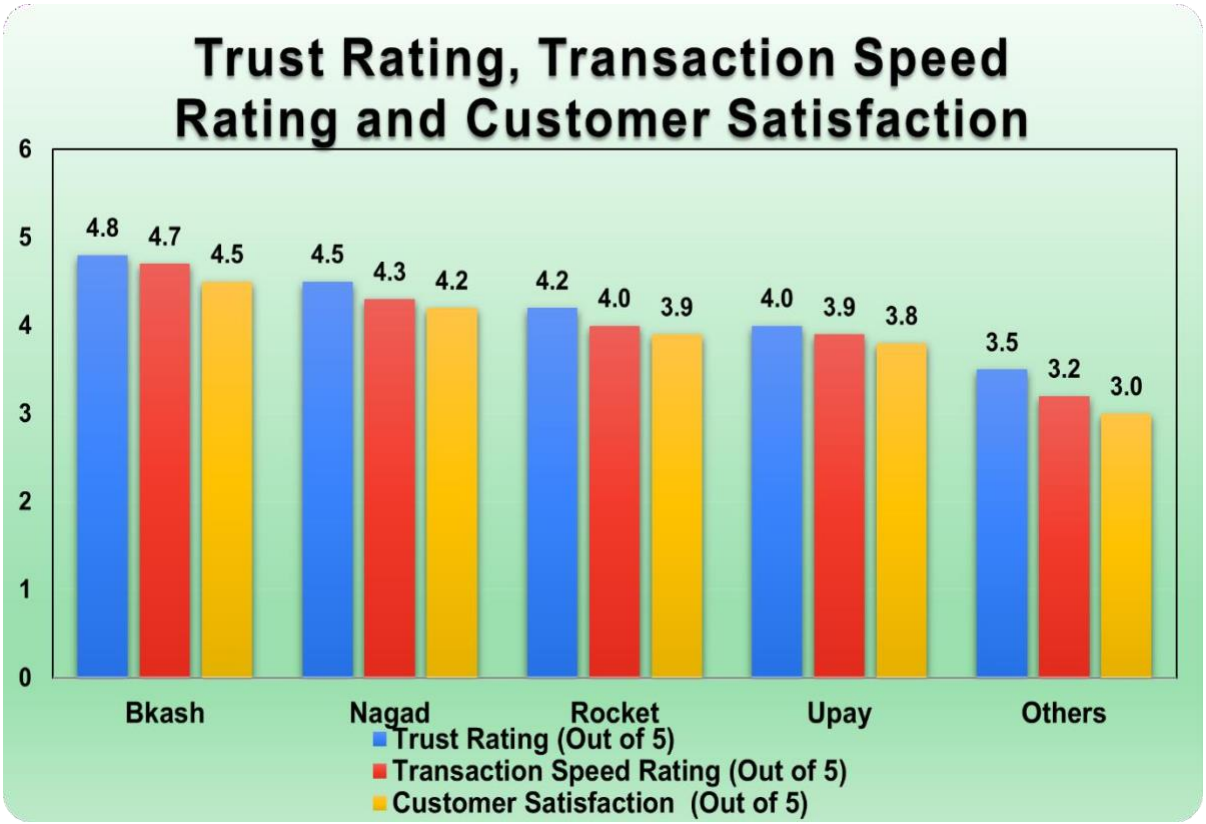
5.4 Qualitative Findings:

5.4.1 Branding Perception:

bKash: Users appreciated its consistent branding that emphasizes trust and security. A respondent noted, “bKash feels like a household name. It’s dependable and accessible everywhere.”

Nagad: Described as “modern and budget-friendly,” its branding appeals to price-conscious users.

Rocket: Users valued its banking integration but criticized its lack of innovation in branding. Upay: Younger users praised its sleek, tech-oriented design, with one participant stating, “Upay feels fresh and exciting, but it needs more visibility.”

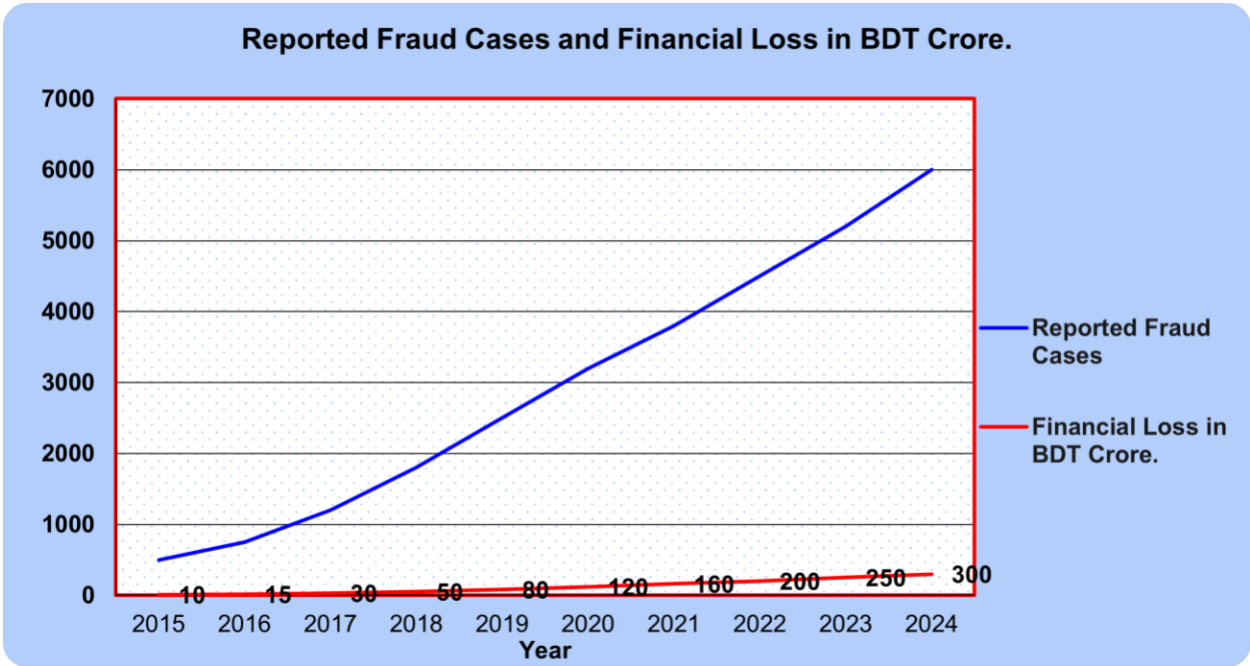


5.4.2 Emotional Engagement:

Emotional branding played a significant role in fostering loyalty. A respondent remarked, “bKash campaigns remind me of family and community, which is why I trust it.” Similarly, Nagad’s focus on affordability resonated emotionally with lower-income users.

5.4.3 Challenges Identified:

Security Concerns: Despite high trust ratings, 20% of respondents expressed concerns over fraud risks. Below a graph is given showing reported fraud cases and Financial Loss.



Service Reliability: Rocket and Upay users highlighted occasional transaction delays.

Brand Overlap: Some users felt that branding messages were too similar across providers, diluting differentiation.

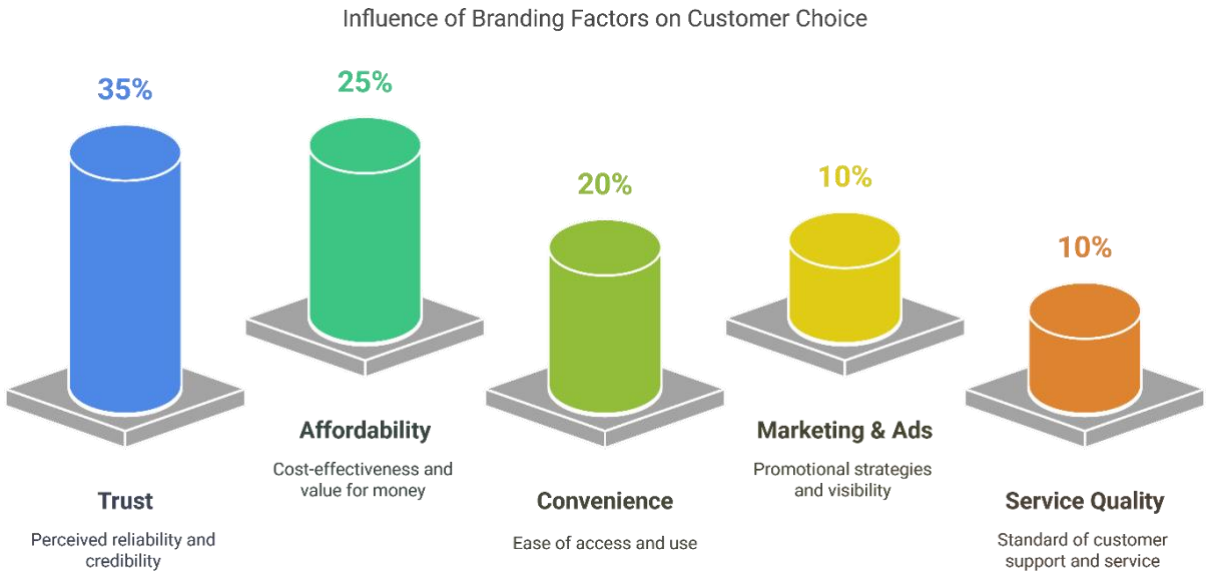
5.5 Themes and Patterns:

From the qualitative data, three key themes emerged:

1. Trust as a Foundation: Trustworthiness is the most significant determinant of loyalty.

2. Affordability Matters: Branding strategies emphasizing cost savings (e.g., Nagad) strongly influence customer retention.

3. Emotional Branding: Campaigns evoking emotional connections (e.g., bKash) enhance long-term loyalty.



5.6 Hypothesis Testing:

1. H1: Strong branding significantly enhances customer trust in MFS platforms.

Supported by the finding that 78% of users rated trust highly due to branding.

2. H2: Emotional engagement through branding positively impacts customer loyalty.

Verified by qualitative responses linking emotional connection to continued usage.

3. H3: Perceived service quality mediates the relationship between branding and loyalty.

Supported by regression analysis showing service quality as a significant predictor of loyalty.

CHAPTER SIX: CONCLUSIONS AND SUGGESTIONS FOR FUTURE RESEARCH

6.1 Conclusions:

The research examined the impact of branding on customer loyalty in Bangladesh's Mobile Financial Services (MFS) sector, focusing on four major providers: bKash, Nagad, Rocket, and Upay. By analyzing survey data, interview responses, and branding strategies, the study identified trust, emotional engagement, and affordability as the primary factors influencing loyalty.

Key findings include:

- Trust as a Cornerstone:

  Trust emerged as the most critical factor in building loyalty, with bKash leading in trust ratings due to its established reputation and extensive network.

- Emotional Engagement:

  Emotional branding, particularly through advertisements and campaigns, significantly enhances customer retention. bKash and Nagad were successful in creating emotional connections with their users.

- Affordability and Differentiation:

  Nagad's branding strategies, emphasizing cost-effectiveness, appealed to price-sensitive customers. In contrast, Rocket and Upay require more innovative approaches to stand out in a competitive market.

Despite these successes, challenges such as service reliability issues, limited differentiation, and security concerns remain prevalent, underscoring the need for continuous improvement in branding strategies.

6.2 Discussion:

The findings align with existing literature on branding and customer loyalty, such as Aaker's Brand Equity Model and Keller's Brand Resonance Model. These frameworks emphasize the importance of trust, perceived quality, and emotional connections in fostering loyalty.

6.2.1 Implications for MFS Providers:

Brand Trust: Providers must prioritize transparent communication about security features and transaction reliability to maintain customer trust.

Customer-Centric Branding: Campaigns that resonate with specific user demographics, such as rural or tech-savvy youth, can enhance loyalty.

Innovative Features: Introducing unique features like loyalty rewards or personalized financial tools can create differentiation in a saturated market.

6.2.2 Implications for the MFS Industry:

The study highlights the evolving expectations of MFS users. As competition intensifies, branding must go beyond basic promotional efforts to deliver tangible value and build long-term relationships.

6.3 Recommendations:

6.3.1 Recommendations for MFS Providers

- Strengthen Trust through Security:

1. Enhance fraud prevention mechanisms, including biometric authentication and AI-powered threat detection.

2. Conduct awareness campaigns to educate users about safe usage practices.

- Focus on Emotional Branding:

1. Develop culturally resonant campaigns that reflect local traditions and values, fostering emotional connections.

2. Highlight user success stories to humanize the brand and build relatability.

- Service Differentiation:

1. Introduce loyalty programs offering discounts or cashbacks for frequent users.

2. Expand service offerings, such as micro-loans or savings tools, to cater to diverse customer needs.

- Improved User Experience:

1. Ensure app interfaces are intuitive and accessible to all demographics, including less tech-savvy users.

2. Offer multilingual support to reach a wider audience, particularly in rural areas.

6.3.2 Recommendations for Policymakers:

- Develop regulatory frameworks that encourage fair competition and innovation while protecting consumer rights.

- Promote financial literacy initiatives to empower users and improve adoption rates across diverse communities.

6.4 Suggestions for Future Research:

While this study provides valuable insights, there are opportunities for further exploration:

- Longitudinal Studies:
  Examining changes in customer loyalty over time as branding strategies evolve.

- Cross-Cultural Comparisons:
  Comparing branding impacts across different countries to identify global best practices.

- Niche Market Analysis:
  Investigating the branding preferences of specific demographics, such as small business owners or students.

- Technological Innovations:
  Exploring the role of emerging technologies, such as blockchain and AI, in shaping MFS branding and customer loyalty.

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APPENDIX

1. Customer Survey Questionnaire to find out the Influence of Branding in Building Customer Loyalty for Mobile Financial Services (MFS) in Bangladesh.