

Hajj Finance Company Limited
Market Research on ‘Savings for Hajj’
Terms of Reference

1. Introduction of HFCL and Rationale for the Study

Hajj Finance Company Limited (HFCL) is a Shariah-based non-banking financial institution (NBFI) licensed by Bangladesh Bank under the Financial Institution Act, 1993. It obtained license in September 2006 and commenced commercial operation on 2 July 2007. One of the core objectives of HFCL is to promote Hajj through planned savings habit and related financing, so that the people can complete their Hajj at appropriate ages. Beside this the company is also involved in various shariah based financing activities. The company follows the model of Malaysia’s pilgrims fund and management institution (popularly known as “Tabung Hajj”).

HFCL is being managed by a professional team under the guidance of a very distinguished Board of Directors, headed by Jonab Kazi Rafiqul Alam, President of Dhaka Ahsania Mission. The Board of HFCL consists of learned professionals from Bangladesh and Malaysia, who are the nominees of various esteemed Bangladeshi and Malaysian organizations. The Board also has two prominent Bankers, functioning as Independent Directors.

Since commencing of business, HFCL’s focus on Hajj Savings mobilization was very limited. Data shows that still less than one per cent of total HFCL deposit is from Hajj savings. Therefore, towards fulfilment of HFCL founding objectives, the company wants to stretch upon mobilizing Hajj Savings. For making a precise evidence based plan for Hajj savings mobilization, the proposed market research is designed.

2. Purpose of the Study

To find potentialities for mobilizing savings for Hajj and Financing for Hajj to peoples from different strata and locations of Bangladesh.

3. Specific Objectives

The research would aim to knit together an effective strategy for Hajj Finance Company Limited (HFCL) to enhance collection of Hajj Savings from Bangladeshi Muslim citizens.

4. Scope of Research :

- a) Context analysis of Bangladeshi Muslim’s tendencies towards Hajj and potential for promoting Hajj Savings
 - i. Analysis of religious emotion, culture, psychology, socio-economic factors that motivate or create impediment in “Hajj saving” habit.
 - ii. Identifying various economic strata, geographical distribution of Muslim pilgrims-who are currently participating in Hajj activities.
 - iii. Comparative analysis of growth and challenges of existing Hajj Saving products offered by various Shariah based banks and financial Institutions of Bangladesh.
 - iv. Identifying potential income group and geographical zones that can be targeted by HFCL to promote “Hajj Saving” packages.
 - v. Analysis of costs and customer’s preference for performing Hajj in 15 years span – to develop various types of Hajj packages i.e Economic, Standard and Privileged packages.

- b) Strategic options for HFCL on Hajj Savings mobilization
- i. What should be the best strategy for HFCL for achieving the objective of development of Hajj Saving Habit among Bangladeshi Muslim people?
 - ii. Whether the existing products are sufficient enough to move with the objective of promoting Hajj savings? (Exploring potentiality of
 - Up-gradation of existing products.
 - Initiation of new products.
 - Facilitation of transaction process/collection of deposit.
 - iii. What are the other alternative options that HFCL?
 - Can the features of Hajj Financing products be rearranged to attract more hajj savings?
 - Whether there is potential for offering complete solution including Hajj Financing, Hajj Training, etc. and making strategic investment for offering arrangement for Hajj complete solution.
 - What can be the best alternative for offering complete solution and its relative prospects and challenges?

5. Methodology

- Literature review
- Study of reports
- Discussion with Shariah Scholars
- Visit to HFCL branches
- Interview existing clients
- Interviewing relevant officials (involved with yearly Hajj Management) of Ministry of Religion of Peoples Republic of Bangladesh.
- Interview potential depositors.
- Key Informants Interview (KII) of relevant experts, management of banks and hajj agencies
- Focus Group Discussion (FGD) with HFCL staff

6. Expected Output/ Deliverables

Market study report should be written in English and expected to be limited to 30 Page (A4 size paper, 12 font size Times New Roman single spaced) excluding the Executive Summary and annexure. The report should contain at least the introduction, objective and methodology, scope and limitation, major findings, challenges and options along with recommendations. The Executive Summary should be limited to 2 pages.

The Consultant/Firm should submit a draft report for review and feedback from HFCL end and the final report should be prepared based on the feedback on the draft report.

7. Study Location and Sampling

The locations and sampling of the study will be in Dhaka, field-based branch locations of HFCL and selected potential urban and rural sites. To understand the ground level reality and the business opportunities selection of field study locations will have to be from both rural and urban settings, covering geographical and economic diversity in various divisions where HFCL presently works and have potentiality to expand.

Random stratified sampling method will be used in selecting the study population

8. Study Period

Expected study period will be 3 months. Depending on the practical situation and methodology the study time period may be changed.

9. Remuneration and Mode of payment

Negotiable; to be proposed by the Consultant/Firm

10. Consultant requirements

- This invitation is intended solely for the appointment of the consultant for the evaluation study who has the experience of Market Research. The study team has to be composed of with competent members who have the relevant experience on Market Research, Islamic banking and Shariah Compliance System.
- The consultant/Firm should have
 - (a) Experience of analyzing the financial and social conditions of the peoples from both rural and urban settings in Bangladesh.
 - (b) Good understanding of NBFIs business, potentials and challenges in Bangladesh; and
 - (c) Hajj management systems, Hajj agency services, Hajj saving and the Hajj financing packages.

11. Other Significant Conditions

- i. The consultant will at all times maintain the confidentiality of HFCL's policies and will not disclose any documents, files and information to anyone not related to the study without written authorization from the management.
- ii. The consultant will be responsible for the travel, food and accommodation along with other cost associated with the study.
- iii. The copyright of the final raw data and output would belong to HFCL.
- iv. HFCL reserves the right to accept/reject any or all proposals without showing any reason.