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Is COVID-19 a Blessing for Ecommerce: A View from Bangladesh

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Abstract- World health organization (WHO) declared that COVID-19 is a global pandemic on march 11, 2020. Though it hit first on the people of Wuhan, People's Republic of China (PRC), in December 2019. The world come to under lockdown issue as this chronic disease spread out quickly through the world become static. The demand decline, fewer consumption, inability to supply, labor crisis, failure of distribution, etc. have wounded of economic stability. But an exceptional sector ecommerce got more acceptability during pandemic. Number of ecommerce customers and entrepreneurs have not only been risen in developed countries but also in developing countries due to pandemic such as Thailand, Singapore, Pakistan, and Bangladesh etc. about 1.5 lac entrepreneur have entered in Facebook ecommerce in Bangladesh. In 2020 the amount of domestic ecommerce transection has come to $2,077 million it was $1,648 million in 2019.Currently, there are approximately 2,500 e-commerce sites and 150,000 Facebook pages operating in our country and 80% of the total online sales are taking place in Dhaka, Chattogram, and Gazipur.

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I. Introduction

Electronic Commerce can be defined as an electronic trading of commodities or services through an electronic media like internet. E-commerce is the business environment in which information for buying, selling and transportation of goods and service move electronically. Currently ecommerce plays a significant role in the growth of economy around the globe. The China-based e-commerce giant, Alibaba, is acquired by Daraz, a global online marketplace in south Asia making ecommerce stores in Pakistan, Bangladesh, Nepal, Sri Lanka and Myanmar. Recently, it has become one of the foremost e-commerce business in Bangladesh, started at first by Rocket Internet and provided more than three million products at affordable price over the country. Ecommerce application getting much popularity due to the easy accessibility of smart phone and Mobile internet. The 365 days, 24 hours and 7 days service and also cash on delivery service make ecommerce flourish to customer and also very lucrative to entrepreneur.

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II. Covid-19 and E-commerce

Corona virus (CoV) is a collection of viruses that can cause serious illness starting from the common cold to serious coughing with lunges infection. There are many kinds of coronavirus such as MERS-CoV (middle east respiratory syndrome, SARA-CoV (severe acute respiratory syndrome) and COVID-19 etc. Among 7 species, SARA-CoV-2 can cause diseases in human body. In December 2019, there are several warnings about atypical pneumonia in Wuhan, Hubei Province, China were delivered to the WHO (World Health Organization). Later on, January 2020, Chinese authorities confirmed that they had identified a new virus and the virus was a new type of coronavirus. This new virus was temporarily named "2019-nCoV". Currently, the virus is renamed Severe Acute Respiratory Syndrome Corona Virus 2 or SARA-cov.2. the diseases caused by this virus has been named Coronavirus disease (COVID 19).

On January 30, 2020, the outbreak of the disease was declared as Public health Emergency of International concern (PHEIC) and on march 11, 2020, the WHO declared COVID-19 as a global pandemic.

The virus mainly spread through respiratory droplets from the lungs of corona affected person, which travels one meter (3feet) away from the infected person through sneezing or coughing. when the infected person is less than 1 meter away, the virus is spread by contact with that respiratory droplets, or by holding the surface of the spread of the droplet or any utensils (such as a table, chair, door handle etc.) and touching the nose, mouth or eyes with empty hands can cause infections.

Bangladesh Health Division enacted various kind of laws in the public interest to deal with coronavirus. Govt announced almost three months lock down to prevent spread out of the diseases.

People bought necessary household belongings at once before lockdown started. Some

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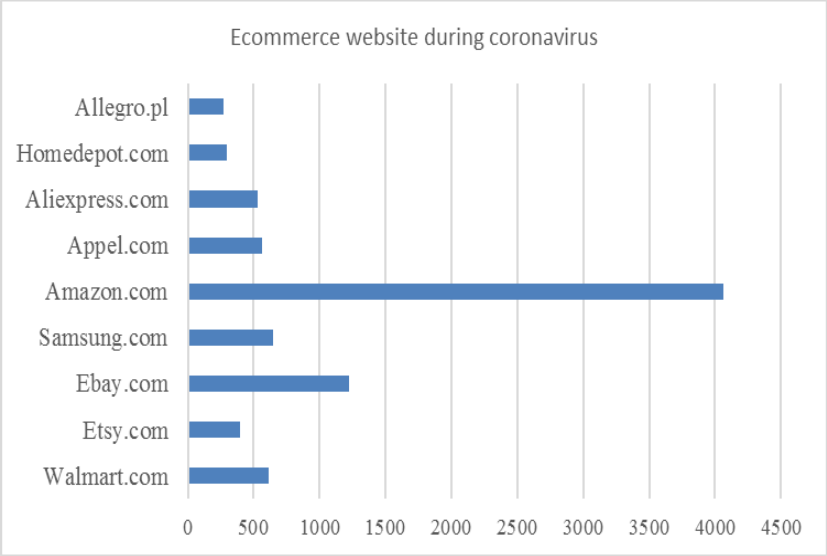
smart and careful people bought those from online platform. After lockdown, people also tried to avoid crowded and gathering places except emergency situation. Gradually People have become habituated with online platform to meet daily necessities.

The Covid 19 issue stimulus the whole electronic commerce around the globe; it has changed the nature of business activities. According to researcher there is about 52% consumers have tried to avoid gathering places like physical shopping. Additionally, some people approx. 36% are avoiding outdoors transection until they take the vaccine of COVID 19. Customer perception on different product has been changed due to the effect of Coronavirus, means the necessity of some product is get very high while other products became less necessitated (Andrienko, 2020). Overall transection of ecommerce has increased because of pandemic situation as people are now avoiding to go outside, maintaining social distance and starting buying daily necessities and performing job responsibilities from their residence. Thus, online grocery shop Walmart increases 74% during corona crisis. By this time Face book Z, google and you tube are updating their features so that they can connect more users in single time. Also, Facebook is now adding another app messenger to connect 44 persons that is challenging to the Zoom app.

Below graph shows the top ten ecommerce site during pentameric situation.



The figure shows Amzon.com is in highest position among 10 sites while allegro.pl, apple.com, Samsung.com etsy.com. etc are in lowest position. Next position to Amazon is ebay.com. It is mentionable that amazon, e-bay etc. sell all type of products including daily necessary household products. But other sites like Samsung, allegro, apple.com produce fashionable, entertaining items which do not create demand during corona period.

The product like one-time hand-gloves, bidet, toiletries, bread machine, puzzle, refrigerator, air cleanser, stationary bike, yoga mat, exercise ball, treadmill and exercise equipment are creating more demand rather than other type of product like jewelry item, cloths, television, laptop and watch etc. Number of ecommerce customers have been risen in developed countries and also in developing countries due to pandemic such as Thailand, Singapore, Pakistan, and Bangladesh etc. Pakistani e-commerce was taken places in 2000 with limited users, it was only 3% of total population but in 2020 during corona period it is reported that e-commerce customers have raised 15% in Pakistan [5].

III. The Evolution of Ecommerce

Basically, the history of ecommerce was started from 1969 with limited application. Gradually, it became as revolution with the development of internet scope. In the late 90s, ecommerce was renewed by launching the first online shopping site named 'Book Stacks Unlimited' by Charles M. Stack. Some web browser tools were introduced through which ecommerce functions would be done as it was run on windows platform.

1995 to 2005: This period had brough epidemic changes in the age of ecommerce. Amazon, eBay and PayPal were introduced who become giant later. Another giant ALIBABA was started its operations at 1999 with $25m capital. Another new idea about advertisement PPC (Pay Per Click) was introduced with the help of google Ad Words.

2005 to 2009: The E-Commerce giant amazon extended new feature amazon prime membership for attacking new customers. Google launched online wallet payment system. During this period many applications were develop for E-Commerce users like Facebook,

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YouTube, Instagram, twitter etc. were used as the tools for E-Commerce users.

2017 to present: A significant change is observed during this period the purchasing behavior of people have changed. They are preparing online shopping then going outdoor. Small business and retailers have enjoyed social media platform as it reduces operating cost.

a) Evolution of e-commerce in Bangladesh

The history of E-Commerce in Bangladesh is not very primitive. In late 90s – People used E-Comers to send gifts to other. This service was limited to some area.

2000-2010: The E-Commerce started with payment gateway, deliver system and customer education etc. The first payment system SSL COMMERCEZ was lunched to support business. At the end of this period E-Commerce service like Ajkerdeal, Rokomari, Akhoni, etc. was started their work which E-Commerce became enrich.

2011-2015: During this period, tremendous development has been seen in delivery industry like HUNGRYNAKI, Sheba.XYZ and Chaldal.com etc. providing food, grocery, daily necessary product, fashion, jewelry, salon, travel, electronics item etc. Creating online marketplace was taken place during this period like bikroy.com.

2016-Present: The great change during this period some company has started their E-Commerce ingenuity like, Pran, Edison group, BTI, Transcom, ACI, Epylion, Meenabazar etc. Recently Facebook become a big market place for small to large entrepreneur. Even, an individual can participate in this big place simply creating a Facebook page instead of creating web page. Daraaz, the today's ecommerce giant in Bangladesh, also meeting shopping needs during this period.

IV. Trends of Ecommerce in Bangladesh During Covid-19

Though covid-19 is pandemic for the whole world, but it is blessing for e-commerce entrepreneur. Many small entrepreneurs or individual are started their business in virtual platform appearing as ecommerce companies now. As a result, due to covid-19 pandemic, the growth of ecommerce transection is increasing 10 times than normal situation. [According to the Agamir Bangladesh]

It is an ecommerce era where people staying in one country are making product of other country and sell them to other country. This opportunity is becoming very effective during corona period as people avoid outdoor affairs.

The general secretary of e-Commerce Association of Bangladesh (e-CAB), Md Abdul Wahed Tomal opines about 5 lakh people will get employment opportunity within two years through ecommerce in Bangladesh. He added that due to the covid 19 crisis, 85 percent of e-commerce companies were closed down two months ago, but now are able to resume their operations and has been able to create a lot of demand to the customers.

Now e-commerce platforms are more customer-friendly as customers can observe the reviews of consumers on a product or the service of a business before ordering something from them. From the customer reviews, e-commerce companies can also measure the acceptability of product towards the customers immediately. Increase of android based cell phone, better internet accessibility and development of the ICT division have heightened ecommerce sector by capturing a lot of entrepreneurs and customers.

In last 3 three years, the social media Facebook brought a new look for e-commerce transection. Anybody can get a Facebook entrepreneur by opening a Facebook page only. An individual with small capital can penetrate to this sector without facing any difficulty. Payment scheme COD (cash on delivery) is more preferable than other in Facebook ecommerce. Today The number of entrepreneurs from facebook has exceededabout1.5 lakh already in Bangladesh. Nevertheless, by taking this advantage some fraudulent and false entrepreneurs can enter this sector and can cause hazard and spoil the customers' belief on e-commerce. Statistics shows the size of the homegrown e-commerce transection has expanded to $2,077 million in 2020 but it was $1,648 million in 2019.

Commerce Minister Tipu Munshi opines that there is no way to delivering products to the people through e-commerce to prevent the outburst of Covid-19 pandemic. So, cooperation from every corner are needed to solve problems occurring in e-commerce company. The minister requested to e-commerce entrepreneurs to run business with honesty and ensure the consumer is not to be cheated.

Following graph shows the total number of internet subscribers in Bangladesh during COVID 19 period.

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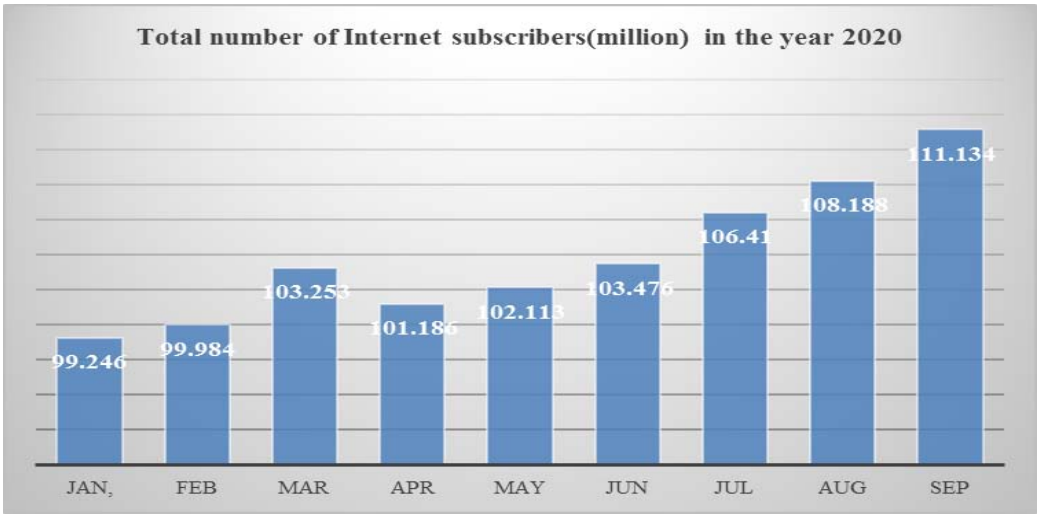

Source: BTRC website (up to September, 2020)

V. E-commerce and Bangladesh

Ecommerce activities are increasing rapidly in our country. Many new sites are arriving in every month. According to an article "A report on ecommerce trends in Bangladesh", have published by kaymu.com.bd, the development of ecommerce is increasing slowly in Bangladesh. According to the mantic of kaymu.com.bd that the transection of ecommerce will be increasing 10% at least in every year.

The customer of ecommerce is mainly from urban city where 80% from Dhaka, Gazipur and Chittagong. Among them 35% from Dhaka, 39% from Chottogram and 15% from Gazipur. The other two cities are Narayangong near to Dhaka and Sylhet metropolitan area. 75% of ecommerce users are in the age of 18-34.

In 2016, ecommerce transection was increased 72% which is the most expectable growth in the history of Bangladesh ecommerce. According to statistics of Bangladesh bank, total 3.59 billion taka (USD 50 million) has been transected through the platform of ecommerce in 2016 but BDT it was 2.16 billion (USD 30 million) in 2015. The number of credit card users became more than debit card users in the country and the number of internet users was 60 million which is about 1/3 part of our population.

Only gaining some primary knowledge about ICT and ecommerce, anybody can connect directly with this new way of business without any third party. In this regard, the process of implementation of digital Bangladesh will become speedier. Manufacturing multidimensional and exportable items, product customization, market expansion and other activities will be velocitious to the whole country.

VI. Recommendations & Conclusion

Covid-2019 changes the behavior of human. Covid-2019 changes the platform of business. In general sense, man has resistance to change. Due to covid-19, people forcefully have to change their lifestyle, such as eating behavior, clothing behavior (wearing mask), maintaining social distance, change in public communication etc. People started to depend on virtual environment very much as going outsides become risk for health. Staying home, all types of affairs has been done on virtual platform like–shopping affair, entertainment affair, education affair etc. all are done from home. To meet the shopping affair E-Commerce act as a bridge between shopping matter and human. A lot of E-Commerce service provider take places as a pathway for E- shopping. According to BTRC report, number of internet subscription are increased during COVID-19 period. But in total subscriber, only very limited are using internet for online purchase. Rest of the subscribers use internet for job, education and other purpose.

Since there is a limitation to go out during corona, people only buy necessary and emergency products such as food item, grocery item, medicine item etc. from ecommerce platform. But other products like fashionable item, electronics item etc become less demanding to the customers. So, all ecommerce sites cannot be profitable equally. Some ecommerce services are growing while other get suffer.

Due to the limitation of network spectrum in rural area, people cannot enjoy ecommerce teste. Only people living metropolitan area enjoys ecommerce benefit.

Since becoming online entrepreneur is much easier, penetration of many dishonest and fake entrepreneur is also easier. Today so many fake pages have been launched on Facebook. As a result, customers are suffering and facing many dangers. Government and ICT should take necessary steps to make laws.

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