

FARMERS' PERCEPTION AND CONSTRAINTS FACED USING MOBILE FINANCIAL SERVICE: A CASE STUDY FROM BANGLADESH

Md. Mahbubul Alam*

Executive Summary

The Mobile Financial Service (MFS) began providing banking services to rural communities in remote areas across the country. MFS has become popular for providing nationwide financial support, alongside the central bank and other financial institutions. The majority of underprivileged people in rural areas who work as farmers are not served by banks, so MFSs set out to bring these significant numbers of farmers into the mainstream of banking services. This study aimed to determine the significance of factors contributing to farmers' inclusion in mobile financial services and the constraints they faced in using them. A survey method was used to collect data from the respondents in a face-to-face setting and a multiple regression analysis was used to analyze the data. The findings showed that the frequency of using MFS and customer protection perception were positively significant, with standardized β coefficients of .362 and .213, respectively; and bank account ownership was negatively significant, with a standardized β coefficient of .254 on the dependent variable, financial inclusion. Results showed that 77.2 percent of respondents believe transaction costs are high and worry about sending to the wrong number, while 52.7 percent and 41.8 percent worry about network problems and fraudsters, respectively. Other results showed that 35.3 percent of respondents believe the transaction process is complicated, 9.8 percent experienced delays in the transaction, and 9.2 percent faced fraudulent activities once or several times. MFS service providers and regulators, most importantly Bangladesh Bank, should curb fraudulent activities, reduce transaction costs, enable cross-platform transfers, and improve verification, while ensuring fast, efficient customer support.

*Professor, Dept. of Agricultural Extension and Information System, Sher-e-Bangla Agricultural University, Dhaka, Bangladesh