**Guided Research: ECO 4395**

**Determinants of Willingness to Participate in E-commerce Entrepreneurship: A Case Study in Bangladesh**

**Prepared By**

Ariful Hoque

ID: 121 153 014

Supervised By

Dr. Mohammad A. Ashraf PhD

Associate Professor

School of Business & Economics

United International University

**Acknowledgement**

Thanks to Almighty Allah for enabling me with strength & knowledge to complete this paper and to learn many things that I was unware of.

I submit my sincere gratitude to my respected supervisor, **Dr Mohammad Ali Ashraf** for providing indispensable guidance, suggestions and his time throughout the course otherwise the desired objectives of this paper could not have been accomplished without his support. Without

His appreciation and assistance, this paper would not have been finished. His leniency and graciousness will never be forgotten.

And Finally, I would like to finish by thanking my dearest mother and father for continuously showing their unconditional love and support and without them, I wouldn’t have come this far in life.

**Contents**

[**Abstract** 1](#_Toc48063945)

[**Introduction** 2](#_Toc48063946)

[**The Journey of E-commerce in Bangladesh** 3](#_Toc48063947)

[**The Adaption of E-commerce in Bangladesh** 4](#_Toc48063948)

[**Literature Review** 6](#_Toc48063953)

[**Methodology** 7](#_Toc48063954)

[**Descriptive Statistics** 7](#_Toc48063955)

[**Correlations** 8](#_Toc48063956)

[**ANOVA** 10](#_Toc48063957)

[**Coefficients** 11](#_Toc48063958)

[**Description of all the variables that influences people to participate in E-commerce** 12](#_Toc48063959)

[**Other Factors that influence participation in E-commerce entrepreneurship** 13](#_Toc48063968)

[**Conclusion** 14](#_Toc48063979)

**Reference**………………………………………………………………………………………..15

# **Abstract**

This study shows how the determinants influence people to participate in entrepreneurship through E-commerce. The thesis paper concentrates how the factors impact people’s decision to participate in E-commerce entrepreneurship. With the help of SPSS, Descriptive Statistics, Correlation, ANOVA and Coefficient has been shown in this paper.

Key words- E-commerce, Internet, Participation.

# **Introduction**

E-commerce or electronic commerce is thought of as a disruptive technology and widely accepted throughout the world. It is a business model where every purchase, exchange, selling and transaction are exclusively dependent on the internet without using any kind of paper documents. Every devisable and desirable product and service including paying utility bills, cleaning, books, music, shopping, tickets, stock investing, online banking, any other financial service is available here through any electronic device. Laptops and smartphones are the most conducted devices among other devices.

According to the latest scenario, there are between 2 to 3 million e-commerce companies, excluding China. The two major companies are named Shopify and Magento which claimed to use more than 1.5 million. The e-commerce statistic survey shows that consumers spent $601.75 billion in 2019 that is up 14.9% from the previous year. Another survey reports that 46% of online shoppers want more variety of products as they are solely dependent on online due to quarantine in the pandemic. As a result, the world of e-commerce is growing fast in this current situation and is expected to hit 4.48 trillion US dollars in 2021.

Basically, e-commerce follows 4 ways of the market segments. The first one is known as business to business that commonly famous as B2B in the business areas. In this segment, only business institutions are allowed to interact with each other for doing business and all transactions-exchanges are done between the companies through online method or the internet. The second one is known as B2C or business to consumer segments where companies are directly involved with customers to provide their service and products. Amazon is the best example of this segment. Consumer to business or C2B is another segment where consumers sell their projects or ideas through an online bidding system. This segment is not widely famous just like the others and Elance is an example of this segment. The final is C2C of consumers to consumers which is currently a well-known segment. Here any individuals can buy and sell their commodities by making online posts, online ads, forums, groups. But in this segment, every customer needs to check the authorization of other customers.

The worldwide business organizations have expanded only because of e-commerce that provides such commodities & services which have efficient and cheaper distribution channels. Any organization that wants to spread needs to focus on e-commerce because it is convenient and can operate for 24 hours per day which is impossible for an offline business. As online business knew no bound and can offer a wider array of products thus it solves the problem of a limited array in stores. Moreover, huge customers can visit online commerce at a certain time without interpretation that is unlikely impossible for offline stores. These are the core factors that attract people in e-commerce.

## **The Journey of E-commerce in Bangladesh**

During the 1950s most of the companies began to use computers for recording their internal transactions. It is believed that in 1979 online shopping was invented in the United Kingdom. In the case of Bangladesh, e-commerce started here in the late 90s after adapting the computer but unable to expand immediately. But within, 2002 to 2008, the use of the internet was expanded beyond imagination that makes a major change in our e-commerce sector. By that time, only 12 major districts out of 64 districts were able to deal with e-commerce only because of accessible of the internet.

In 2012, internet facilities were extended dramatically all over the country. Since then, almost 50 districts are able to use the internet and actively participate in e-commerce without and barriers. Bikroy.com, Ajkerdeal, Akhoni, Daraz, Bdjobs, Cellbazar are the major e-commerce websites in our country.

## **The Adaption of E-commerce in Bangladesh**

**E-commerce in Bangladesh has been developing over the years drastically. According to the BRTC officials, Bangladesh has 3000 e-commerce sites that outlets almost 40000 products a day where 80% of online sales are taking place in Dhaka, Chittagong and Gazipur. The e-commerce pages are equaled 150000 over social media like Facebook, Instagram, and twitter. More than 35 thousand individuals and 25 thousand enterprises are proudly part of this sector. According to them, the internet subscriber has reached 96.199 million and internet users are increased by 91.3%.**

**In 2016, around $50 million was invested in the e-commerce sector in Bangladesh where $10 million was Foreign Direct Investment. The e-commerce market extended to taka 17 billion in 2017 from taka 4 billion in 2016 because of the investment. It is considered that from that year people are likely to depend on e-commerce and willing to invest more.**

Our daily lives are not viable without the existence of e-commerce and this has been an integral part of our life. One will terrify to think about the present world without e-commerce because it is the soul of the internet. The luster, facts & consequences of e-commerce are vital beyond any doubt. **It is contemplated that e-commerce is the power supply of all activities in our country. That’s why people becoming more addicted to e-commerce for their competency as well as the country’s.**There have several reasons that manipulate people to enter the e-commerce sector.

### **The adaption of e-commerce is warmly welcomed by both sellers and buyers of our country. For opening a practice offline shopping, the seller needs to pay several perfunctory costs such as inventory cost, store cost, management cost, utilities, security cost, salaries and many more that suddenly occurs in our country. Because of this recurred expense, retailers increase the price of commodities. In the case of e-commerce, sellers don’t need to apprehend this cost and afford to lower the product cost even often grant numerous sales for customers. As a matter of fact, this is more beneficial than traditional shopping that attracts potential customers.**

###

### **Previously, our people spent their vacations and weekends in roaming around shopping malls or super shops as they were less interested to travel and celebrate their weekend. These traditions are broke down since we became fancier and buy our necessary things over the internet without wasting our time by visiting shops. Contrariwise, people are more up to date about international demand, mode and trends because of the internet. After comparing every alternative at the lowest possible time, they are able to purchase the latest and best commodity. And this is possible only because of e-commerce that provides us elegant and miscellaneous goods.**

### **Another determinant of adapting e-commerce is job opportunities. Bangladesh is a country of huge population density with a lower job vacancy. Only because of e-commerce, our generation can earn their livelihood by enhancing their creativity and providing innovative good and services. With less education and training they can not only open their own e-business but also expand their business internationally.**

### **Our country is progressing every day with the help of the internet and commercial development. Our country was soppy in development because it was considered as an agriculture country whereas the international trade, dealings, business and transaction causes the faster prosperity & advancement of our country. Along with this, we always tend to increase business transparency where e-commerce plays a crucial role in our commercial transparency that saves us from the corrupt business. Our people are deliberately dependent on e-commerce where they have to use the digital method for transactions that maintain high security. The best possible immediate actions can be taken when there emerge illegal and unlawful activities only because of e-commerce.**

# **Literature Review**

Creativity, innovation, out of the box thinking and entrepreneurship is the core objects of development in the context of Bangladesh. Where e-commerce entrepreneurship development in the entire sphere of fields including business, science, economy, and society in our country. Factors like risk-taking, low cost, locus of control, desire for higher goals, education, demographic profile, less job opportunity, job security, environments, family supports, etc. are the causes of e-commerce entrepreneurship. Developing the e-commerce entrepreneurship determinants can improve our entrepreneurial culture and flourish in our entrepreneurship. (Md Reaz Uddin & Tarun Kanti Bose, Determinants of Ecommerce Entrepreneurial Intention of Business Students in Bangladesh, 2012)

Customers are aware of the e-commerce website by their promotional videos or links which they are published on social media websites like Facebook, Twitter and Instagram. In e-commerce, customers are preferred to do shopping with cash on a delivery system rather than advance payment and electronic payment. Proper information, no physical cost, easy and secured payment method are the main attributes of e-commerce. Improving these attributes can flourish our economy and create employment through the economy. (Bulbul Ahmed, S.M. Monirul Islam, Kismat Qaom, Customers’ Attitude towards E-commerce in Bangladesh: An Empirical Study, 2015)

The rapid expansion of e-commerce has occurred due to globalization and telecommunication. Because of this two e-commerce businesses not only stays in our country but also expanded throughout the world. But our internet service, quality of the internet, pricing are heavily dependent on the performance of the telecommunication sector. Moreover, e-commerce is conducted in every sector like RMG, banking sector, online shopping, web hosting, service sector, and Bangladesh is prospering through e-commerce by these sectors. (Md. Mohiuddin, Overview the E-Commerce in Bangladesh, 2014)

# **Methodology**

From this study we tried to find out how the variables affect people to purchase through e-commerce, therefore there are five variables where four of them are independent and one is the dependent variable. Participation (PAR) is dependent and Attitude (ATT), Social Norms (SNs), Perceived Behavioral Control (PBC), Bounded Rationality Intention (BRI) are all independent. Descriptive statistics, Correlation, Linear Regression, and Cronbach’s Reliability test were executed for analyzing the data.

| **Descriptive Statistics** |
| --- |
|  | N | Minimum | Maximum | Mean | Std. Deviation |
| PAR | 55 | 1.00 | 7.00 | 5.4727 | 1.50129 |
| ATT | 55 | 2.00 | 7.00 | 5.3610 | .81132 |
| SNs | 55 | 1.62 | 7.00 | 4.4318 | 1.14736 |
| PBC | 55 | 3.00 | 6.57 | 5.1039 | .88979 |
| BRI | 55 | 2.50 | 6.50 | 4.9000 | .90869 |
| Valid N (list wise) | 55 |  |  |  |  |

All the variables are listed where the number of responses for each variable is 55. First for Participation (PAR), the maximum and minimum values are 7 and 1, the mean value is 5.4727 and the standard deviation is 1.50129. After that we have Attitude (ATT), where the maximum and minimum values are 7 and 2, the mean value is 5.3610 and the standard deviation is 0.81132. Then we have Social Norms (SNs), where the maximum and minimum values are 7 and 1.62, the mean value is 4.4318 and the standard deviation is 1.14736. Then for Perceived Behavioral Control (PBC), the maximum and minimum values are 6.57 and 3, the mean value is 5.1039 and the standard deviation is 0.88979. At last, we have Bounded Rationality Intention (BRI), where the maximum and minimum values are 6.50 and 2.50, the mean value is 4.9000 and the standard deviation is 0.90869.

| **Correlations** |
| --- |
|  |  | PAR | ATT | SNs | PBC | BRI |
| PAR |  | 1 |  |  |  |  |
|  |  |  |  |  |  |
|  | 55 |  |  |  |  |
| ATT |  | .272\* | 1 |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| SNs |  | .183 | .503\*\* | 1 |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| PBC |  | .083 | .329\* | .421\*\* | 1 |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| BRI |  | .112 | .405\*\* | .380\*\* | .536\*\* | 1 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| \*. Correlation is significant at the 0.05 level (2-tailed). |  |  |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |  |  |

In this test, we can see the correlations between the variables. When p<0.05 then the correlation between the variables are statistically significant and when it is p>0.05 then the variables are statistically insignificant. For all the variables, when we correlating it with itself, they are always perfectly positively correlated. First, we are correlating Participation (PAR) with all the variables. When correlating it with Attitude (ATT) there is a small positive correlation and the correlation between the variables are statistically significant. With Social Norms (SNs) there is a small positive correlation and the correlation between the variables are statistically insignificant. With Perceived Behavioral Control (PBC) they are weakly positively correlated and the correlation between the variables are statistically insignificant. With Bounded Rationality Intention (BRI) there is a small positive correlation and the correlation between the variables are statistically insignificant. Then we correlating Attitude (ATT) with all the variables. When correlating it with Participation (PAR) there is a small positive correlation and the correlation between the variables are statistically significant. With Social Norms (SNs) there is an average positive correlation and the correlation between the variables are statistically significant. With Perceived Behavioral Control (PBC) there is an almost average positive correlation and the correlation between the variables are statistically significant. With Bounded Rationality Intention (BRI) there is an average positive correlation and the correlation between the variables are statistically significant. Now we are correlating Social Norms (SNs) with all the variables. When correlating it with Participation (PAR) there is a small positive correlation and the correlation between the variables are statistically insignificant. With Attitude (ATT) there is an average positive correlation and the correlation between the variables are statistically significant. With Perceived Behavioral Control (PBC) there is an average positive correlation and the correlation between the variables are statistically significant. With Bounded Rationality Intention (BRI) there is an almost average positive correlation and the correlation between the variables are statistically significant. After that, we are correlating Perceived Behavioral Control (PBC) with all the variables. When correlating it with Participation (PAR) they are weakly positively correlated and the correlation between the variables are statistically insignificant. With Attitude (ATT) there is an almost average positive correlation and the correlation between the variables are statistically significant. With Social Norms (SNs) there is an average positive correlation and the correlation between the variables are statistically significant. With Bounded Rationality Intention (BRI) there is an average positive correlation and the correlation between the variables are statistically significant. Last we are correlating Bounded Rationality Intention (BRI) with all the variables. When correlating it with Participation (PAR) there is a small positive correlation and the correlation between the variables are statistically insignificant. With Attitude (ATT) there is an average positive correlation and the correlation between the variables are statistically significant. With Social Norms (SNs) there is an almost average positive correlation and the correlation between the variables are statistically significant. With Perceived Behavioral Control (PBC) there is an average positive correlation and the correlation between the variables are statistically significant. Therefore we can conclude that majority of the variables have significance between them since their p-value is less than 0.05.

| **ANOVA** |
| --- |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 9.431 | 4 | 2.358 | 1.050 | .391a |
| Residual | 112.278 | 50 | 2.246 |  |  |
| Total | 121.709 | 54 |  |  |  |
| a. Predictors: (Constant), BRI, SNs, ATT, PBC |  |  |
| b. Dependent Variable: PAR |  |  |  |  |

There is statistically insignificant finding here since **p value** is greater than 0.05

| **Coefficients** |
| --- |
| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | 2.861 | 1.596 |  | 1.792 | .079 |
| ATT | .454 | .302 | .245 | 1.502 | .139 |
| SNs | .093 | .217 | .071 | .427 | .671 |
| PBC | -.047 | .283 | -.028 | -.165 | .870 |
| BRI | .001 | .279 | .001 | .004 | .997 |
| a. Dependent Variable: PAR |  |  |  |  |

Here if the p-value is less than 0.05 then the variable will have a statistically significant impact on the outcome variable and if the p-value is greater than 0.05 then the variable will have a statistically insignificant impact on the outcome variable. Since in my test all of the p values are greater than 0.05 that is why all the variables have a statistically insignificant impact on the outcome variable. The reason behind getting an insignificant impact from all the variables is due to less number of data collection. In this crisis situation, I managed to get 55 data which is the reason behind my insignificant results.

# **Description of all the variables that influences people to participate in**

# **E-commerce**

### These days the number of online businesses are increasing. With the help of internet people are easily creating their own businesses. Latest researches suggest that the decisions of people who are participating in E-commerce are influenced by Attitude, Social Norms, Perceived Behavioral Control, and Bounded Rationality Intention. Attitude describes how people react towards E-commerce participation whether they feel comfortable or not. Social Norms describe how others influence us whether to participate in E-commerce or not and Perceived Behavioral Control designates our ability or our knowledge to participate in E-commerce or not and bounded rationality intention describes how people plan, aim and makes decision within the constraints of partial or imperfect information.

### Figure of how these determinants influence to participate in E-commerce

***Willingness to participate in E-commerce entrepreneurship***

|  |
| --- |
| *****Attitude***** |
| *****Social Norms***** |
| *****Perceived Behavioral Control***** |
| *****Bounded Rationality Intention***** |

###

# **Other Factors that influence participation in E-commerce entrepreneurship**

### **Perceived Usefulness:**

### **Many researchers found that there has been a significant connection between perceived usefulness and attitudes towards the participation of e-commerce. For various reasons consumers think it as the most beneficial method and that eventually increases participation.**

### **Accessibility:**

### **It has been found that e-commerce provides sufficient information and data to both sellers and buyers. They have the necessary access to all the technologies that are required for e-commerce like internet, profiles, credit cards etc. As a result, both are aware of fraudulent and become more reliant on e-commerce.**

### **Role of Government:**

### **Our government provides numerous facilities to promote e-commerce. Like a secure online payment system, ensuring a solid ICT infrastructure, providing educational programs and many more. This flexibility became another essential factor that increases the willingness of people to participate in e-commerce.**

### **Cost of implementation:**

### **This is suggested as the most influencing factor that enhances the willingness of e-commerce participation. Studies found that the cost of implementing e-commerce is way lower than implementing other business organizations. Further, operating & maintenance cost is also lower in e-commerce.**

### **Network reliability:**

### **Our government leaves no stone unturned to develop technological advancement that rise our network reliability. People get proper internet service in all of their gadgets and at any time. They don’t have to waste their time browsing the internet in need of a signal. As a result, the dependency on e-commerce increases.**

# **Conclusion**

###

### **Most of the papers that are published by great researchers or students are about how to open an ecommerce companies, what can be the barriers, what should be the strategies and from the theoretical perspective. Whereas, this paper describes the factors from that encourages people for entering the e-commerce sector in our country. Although people adopted and welcomed it only because of the availability of internet. A controversial reaction has been noticed during the survey and the studies regarding the determinants. From the consumers' perspective, may think this is a hazardous process as they can't see the products before ordering it. Others believe in seeing is not believing motto. On the other hand, determinants that used in this paper vary from person to person based on human behavior. But most people are willing to open their own e-commerce business but for the various reason they are not ready yet. Those who want to enter the commercial sector are interested to establish e-commerce rather than offline business due to minimizing their cost. Also, to help them financially, the Government reduces the taxes of supplies and manufacturing products and a numerous number of banks are providing sufficient loans with lower interest. Thus, Bangladesh embraces the new entrepreneurs and provides feasible opportunities for the betterment of country.**

### ****Reference****

### <https://researchleap.com/factors-influencing-e-commerce-development-implications-for-the-developing-countries/>

### <https://scialert.net/fulltext/?doi=jas.2006.2224.2230>

### <https://thefinancialexpress.com.bd/views/views/e-commerce-in-bangladesh-where-are-we-headed-1578666791>

### <https://medcraveonline.com/MOJCRR/bounded-rationality-in-decisionndashmaking.html>

### <https://www.emerald.com/insight/content/doi/10.1108/REGE-03-2018-031/full/html>