

Editor's Pick

# Eid shopping picking up with mobile apps





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**E**id shopping is picking up across the country and across the Muslim world as the holy Ramadan is moving fast to end the fasting of millions of Muslims who spend more than billions of taka this time to buy goods for them and gifts for their near and dear ones. And mobile apps that allow them to avoid risks of carrying cash and make digital payments to shops in almost everywhere in Bangladesh.

Digital payment operators are not sitting idle. Leading operators like bKash mobile financial service, Visa and Master Card is accelerating the sales enabling quick and cash less payment facilities. Most of them are offering lucrative cash incentives and bonus to the Eid shoppers to attract consumers use digital payment tools and promote e-commerce which has already hit Bangladesh retail shopping landscape and changing shopping culture. MFS operators say the volume of MFS transactions has already jumped in recent days on the occasion of Eid festival.

BKash recently has launched a customer app, making financial transactions easier and simpler with the use of smart phones. For its simple, user-friendly, and useful features, bKash App has been recognized as the best financial innovation at the Bangladesh Innovation Award 2018. With bKash, people are buying goods from shops and commercial banks are sending remittance to the recipients living in villages and even in remote haor and chor areas where banks are yet to reach.

In urban areas, young consumers are now preferring to pay with mobile phone in their shopping to enjoy



lucrative offers announced by digital payment operators. Salesmen of super stores, shopping malls and even grocery shops say they are receiving payments against their sales through mobile payment tools particularly with bKash app as this is more convenience, secure and smart way to pay. However, the low limit of transaction through MFS channel remains a big barrier to the way, according to reports published in leading daily newspapers.

Eid shopping has reached its pick across the country as the Eid-ul-Fitre is knocking at the door. A large number of poor people living in rural areas are waiting to receive “eid money” from their relatives and leaders through mobile phones. People spend billions of taka in Eid markets every year and people working abroad this time send millions of foreign currencies as remittance to their families mostly living in villages. Mobile payment apps are speeding up the delivery of money to remote areas.





## Shopping picking up with mobile pay

Eid shopping is picking up day by day in different market places from open footpaths to well decorated shopping malls across the country with higher sales of Indian and Chinese products. People throng markets for Eid shopping every day from noon to night to buy products and gift items for their near and dear ones. It will be



turned into a craze next week when the government and companies will disburse Eid bonus to their employees.

In capital city Dhaka, shopping malls are well decorated with colourful lightings to while shops are fulfilled with colourful garments mostly imported from India, China and Singapore. These shopping malls remain crowded by buyers mostly girls and women who are the main buyers of these products. The suburbs too are teeming with Eid shoppers. At night the malls take on a festive look with twinkling lights beckoning one and all to join in the celebrations.

A large number of buyers are paying money through electronics cards like Visa, Master Card while shoppers at traditional markets like Gausia, New Market, Mouchak, Mirpur-2 and even in shops at roadsides and footpaths are accepting payment through bKash. "Most people want to buy imported products and the Indian garments and Chinese products are their main target. As prices are within their capacities, so sales are increasing", said Sagor, a salesman of a shop at Bashundhora city.

Sagor said young women buyers are showing interest in gown wear, unstitched kameezes to clutches and scarves. "This year prices are

reasonable though slightly higher compared to the last year. But most people are not buying products but moving shop to shops to find the best one at reasonable prices", he said.

Most shoppers expect their sales will pick up next week when most shoppers will throng to the markets to buy Eid products. This year we are accepting payments through bKash and ATM cards as people want to enjoy cash back offers. bKash has offered 20 per cent cash back to mark the Eid festival.

Manufacturers, however, are concerned over the massive influx of Indian and Chinese products in local markets. "This will hit local industry", said a owner of garment industry.

## Shopping with mobile pay is a craze

Shopping with mobile pay is now a craze across the globe. From groceries to condiments, to gifts, the list seems never-ending as Eid arrives. As the countdown to Eid ul Fitr is to begin after few days, markets across the South Asia and Middle East including the Hindu populated India, wore a festive look by now as people started coming out in large numbers for Eid shopping.

Data from Criteo, an advertising platform, has revealed that mobile web sales during the Ramadan retail period saw a bigger increase of up to 69 percent in Malaysia and Indonesia, compared to desktop sales at 53 percent. App sales increased by up to 41 percent. Another study shows that Online sales are expected to surge in the Middle East in the run-up and during the holy month.

Criteo identified these trends through the analysis of over 111 million retail shopping transactions, and over 40 million travel sales bookings across desktop, smartphones, and tablets from 107 major advertisers in





Malaysia and Indonesia. Mobile sales include sales via mobile websites and apps, both on smartphones and tablets. The analysis revealed strong online sales in Malaysia and Indonesia in the lead up to and during Ramadan, which took place from 15 May to 14 June in 2018. Online retail sales surged 10 days into Ramadan and lasted through the two weeks before Eid al-Fitr on 15 June. A 57 percent uplift in online retail sales was observed on 4 June.

In the Middle East and Turkey, weekly mobile share in sales surged up to 17 percent and 29 percent respectively during Eid al-Fitr. The shopping behaviour during Ramadan in Turkey mirrored that in Malaysia and Indonesia, with online retail sales reaching a peak at 50 percent uplift a week before Eid al-Fitr. Online traffic for travel sites in Malaysia and Indonesia also saw a continuous increase during Ramadan, with the biggest rise at a 50 percent uplift a week after Eid al-Fitr.

Online travel sales only started surging one week after Eid al-Fitr and lasted for two weeks, rising by up to 13 percent uplift. In the Middle East and Turkey, the same uplift trajectory was seen. Online traffic for travel sites saw a maximum uplift of 105 percent and 69 percent in the Middle East and Turkey respectively around two weeks after Eid al-Fitr. Travel players should maintain strong advertising strategies throughout Ramadan, so they can capture higher traveller interest and bookings after Eid al-Fitr.

And Bangladesh is not farbehind in this race. An increasing number of people, mostly city dwellers, choose e-shopping to save time as well as avoid traffic chaos and other hazards

in the busy city life. Like regular shopping malls and other shopping places, online shops also offer discount and other facilities to attract buyers ahead of the biggest religious festival of Muslims. E-shopping started gaining pace particularly after Shab-e Barat and its upward trend will continue till 15th Ramadan.

Abdul Wahed Tomal, general secretary of e-Commerce Association of Bangladesh (e-CAB), said e-shopping has been witnessing an upward trend for the last two weeks.

"The average number of e-shopping deliveries was 25,000 every day before the last two weeks, but now it has reached 35,000-40,000 ahead of Eid-ul Fitr," he said, adding that different e-shops now offer discount and other facilities to attract more consumers.

Tomal said e-shopping marked 30 per cent growth this year as the number of social media users, particularly mobile Facebook, has also sharply increased in both



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urban and rural areas. "The number of e-shopping delivery orders was nearly 20,000 a day last year, which is now more than 25,000. "The yearly turnover of the country's online shopping is Tk 8-Tk 10 billion," said the general secretary of e-CAB, an association of more than 900 e-shops.

The main reason for this upward e-shopping trend is mobile payment apps particularly bKash app which is very easy, convenient, secured, robust very user friendly. More than 30 million people are using bKash and most younger consumers are now preferring to use bKash for smart payment. Another obvious reason is most people fear to carry cash mostly in festival time as muggers are too active in roads and in front of ATM booths. So, they use bKash app.

"Before start shopping, I load up my bKash account as this save me a lot of trouble with online shopping and the times I run out of cash at stores that do not accept cards", Shema Akter, residing in Arambagh in Motijheel said. With bKash app, she said, she feel easy to complete her shopping as most shoppers now accept bKash payment.

bKash has already brought most big names brands, stores and service operators

to facilitate its customers seamless easy payments with lucrative cash back offers and partnered with leading banks to facilitate customers to transfer funds from their bank accounts. Another reason for more use of bKas app is people are facing troubles with ATM cards and do not prefer to carry cash.

"One I used ATM cards, but I faced troubles.

Sometimes, I could not withdraw funds from booths for technical disruption, sometimes for insufficient funds when there are many reasons to fear about money muggers active in front of ATM booths", said Abul Hashem, a senior executive working in a leading non-bank financial institution.

An increasing number of people, mostly city dwellers, choose e-shopping to save time as well as avoid traffic chaos and other hazards in the busy city life. Like regular shopping malls and other shopping places, online shops also offer discount and other facilities to attract buyers ahead of the biggest religious festival of Muslims.

To attract Eid shoppers, operators like bKash, the largest MFS operator in the country, uCash, the fastest growing mobile banking tool of United Commercial Bank, Rocket, T-Cash have already offered cash back offers ranging from 15 per cent to 30 per cent, discounts and





bonuses to shoppers on the occasion of Eid shopping. As a result, more shoppers particularly younger millennium consumers are preferring to pay with mobile phone in their shopping. This is pushing up Eid shopping in everywhere from big shopping malls to moving retailers at footpaths.

Most of the money is being transacted through MFS channels which are popular among poor and low income people across the country. More than 52.6 million people are now using this unique payment service who transact over Taka 10 billion a day mostly through bKash, the leading MFS operator in Bangladesh and the largest player across the globe.

### Cashless journey gaining momentum

Bangladesh is moving ahead like a rocket speed with a target to become a developed economy by 2030 and going to be a less cash nation thanks to rapid growth of digital transactions mostly through MFS channels. Bangladesh Bank data that shows that the average daily transactions through mobile financial services (MFS) has jumped to Tk 1005.51 crore in September last, which is five time higher than the amount recorded in the same month in 2014.

And this move has gained momentum in recent time thanks to rapid growth of smart phone users and fastest growing MFS industry led by bKash, the largest player in Bangladesh with more than 32 million subscribers mostly who were unbanked poor. A total of 18 commercial banks are involved in MFS service in Bangladesh where bKash is playing revolutionary role in this landscape thanks to its service innovations that meet customers' expectations.

More banks are now adopting mobile apps in their cash transactions as it is necessary for them to survive in the highly competitive environment while some of them are making collaboration with bKash and other operators to avoid high investment. This has already stimulated the inflow of remittance as Bangladeshi workers living abroad are sending their hard-earned remittance to their relatives through bKash via Western unions. More service innovative providers like Pathao and sellers of goods and services are using bKash payment.

To ensure due roles of innovations, the central bank has formulated a prudential guideline for all banks and non-bank players of digital payment field to protect consumer rights and stop money laundering.

