

A Literature Review of the Trend of Electronic Commerce in Bangladesh Perspective

Nazmun Nessa Moon¹, Shaheena Sultana² and Fernaz Narin Nur³

¹ Daffodil International University

Received: 16 December 2016 Accepted: 3 January 2017 Published: 15 January 2017

Abstract

This paper contains a brief discussion of search engine marketing or e-commerce, literature survey, current and future prospect, comparative study of e-commerce in Bangladesh perspective on online shopping. The buzzword e-Commerce is spreading widely in the present world of ICT by its simple applications. The basic objective of this review paper is actually exploring the difference between the traditional online shopping and the effectiveness of e-Commerce in Bangladesh. From the previous research, we can come to a conclusion that convenience and time are the main attributes for making the decision to shop online rather than traditional shopping in Bangladesh and we also found out that young consumers are more comfortable and satisfy to make online purchases.

Index terms— e-commerce, ICT, consumer, marketer, top motivators.

1 Introduction

Now a days, e-commerce sector plays a significant role both in developed and developing countries. M. S. Khan and S. S. Mahapatra et.al [1] mentioned that Information technology can play a significant role in developing and increasing the perfection of services in business sectors and he also discussed that now a day's after the revolution of agricultural and industrial revolution, internet is considered to be the third wave of revolution. Yaser Ahangari Nanehkaran et.al [2] explained, e-Commerce has actually made a business situation in our modern world through technology like the internet or other computer network. The development of e-Commerce is basically depend of the accessibility of the internet of the people. According to Bangladesh Bureau of Statistics the present size of population of Bangladesh is near about 163.187 million and according to BTRC the internet subscriber is 67.247 million at the end of February 2017. In this present situation of huge population the annual growth of GDP is 7.05% according to Bangladesh Bank and in this situation the contribution of e-Commerce market is nearly 1% but if we connected industries for example logistics, banking, export import then the e-Commerce is near about 2.5% (Source: eCab). So the contribution of e-Commerce in Bangladesh's economy is not like to avoid. After seeing and observing the effectiveness of online business, Bangladesh is also growing their capability on this particular side gigantically. In e-commerce, the payment is really a challenging part after purchasing services. Sometimes the payment is processed after delivering the goods, products and services and Sometimes, the transaction is processed through visa card both international & Bangladesh prospect and in Bangladesh bKash & DBBL is most commonly used payment medium. The second one is considered to be a standard transaction system both international & Bangladesh prospect which is shown in Fig ??.

2 Fig.1: E-Commerce transaction Cycle

Szymanski et.al [3] described that it gives us opportunity to ignore national boundary gap in new business models and developing of modern technology cut the barrier which is used to distinct one industry from another one. Bangladesh has a large marketplace but online market is not well establish yet. From previous research, we can say that since 1970-2000 was the darkest period for Bangladesh in E-Commerce business. Then the people

43 can't even think or imagine for e-Commerce. They only use computer to make assignment for school, college
44 and university or even busy to make presentation in private & government sector. From 2000 the students as
45 well as the public & private sectors just waked up and began a revolution of computer work. On that time, the
46 Bangladesh Institute of Communication and Information Technology (BICIT) has been organized and run an
47 Annual Development Programme. This organization will instruct standard ICT education and certification of
48 IT related courses & products. According to BICIT they made report of IT Trainers, IT Professional, Language
49 skill, operating system skills which is shown in Fig 2 ?? After that in 2013 when ICT ministry of Bangladesh and
50 Bangladesh high commission London unitedly organized the first international e-commerce fair. The huge success
51 of this fair developed our online business in Bangladesh. After that the government is like to enlarge ICT section
52 & coverage of broadband network to 30% by 2015 and 40% by 2021 and also vision to build Digital Bangladesh
53 by 2021. The students of private universities have done superb for e-commerce data and uses development and
54 some private universities are giving free laptop to force them to learn things from online. This is also nice to see
55 that they're doing online business and putting several things on their sites and selling them easily. There are so
56 many online shopping websites has been developed in Bangladesh like cell bazaar, bikroy.com, AjkerDeal.com,
57 daraz.com.bd, rokomari.com, priyoshop.com, bagdoom.com, lareve. com. bd, arong. com. bd, othoba. com,
58 chaldal. com, food panda. com, bangle mart. com, muktobazar. com, shohoj shopping. com, ajkerdeal.com,
59 akhoni.com, itbazar24. com is one of the most effective e-commerce websites in Bangladesh, wherever you can
60 notice large numbers of products. For online dress shopping in Bangladesh, you can come with arong, plus point,
61 bag doom, priyoshop or daraz. Chaldal is the best online store for grocery and food.

62 When you feel that you are hungry you can go to hungrynaki or food panda. Kaymu is going to turn into
63 one of the highest Bangladeshi online mall & daraz so on. Recently Alibaba also started their online shopping
64 service in Bangladesh. So we can say in near future, ecommerce sectors will spread gigantically in Bangladesh to
65 make a revolution.

66 3 II.

67 4 LITERATURE REVIEW

68 As we all know, internet and e-commerce are entirely committed towards every developed country. But we
69 think it can be accomplished and can make a remarkable benefit to developing countries also if an ideal business
70 purpose can be made. Ohidujja man et.al [4] clearly discussed that E-commerce is a revolution & turning point in
71 online business practices and can make a huge contribution to the economy and Hasan et.al [5] also indicated that
72 currently, e-commerce organizations have increasingly become a fundamental component of business strategy and
73 a strong catalyst for economic development. A huge amount of research works has been done on e-Commerce
74 which is basically on online shopping. A large group of researchers has found out and also pointed out the
75 necessity and possibilities of Online Shopping. On the other hand, limitation of ecommerce is found and at the
76 same time, they provided essential suggestion and came to a prediction to make Online Shopping more useful for
77 the consumers. But the contribution of traditional marketing is also inescapable but compare to online shopping
78 it is less effective we think. So on this basis, Mehrdad Salehi et.al [17] found out distinguish between online
79 marketing & traditional marketing. Though most of the people of Bangladesh especially the rural people are
80 not enough capable of operating internet to run the online business. For that reason, they need to be dependent
81 on traditional marketing. In town both marketing system are available but the most cost effective is online
82 marketing. So in this paper, we would like to show distinguish & effectiveness of both marketing system as
83 illustrated in Table 1.

84 5 Fig.2: BICIT Survey Report

85 When we looked back some previous research work on e-commerce, we found out that everywhere they described
86 their papers on consumer's perspective but in this paper we would like to describe it both consumers and marketers
87 perspective. By contributing both side, we can assure a healthy economy and easy marketplace in Bangladesh.

88 6 a) Customer Perspective

89 Williams, Bertsch, Wiele, Iwaarden & Dale et.al [6] clearly discussed that although consumers keep on to purchase
90 from a physical store like traditional shopping but consumers feel very convenient to shop online since they find
91 themselves free from personally visiting the stores. So we can say that online shopping saves time as well as the
92 energy of the consumer while buying their commodities. In the case of online shopping, buying decisions can be
93 easily made from home by sitting at home. In online shopping comparing product with lots of verity & supplies,
94 price advantage can prevail easily. Online shopping is much useful in meeting the consumers' needs and wants.
95 Brown et.al [7] confirmed in his paper that consumer can now make more intelligent decisions in the way which
96 is not possible through traditional shopping. Moreover, Monsuwé et.al [8] also made a review that the consumer
97 can also buy anonymously which is more convenient and when it comes to personal products that consumers may
98 feel uncomfortable buying in stores. Brown et.al [7] found out that daily tasks like shopping for groceries have
99 become simple for consumer's who do not like crowds. Richard Dobbs et.al [9] observed that online retail stores
100 often market themselves through low price.

101 For example, Amazon.com uses this tactic to allure consumers away from traditional bookstores. These low
102 price online retail store are causing a great consumer surplus. Goldsmith et.al [11] study reveals that some
103 consumers use online shopping just to avoid from face-to-face interaction with salesman because they feel uneasy
104 & uncomfortable while bargaining with the salesman and do not want to be manipulated and fooled around
105 in the marketplace. This is a big true for those customers who may have face a negative experience with the
106 salesman. Here Mohammad Harisur Rahman Howladar et.al [10] described in his paper that due to the up to
107 date developing infrastructure of ICT in Bangladesh, online shopping intention among people are developed day
108 by day and consumer & marketers make a huge contribution to the national economy through e-commerce. Let's
109 come to the current consumer statistics & age brackets of e-commerce in Bangladesh where the youth with male
110 consumers is in the majority (75%) position. The most victorious age group is 26-30 years achieving 50% of the
111 consumer group. The majority of the consumers are either professional achieving 44% or the university student
112 achieving 33% where the contribution of female consumers is complainingly low 25% than others shown in Fig 3.

113 7 b) Marketer Perspective

114 As we know there are many restriction in traditional marketing for selling goods and products but in online
115 marketing there is no boundary or limit or restriction. Johnson et.al [12] revealed there are huge differences
116 between the E-marketing and traditional marketing. Traditional marketing can only concentrate one to one
117 communication that means the marketer need to market the product to one customer round the clock on the
118 other hand E-marketing is done through one to much communication system. In case of online marketing,
119 marketer should be trained as we know that traditional marketing and online marketing is not the same thing.
120 If an organization adopts online shopping for the first time, it must be very cautious and its communication
121 technique should be different from the traditional one. That's why the organization need to maintain some basic
122 strategy for making business effective shown in Fig 4. In the 21st century trade and commerce has been so
123 diversified that if a marketer wants to do business, he should be diversified through internet. As we all know
124 internet is the source of innovation so online shopping will shows the way to make innovative ideas of online
125 shopping. In online shopping marketer do their trade through a user friendly website so it is very important to
126 design an attractive website for the prominent consumer. Internet create a marketplace where different company
127 and the customer come in one place. As it is one kind of virtual market. Through internet every company
128 advertise their goods and products. In 2016, total retail sales across the world will reach \$22.049 trillion, up 6.0%
129 from the previous year. E-Marketer calculates sales will top \$27 trillion in 2020, even if annual growth rates of
130 the world will slow over the next few years, as explored in Fig 5.

131 8 IV.

132 This research is actually based on secondary information from various journals, published book, and newspapers
133 along with internet. The study is qualitative and unique in nature.

134 9 V.

135 There are basically several types of e-Commerce in Bangladesh as well as other countries too [14].

136 ? Business to Business (B2B): B2B deals between the businesses or among business. In Bangladesh BGMEA,
137 readymade garment receives order from outside client of Bangladesh. Example: Sindbad. com, address bazar,
138 Bangladesh Business Guide, trade etc.

139 ? Business to Consumer (B2C): This business is basically done with the general people like catalog utilizing
140 shopping software. Example: ajkerdeal, bag doom, daraz, othoba and so on.

141 ? Consumer to Consumer (C2C): This business strategy which is basically done between customers. Example:
142 Bikroy.com, Ekhanei.com and ClickBd.com.

143 ? Others: G2G (Government to Government), G2E (Government to Employee), G2B (Government Business),
144 B2G (Business to Government), M-Commerce (Mobile Commerce), F-Commerce (Facebook Commerce).

145 10 VI.

146 ? Comfort: If we need any household commodities or even anything, we can get it by sitting at home on the
147 click of our finger on the internet.

148 ? Time-saving: By using e-commerce sites, there is not a chance of waste of time and with the help of online
149 order, our necessary product will be delivered to our address.

150 ? Options, options, and options: Without visiting outside from one store to another, the consumer can simply
151 compare goods products or commodity. We can see who offer low price for standard & branded goods and can
152 have more option to choose from the websites.

153 ? Easy to compare: When the marketers place their products to the website, they make a lucrative description
154 of these products to compare them with other products, to let the consumers know that they have the best option
155 and come back for more.

156 ? Coupons and deals: Some online business company makes offers that we can't refuse. Some major sites
157 sometimes offer up to 80% of discount.

158 ? 24/7, 365 days: if it's holiday or rainy or sunny or the road is blocked by any reason, the businessman should
159 not be worry for his business because the door of this market is always open & the profit will go rising every day.
160 VII.

11 E-COMMERCE DISADVANTAGES

162 ? Privacy and security: Before making a transaction, we should be sure and check the website's security certificate.
163 Sometimes unauthorized access, DDOS attack make a huge problem.

164 ? Quality: Quality is a big fact on e-commerce, sometimes the product which is ordered from online website
165 will not be similar in quality. So the consumer should not touch the product or make instant transaction until
166 they delivered the product in door.

167 ? Hidden costs: Sometimes hidden fees will not be mentioned like product delivery cost, tax etc. so be alert.

168 ? Credit card issues: Some company gives some free point for purchasing good by taking the credit card
169 information after that from that vary information the credit card can be hacked.

170 ? Social Relationships: Through traditional shopping a face to face interaction occurs which makes a social
171 relationship with others but in online shopping we fail to do so.

172 ? Consumer dishonesty: sometimes customer make an order through online but after delivery they refused to
173 take the order or make a wrong address for the delivery of orders for which the marketer face Harassment as well
174 as business loss

12 VIII.

176 The major challenges faced by the buyer and the seller which carrying out business transactions through website
177 are as follows.

178 ? Now Private and Public organization work separately but if they do business jointly, the ecommerce business
179 will be developed flourishingly in near future. ? As we know that most of the e commerce website don't have
180 proper cyber security for this their system is not reliable & secure. If the website is hacked, the consumer will
181 lose their money as well as the marketer too. analog and the quality services is comparatively poor. ? Lack of
182 transaction security. Jayshree et.al [12] described in his review that legality should be maintained by conducting
183 new method of transaction instead of the existing banking system in e-commerce such as electronic signature.

184 Apart from that, the developing economy like Bangladesh also has to face the following challenges:

185 Out of 64 district few are facilitate the availability of internet services. In 2002 BTTB was planning to facilitate
186 internet service in 64 district but in January they did just 12 district but the project is running and growing
187 very fast nearly about districts. According to Bangladesh e commerce country fact sheet, in 2016 the internet is
188 38.5% which is 62,004,000 users (Source: BTRC: Bangladesh Telecommunication Regulatory Commission) out
189 of a population of approximately 161,000,000 (Source: BBC: Bangladesh Bureau of Statistics). But if we look
190 on e-Commerce market as percentage which is less than 1% of total GDP, which is pretty much unfortunate for
191 our country because of some basic limitation-? Lack of educational and practical knowledge about information
192 technology

13 Top Motivation Factor

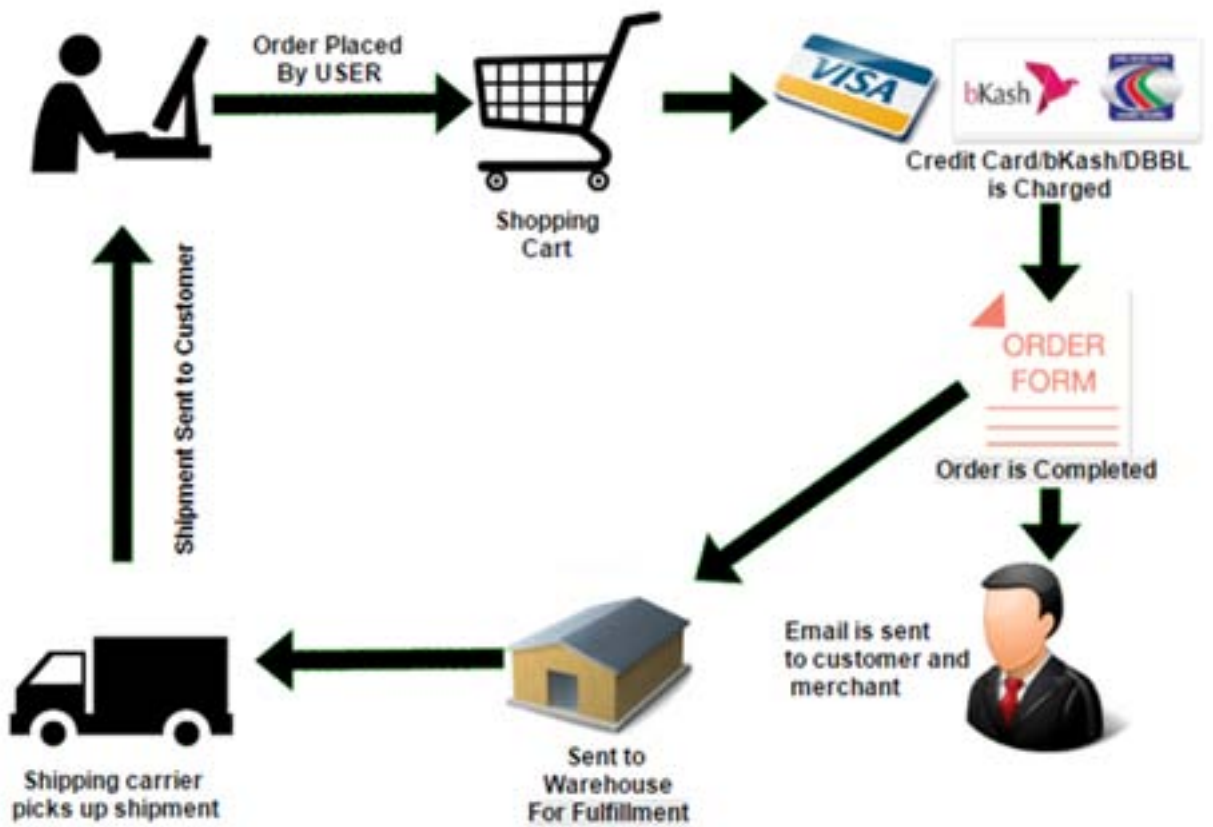
194 According to the following Fig 6, the top motivators for online shopping are trust and loyalty, most important
195 is ensuring security, cash back guarantee, cash after delivery, Fast delivery service and discount & offers. If this
196 factor can be ensured in near future in Bangladesh then both the consumer and marketers can make a huge
197 contribution in national economy.

14 Conclusion

199 In near future E-Commerce will be the leader with popularity and prosperity in e-trade sector. From above
200 discussion we can come to a view that e-Commerce has changed the business strategy and making life easier
201 for the people of Bangladesh as well as other countries. Developing countries like Bangladesh, we faced some
202 problem in this sector but we think we can overcome very strategically in future. In this sector Government
203 role is also very significant for the growth and implementation. ??hiferaw et.al [15] Government should simplify
204 friendly policy and e-government services. Here social support and practice is also needed for the improvement
205 of online shopping. Limayem et al [16] Family practice & choice and the significant role of the media should be
206 leaded positively. So from the above research we can easily say, maintenance of factors, handling of limitation
207 and by the help of Govt. e-commerce can plays a significant role in 21 st century. ^{1 2}

¹© 20 17 Global Journals Inc. (US)

²© 2017 Global Journals Inc. (US) 1



3

Figure 1: Fig. 3 :

IT Trainers & Teacher		IT Professional		Language Skill		Operating System	
B.A., B.SC, B.Com	33%	B.A.,B.SC., B.Com	41%	Java	11%	Unix	10%
M.A., M.Sc., M.Com.	29%	B.Sc. Engineer	14%	C++	34%	Linux	28%
B.Sc. Engineer	25%	M.A., M.Sc., M.Com.	13%	Visual Basic	22%	Windows 95/98	30%
M.Sc. Engineer	8%	Diploma	13%	Others	11%	More than 1 OS	20%
SSC/O Level	2%	M.Sc. Engineer	9%	More Than That	22%	Other	12%
Diploma	1.50 %	MBA	5%				

4

Figure 2: Fig. 4 :

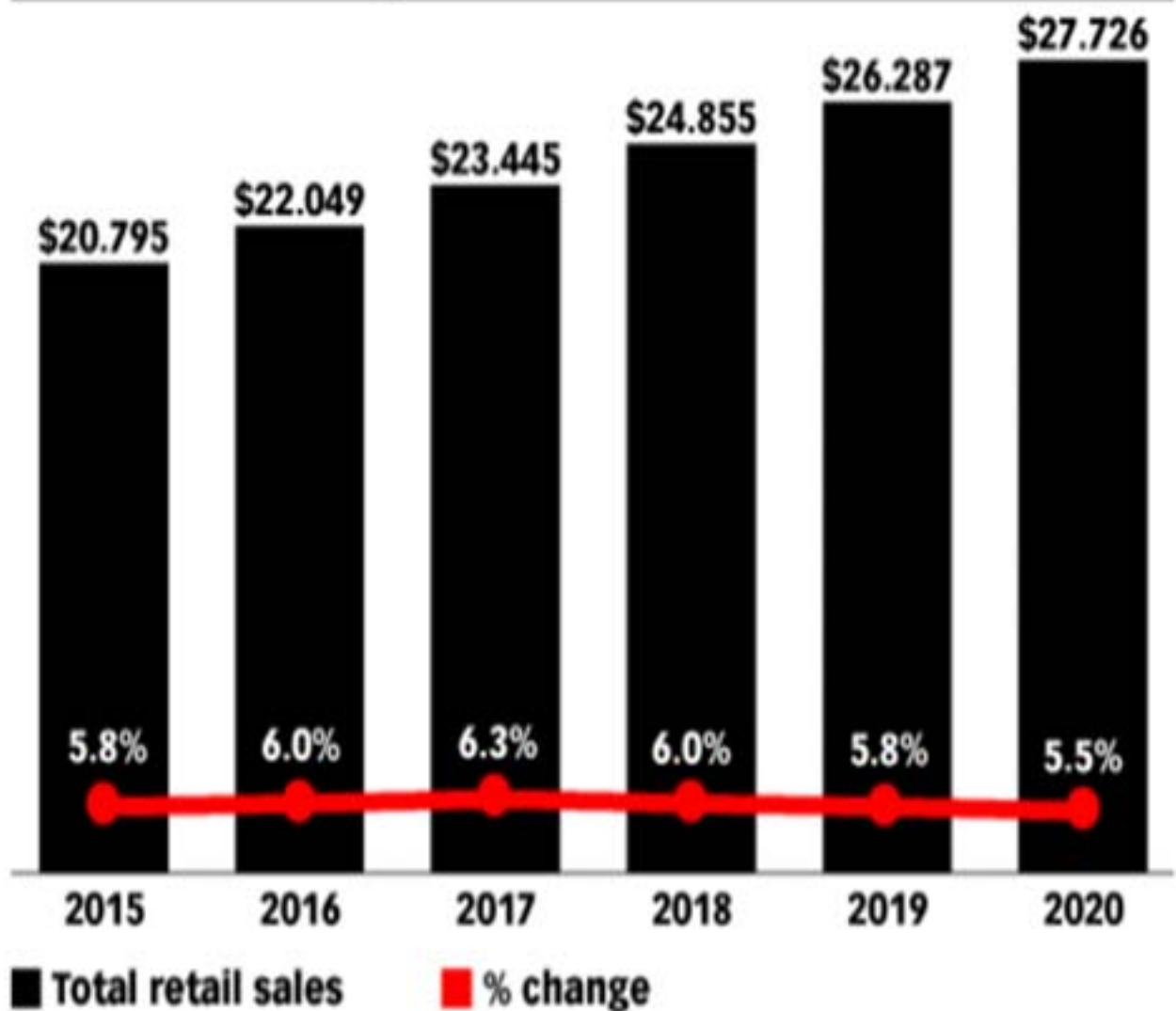


5

Figure 3: Fig. 5 :

Total Retail Sales Worldwide, 2015-2020

trillions and % change



Note: excludes travel and event tickets

Source: eMarketer, Aug 2016

213169

www.eMarketer.com



Figure 5:

1

E-Marketing	Traditional Marketing
Interactive advertisement. Example: website, social networking site, Google ads, banner ads, video marketing.	Contact from one side. Example: Print media (Newspaper), Broadcast Media (TV & radio ads), telemarketing.
E-marketing methods less expensive	Traditional marketing methods more expensive
Reach out maximum people	Limited audiences
Instant Comparable	Less opportunity
Save a lot of time	Need a lot of time
Less	Interaction with people can make good rela- tionship.

Figure 6: Table 1 :

- 208 [Hasan et al. ()] 'Adoption of Ebanking in Bangladesh: An exploratory study'. A H M Hasan , Saidul , M A
209 Baten , A Kamil , S Parveen . *African Journal of Business Management* 2010. 4 (13) p. .
- 210 [Nanehkaran ()] 'An introduction to electronic commerce'. Y Nanehkaran . [http://www.ijstr.org/
211 final-print/apr2013/An-Intro-duction-To-Electronic-Commerce.pdf](http://www.ijstr.org/final-print/apr2013/An-Intro-duction-To-Electronic-Commerce.pdf) *International journal
212 of scientific & technology research* 2013. 2 (4) .
- 213 [Brown et al. ()] 'Buying or browsing?: An exploration of shopping orientations and online purchase intention'.
214 M Brown , N Pope , K Voges . 10.1108/03090560310495401. *European Journal of Marketing* 2003. 2 (11) p. .
- 215 [Dobbs et al. ()] *China's e-tail revolution: Online shopping as a catalyst for growth*. McKinsey Global Institute,
216 Richard Dobbs , Gordon You Gang Chen , James Orr , Michael Manyika , Elsie Chui , Chang . [https:
217 //www.amazon.com/Chinas-tail-revolution-shopping-catalyst/dp/0988754592](https://www.amazon.com/Chinas-tail-revolution-shopping-catalyst/dp/0988754592) 2013. 10.
- 218 [Howladar et al. ()] 'Developing Online Shopping Intention among People: Bangladesh Perspective. International
219 Knowledge Sharing Platform'. M H.R Howladar , Prof M Mohiuddin , M G Dr , M M Islam , R E Goldsmith
220 , L R Flynn . 10.1108/09590550510593202. <https://www.researchgate.net>12 *International Journal of
221 Retail & Distribution Management* 2012. 2005. 2 (9) p. . (Bricks, clicks, and pix: Apparel buyers' use of
222 stores, internet, and catalogs compared)
- 223 [Salehi et al. ()] 'Dissimilarity of E-marketing VS traditional marketing'. M Salehi , H Mirzaei , M Aghaei , M
224 Abyari . *International Journal of Academic Research in Business and Social Sciences* 2012. 2 (1) .
- 225 [Ohidujjaman et al. ()] 'Ecommerce Challenges, Solutions and Effectiveness Perspective Bangladesh'. Ohidu-
226 jjaman , M Hasan , M N Huda . 10.1080/14783360600753737. [http://icdst.org/pdfs/files/
227 5f540f8a517ec822aaba2ad7869dcdec.pdf](http://icdst.org/pdfs/files/5f540f8a517ec822aaba2ad7869dcdec.pdf) *International Journal of Computer Applications* 2013. (9)
228 p. .
- 229 [Shiferaw] 'Ecommerce in Emerging Markets'. H Shiferaw . [http://www.ecommerce4solution.
230 com](http://www.ecommerce4solution.com)(viewed-30/11/2010 *A Property of JesPer IT Solution P.L.C. Addis Ababa*
- 231 [Szymanski and Hise ()] 'Esatisfaction: An initial examination'. David M Szymanski , Richard T Hise .
232 10.1016/S0022-4359(00. *Journal of retailing* 2000. 76 (3) p. 35.
- 233 [Chavan ()] 'Internet Banking-Benefits and Challenges in an Emerging Economy'. J Chavan . [http://
234 paper.researchbib.com/view/issn/2321-886X/1/1](http://paper.researchbib.com/view/issn/2321-886X/1/1) *International Journal of Research in Business
235 Management* 2013. 1 (1) p. .
- 236 [Williams et al. ()] *Self-Assessment against Business Excellence Models: A Critique and Perspective. Total
237 Quality Management and Business Excellence*, Art Williams , B Bertsch , A V Wiele , Iwaarden , Dale
238 , Bg . 10.1080/14783360600753737. 2006. 17 p. .
- 239 [Khan and Mahapatra ()] 'Service quality evaluation in internet banking: An empirical study in India'. M S
240 Khan , S S Mahapatra . doi: 10.1.1.455.7575&rep =rep1&type=pdf. *Int. J. Indian Culture and Business
241 Management* 2009. 2 p. .
- 242 [Johnson et al. ()] 'The evolution and future of national customer satisfaction index models'. M D Johnson , A
243 Gustafsson , Andreas Son Tw , Lervik , J Cha . [http://scholarship.sha.cornell.edu/articles/
244 715/](http://scholarship.sha.cornell.edu/articles/715/) *Journal of Economic Psychology* 2001. 22 (2) p. .
- 245 [Monsuwé et al. ()] 'What drives consumers to shop online? A literature review'. T P Y Monsuwé , B G C
246 Dellaert , K D Ruyter . 10.1108/09564230410523358. *International Journal of Service Industry Management*
247 2004. 15 (1) p. .
- 248 [Limayem et al. ()] 'What Makes Consumers Buy form Internet? A longitudinal Study of Online Shopping'. M
249 Limayem , M Khalifa , A Frini . 10.1109/3468.852436. *IEEE Transactions on System, Man, and Cybernetics
250 -Part A: Systems and Humans*, 2000. 30 p. .