Prepaid Visa Debit Cards of United Bank Limited

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Abstract

Prepaid Visa Debit Cards enable a user to enjoy the convenience of a credit card without going through the hassles of credit worthiness evaluations by banks. As the name suggests, this sort of card can be obtained by paying a minimum amount to a bank offering the service; the bank issues a card that can be used as plastic money. This card can be reloaded at any time and gives the user access to the funds that he has already loaded. There are two companies that provide electronic payment settlement services globally: Master and Visa. If the prepaid card is linked to the Visa Company’s settlement process it is known as Visa Debit Card.

Keywords:
Debit Cards, Prepaid Cards, Bank Visa Cards, UBL Cards, Bank Services.

Introduction

UBL Wiz is Pakistan’s first ever Prepaid VISA Debit Card that provides the convenience, security and benefits of an ATM and Debit Card, locally and internationally\(^1\). The card was launched in August 2008 and has quickly gained popularity; following are some interesting stats related to the card\(^2\):

- A base of over 150,000 cards in the market.
- Out of the total card base, almost 50% are traveller category card.
- Over 85% of the transactions being carried out on the Wiz card are on the internet.

The need for a Foreign Currency Card

Presently, the customers have to face significant currency exchange charges when using the card abroad; thus, the card user faces a loss of around 2.5% of the transaction value due to these charges. “To effectively counter the adverse rate regime, UBL is planning to launch an FCY prepaid card that will enable cardholders to withdraw funds and conduct transactions without any currency conversion charges or exchange rate fluctuations. The card will be a standard prepaid VISA debit card and available in four denominations (USD, Euros, Saudi Riyal, and GBP) and a customer will be able to purchase the same from all UBL Online branches (initially, only through FCY dealing branches), either by getting PKR converted through the bank and purchasing a card of his/her choice denomination, or submitting FCY to purchase the FCY card (in the same currency). Since the card will be denominated in foreign currency, the exchange rate will be locked in at the time the card is loaded\(^3\).

\(^1\)UBL (2011)
\(^2\)UBL (2011)
\(^3\)UBL (2011)
The Wiz-FCY card would be the first of its kind in the market; UBL has a great opportunity to stamp its place in this area and establish a first mover’s advantage. But since the financial industry of Pakistan is by no means close to the maturity stage, it would be difficult to maintain this advantage as competitors are likely to rush in as soon as the product succeeds.
Mapping Potential Customers
Segmenting the Market

**Geographic:** The target customers of the FCY card would predominantly be urbanites and therefore the target regions are the major cities of the country such as: Karachi, Lahore, Islamabad, Hyderabad, Faisalabad, Multan, Bahawalpur, Quetta, Peshawar, Sukkur, Sialkot, and Gujranwala etc. Even from among these, Karachi and Lahore would constitute the bulk of the target market.

**Demographic:** The target consumer would be within the age bracket of around 20-60; this is because anyone who is in the college going age (which is around 20) to anyone who is yet to retire would be a potential customer of the FCY card.

**Psychographic:** High Net Worth individuals with a busy and high class lifestyle full of international travelling would be the main target of the FCY card.

**Possible Patterns of Target Market Selection**
Since the product in question is only one, only two patterns are relevant, namely:

**Single Segment Concentration:** When one product is used for targeting a single-segment of the market; for instance, the Wiz-FCY card targeting only people having the particular traits mentioned above.

**Full Market Coverage:** The product targets all market segments. For instance, Wiz-FCY targeting all possible users regardless of their characteristics.