

# Internship Report

## A Review of Competitive Marketing Activities of Daraz Bangladesh

# A Review of Competitive Marketing Activities of Daraz Bangladesh

## **Prepared for**

Dr. Khandoker Mahmudur Rahman  
Associate Professor  
School of Business & Economics  
United International University (UIU)

## **Prepared by**

Sihab Un Sakib  
111 161 349  
School of Business & Economics  
United International University

June 8, 2021

8 June, 2021

Dr. Khandoker Mahmudur Rahman  
Associate Professor  
School of Business and Economics  
United International University

Subject: **Submission of the Intern Report**

Honorable Instructor,

With honor this is my submission of Internship report that has been constructed for completion of my under-graduation degree.

Daraz was formed in 2012 and it started its operation in Bangladesh in 2015. In 2018, Daraz was acquired by Alibaba group , before that it was operated by Rocket Int.

I tried my level best to follow your guidelines in the time of working on the report. It was a great experience working such an organization. I really enjoyed working in the top E-commerce marketplace. Everyone of Daraz Bangladesh was very helpful.

Regards,

Sihab Un Sakib

111 161 349

## **ACKNOWLEDGEMENT**

My cordial thanks to my Honorable Supervisor, Dr. Khandoker Mahmudur Rahman for the guidance and the cooperation. My heartfelt thanks to Mr. Asif Haider and Mr. Mahtab for their amazing coordination in the time of my Intern.

My report has been prepared based on my supervisor guideline. My cordial respect to everyone who helped me in preparing this article.

## **DECLARATION**

This is Sihab Un Sakib, a novice of United International University in Marketing department , stated that the intern paper on the competitive review of marketing operations of Daraz Bangladesh, is a self-made article

Sihab Un Sakib

111 161 349

School of Business and Economics

United International University

# Table of Contents

Executive Summary.....	i
1. INTRODUCTION.....	3
1.1 Organizational Overview.....	3
1.1.1 Mission, Vision Goal & Objectives.....	4
1.1.2 Operations Department.....	6
1.1.3 Business of Daraz.....	7
1.1.4 Scenario of the Operations.....	8
1.1.5 Social Activities or CSR.....	12
2. Business Operations.....	14
2.1 Outline of Commercial Department.....	14
2.2 Job Responsibilities:.....	15
2.3 Functions of the department:.....	17
3. Competitor Analysis.....	21
3.1 Competitors of Daraz.....	21
3.2 7P Analysis of the market.....	22
3.3 Daraz Summary in 7P.....	25
4. Experience Analysis.....	28
4.1 Problems identified in the workplace:.....	28
4.2 Tentative Recommendations.....	31
5. Concluding Remarks.....	33
6. References.....	34

## Executive Summary

Daraz Bangladesh has been around for quite some time in the country. Amid a growing competitive landscape with rising number of online sellers/retailers, Daraz Bangladesh has been actively growing in terms of popularity and market share. It is now owned by Alibaba Group, one of the largest e-commerce platforms in the world. In the last few years, it not only rose as a leading online e-retailer, but also as a leading platform with unique business model and huge warehouse facilities that can be said to have put a landmark or role model for other e-retailers. Its operations are streamlined with vendors, as well as synchronizing with customers' orders as Daraz has already earned a reputation of efficient online order processing of its orders. Customers can easily choose among a variety of products, starting from sewing needles to refrigerators, clothes, furniture and many other things. Daraz also tries to maintain a huge variety of products so that all kinds of customers can be accommodated. It appears to be operating in a very competitive ways in Bangladesh now. Despite all these positive observations, some measures are also included at the end to improve and enhance its current operation in Bangladesh.

# **CHAPTER 1**

## Introduction

# 1. INTRODUCTION

## 1.1 Organizational Overview

Previously Daraz was operated by Rocket Int., which was a German Company. It operated Daraz from 2012 to 2015.

As it has operations another 4 countries except Bangladesh, all those operations were conducted by Rocket Int. but in the later 2018 Tech Giant Alibaba group acquired 100% of Daraz's share for all 5 countries including Bangladesh.

So now it's a company operated by Alibaba Group.

Daraz is now using the technology of its parental company and its all functional department shifted as the guidelines of Alibaba.



### Image: Online

Now Daraz Bangladesh is the no. 1 marketplace in Bangladesh with over 500 million consumers and near about 50000 sellers.

Syed Mushtahidul Haque is the current MD and Kazi Tasfin Alom is the COO .

Daraz introduces its own delivery channel DEX and recently Hungry Naki was also acquired by Daraz.

## 1.1.1 Mission, Vision Goal & Objectives

**Mission:** The vision of Daraz Bangladesh Ltd. is to capture the maximum share of consumer online shopping expenditure in the market.

**Vision:** To become the giant marketplace in all over the Bangladesh an even in the rural area. Highest number of sellers and maximum satisfactory level of its consumers is the top most priority

**Goal:** With the satisfactory level of price , within the best possible time and highest amount of sellers with large number of consumers.

**Objectives:** In achieving eyesight, expedition and goal the org. must have to have some objectives. With the large number of sellers and possibly highest satisfactory level of consumers need must have to be focused on.

- With the huge marketplace by the large amount of sellers, daraz will look in accomplishing the site in generating loyal consumers
- Consumer will be delighted if we can ensure their delivery within the very short range of time and thus their experience with daraz might be improved.
- Services like Partner support center for the sellers can be beneficial to achieve large number of sellers.
- Employee hiring producers, their training modules can be asset for the org. in future and it will enhance resources and value of the organization

## Organization and Management at Daraz:

Daraz expands its business rapidly from its starting since 2015. In between this time company has faced several experiences to learn and grow accordingly. In recent times it expands its operations in Dhaka and also outside of Dhaka with huge number of business hubs. For its expansion lots of renowned brand sellers are also onboarding. As day passed org. has grown a lot and the operational hierarchy has been also expanded. But here I am attaching an organogram which has been sourced from website (daraz.com.bd)



Source (Collected image from website)

**Syed Mostahidal Hoq** (Managing Director) is at the top of the hierarchy and currently representing Daraz Bangladesh.

## 1.1.2 Operations Department

Based on the need and the size of the organization, the operational departments should be formed. If any effective department will be missed to be constructed, then the whole operational plan should be hampered. As daraz is now a multinational company , it has some advantages both technically and with the manpower resources as well. The org. has many of major and crucial departments to run its operation. Some of them are as following :

- Admin
- Organization Development (OD)
- CSC ( Customer Service Center )
- Commercial Dept.
- CM (Category Management)
- HRD ( Human Resource Development )
- IT
- IR ( Issue Resolution )
- QC ( Quality Control)
- PSC ( Partner Support Center )
- Affiliation
- Finance Dept.
- OCM ( Onsite and Campaign Management )
- BI ( Business Intelligence )

- Marketing Department
- Public Relations (PR)

Each of this department has its sub dept. in working at the bottom level and to make the org. more effective

### 1.1.3 Business of Daraz

Daraz is a complete marketplace which works like a bridge to the sellers and the consumers. Which allows sellers to upload their product according to the guideline of daraz policy and it provides and allows the consumers to show and buy the sellers product on their sites. Day by day the number of seller is increasing as the customer demand is getting higher. Especially after the Covid-19 situation it's the only medium both for the sellers and the consumers. Seller can upload their products in different categories with the one seller id, also consumers can buy from the different products from the different categories with their one customer account. The categories are as following

- ✓ Electrical and Electronic accessories
- ✓ Home appliances and TV
- ✓ Mother and Babies
- ✓ Toys
- ✓ Grocery
- ✓ Pet
- ✓ H&L ( Home and Living )
- ✓ Men's Attire
- ✓ Women's Fashion
- ✓ Jewelry and Watches
- ✓ Sports
- ✓ Mobile

- ✓ Bike & Automotive
- ✓ Digital Goods

In primary stage daraz was more focused only few categories like fashion but as they developed technologically and it gained trust of the consumers it introduced several category products.

### 1.1.4 Scenario of the Operations

Daraz is generally as a medium of sellers and the consumers. They deal with their verified sellers, brand sellers, and other corporate sellers. As Daraz has their own Business Intelligence team it can easily set their pricing and marketing policy for the both parties. Different commission rate is charged for the different category products. The commission rate can be varied in different occasions. Daraz have their own service offerings for both their consumers and their merchandisers. Some of the services have been explained below

#### **Business to Business Contract**

Daraz is now a multinational company and for its business policy they may offer to the other business corporates or organizations via Acquisition team for coming under an umbrella. Daraz firstly offer a contract for coming with them on business, in return business firms replied with their terms. When both parties agreed on point, then the business org. may sell their different products in the platform of Daraz .

#### **Quality Control (QC)**

Once seller has been uploaded product in the website, the work is not finished yet. They have to wait for the Quality check from the QC team, unless consumers can't show their product on website. Generally it takes 24-72 hours for the QC check, once it's done, uploaded product from seller is live on the website.

## **Promotional Campaign**

In order to attract more sellers and consumers Daraz organize different types of promotional campaigns through both social media platforms and also physical campaigns. For the blessing of different social media channels it becomes easier to reach more consumers and sellers through paid ad or organic reach.

Also different physical campaigns help the organization to get more sellers but as it are an electronic commerce, so they are more focused on social media campaigns or affiliate marketing.

## **CSC Service**

For any organization consumer satisfaction is the main priority. If the consumers are satisfied, then there are high possibilities of retention of those customers and achieving more customers by gaining trust.

Daraz provides customer service by customer service center. Customers may contact to the team via Live Chat, Call, and Mail with their feedback and problems. Also once a consumer has placed order, the CSC team check if the order is valid or not and they contacted to the consumer.

## **Collection of Ordered Products**

Daraz directly doesn't store any product. When an order is placed by the customer, seller drops the ordered product in the nearest hub. After finishing the required packaging and labeling it's stored in the warehouse. After that it's being prepared for the delivery to the ordered location.

**Delivery:**

Once it's properly packaged, it's ready to deliver. Daraz has their own delivery system DEX , also there are delivery partners like REDX & Paperfly. One delivery person is assigned for the delivery and the product will be delivered within the promising time.

**Policy of Payments**

As the technology is growing very fast, so now there are several payment policies available. Cash on Delivery was the most popular payment method before fin tech is available. But now people are more into Online payments.

Daraz allows customer to pay via bKash, Rocket and other available Mobile banking services. It also allows VISA card, Master Card. Beside this it has the policy to pay in EMI for Six to highest Twelve months period.

Daraz pays it seller money only via their Bank Account.

**Return Policy:**

In general Daraz allows only 7 days return policy under few circumstances. If it's a fault or damaged product sent by the seller, only then the policy may applicable.

CSC team & IR team might check the claim and if the claim is valid then the customer will get the refund within 7 working days.

Recently, for Daraz Mall consumers it has 14 days return policy.

**Method of Refund**

When damaged product claimed submitted by the customers, after checking the claim if it's actually a damaged product, then the consumer will get the dull refund via voucher or bKash.

It's more likely to get the refund as voucher.

## **Review**

Daraz has their own review mechanism to put the review of a seller's product after purchasing. If the consumer is happy with the service and product, they put a positive review against the product, also if they are not then they get negative reviews as a result and it decreases the seller rating.

## **Technological Flows**

This is very normal in having technological flows when the whole operation is conducted by online. The organization is trying to reduce the percentage of these flows to make lower day by day but then again there are very few issues we have in daily operations.

As daraz have only options for the seller payment and that is via bank account, so it's tough sometimes to get the payment bi-cycle time with the authenticity of identity. Also for the consumers some issues may arise. Issue Resolution team and other teams are working on these issues. The problems considered as Item Cycle. Some of the factors that affected these cycles are given below.

**Invalid Payment** : If the payment is not occurred through online by the bi-cycle period, it's considered as Invalid payment.

**Fraud** : If the IR team found any false information given by sellers or consumers and if it's found difference between the promised products , then the shipment is considered as fraud.

**Order Cancellation** : Consumer may cancel the ordered item within the cancelation period without any reason but mind change is not applicable after order.

Also CSC team or IR team has the authority to cancel the ordered item.

**Out of Stock** : It's possible in some cases to be stocked out when there will be huge demand , especially in occasions. If it's out of stock, in website it will be shown as 0, which means customers can't place the order for this product.

**Delivery Fail:** If the product somehow can't be delivered to the consumers, it's considered as deliver fail item and it will be again stored in the Daraz warehouse and seller will get a notification to collect the product from hub

## 1.1.5 Social Activities or CSR

### **Amar Daraz**

Amar daraz's objective is in the development and empowering by education that ensures the service of this project. It is the program that is centered on sustainability and the development that supports the International sustainability goals, UN sustainability goals to be more exact. To make the world a better place to live and breathe on, the project is developed. The project Amar Daraz focuses on gaining the benefit for the society by its two subsidiary projects, which are Alok and Abha.

### **Alok**

The project Alok mainly is a school project which works for the children education and the development of the children. It is mainly a school which is at Tongi. Mainly Special children who has Attention Deficit Hyperactivity Disorder, they are the student of this project . In this school about 20 special children is getting their education under this project. The project basically runs by an NGO. The NGO is mainly run by the donation of Daraz for this purpose and it's called IHF.

### **Abha**

It's one of the other subsidiary projects of Amar Daraz. The project is mainly considered in solving several social issues that is occurred in especially in different season like Eid, Puja, Flood, and Cyclone. As the other subsidiary and project had been formed in solving special children and poor people, that project is also funded.

## **CHAPTER 2**

### **Workflow of Commercial Dept.**

## 2. Business Operations

### 2.1 Outline of Commercial Department

Daraz have their effective commercial dept. and the dept. range is much bigger than any other existing dept. The department also has its many sub departments. I worked for Vendor Excellence team, which is also a sub department of Commercial

Some other sub departments of commercial are as following

#### **Acquisition:**

Acquisition team is working for acquiring new sellers. Few of the team members go to a market visit and collect the required information and then convince them to join with Daraz. In every hub there is a Team leader from the team. Right after acquiring, the team transferred the new seller to the Partner Support Center (PSC) team for cross checking the information and for account verification

#### **PSC (Partner Support Center):**

The team is only dedicated for the support to the seller. After a seller joins Daraz under acquisition team, then every support a seller need is providing by the PSC team. The team verifies the seller account, they also activate seller account, if need they can deactivate the account and also they support the seller who has joined through self-registration. Then they generally prepare a seller list, both active and inactive to the Vendor Excellence team.

#### **VEX (Vendor Excellence)**

After joining Daraz, a seller needs to know how the system of daraz is working and how they can upload their product, which website allows them to work as background. Overall, New sellers need training for understanding the process. Mainly Vendor Excellence team

provides proper training to the new sellers. Besides that those seller who were active but now they are not active, the team also motivates or give suggestion to the inactive sellers. They also find out the problem for the seller who has been delisted for their performance dropping, they suggest them proper guideline.

- **Quality Control (QC)**

Once seller have uploaded product through backend website, the job is not done yet. They have to upload their product with the proper content needed for displaying the product in the main website.

Mainly, QC team checks the seller uploaded product content, if every content requirement fulfilled or not. If they found that everything is ok, then they approve it for displaying or else they make a comment to the seller with proper suggestion.

- **VO (Vendor Operations)**

Every team member of VO is responsible for the return issues of the seller, the pickup process and the drop off to the hub.

- **CM (Category Manager)**

Every category, there are category managers who are responsible for their category sellers.

## **2.2 Job Responsibilities:**

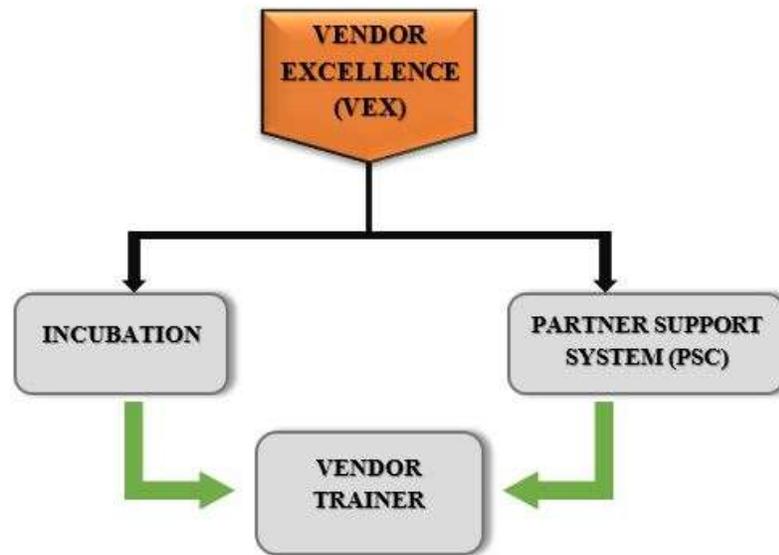
I had the opportunity to work as a Trainer in Vendor Excellence under Commercial Department. Though I joined as an Intern, but I had the access to operate all the operations related to the sellers. My line manager appointed more than 500 sellers to me and I had to

go through all of the seller's details, their sales, growth and the problem they are facing right now. I used to solve their issues by providing them the proper guideline. I had a great experience working under this team and I had learned a lot about how an ecommerce organization works from top to bottom. My colleagues were so helpful; they helped me a lot in every situation.

My day to day operational work is as following

- ✓ Firstly, have to check the health condition of the seller account which is assigned on me for finding the problems and lacking's of the account.
- ✓ Then need to communicate to the assigned for what kind of problems the seller is going through related with the seller account like adding products, managing media center, order processing, creating promotion offers, store manager, accounts managing etc.
- ✓ After that, have to communicate regarding the issue with the concern team like Customer Support team, Operation team, Finance and Account team etc., so that the arriving issue can be resolve easily. And if the seller doesn't have any idea about how to use the seller account then they are encouraging to register the training session that managed by VEX (Vendor Excellence) team.
- ✓ By resolving the seller issues we have to convince the inactive vendors and turn them inactive into active for connecting with Daraz in better online business.

## 2.3 Functions of the department:



**Fig: Vendor Excellence (VEX) Workflow**

**Source (Online)**

### **a) Making Projections for Brands and Vendors**

As VEX (Vendor Excellence) team working with some of vendor management activities, so it's important to check the sellers order record in daily basis so that can make a monthly projection of all the sales. From that report, VEX (Vendor Excellence) team can find out which seller is going in loss and which seller is doing well in the market. After identifying those sellers whose sales is going down, contact with them and discuss with them about the problems they are facing which causing them loss in the business. Help them to make a strategic future plan which can increase their sales by following the plan so that it can turn increase their net value sale.

## **b) Calculation of profit earned from campaigns**

To survive in the market, Daraz always keeps in touch with the customers. To connect with them Daraz organizes campaign in every month. During the campaign VEX (Vendor Excellence) team's responsibility is to supervise all the sellers and keep updating the performance of them. After evaluating all the process, VEX (Vendor Excellence) team have to submit a report where indicate that how much profit is gained throughout the campaign from Daraz side as well as the seller side.

## **c) Providing new ideas**

In Daraz, employees tend to have got full freedom to share their new ideas to the supervisor and conjointly emphasize in their work by getting it through with new manner. VEX (Vendor Excellence) team create totally different work sheets to stay in the data of the sellers and creating helpful Google doc file in order that they able to keep the main problems in prime. It will facilitate the organization to spot the problems easily and solve the issue for higher way forward for the corporation.

## **d) Contact with PSC (Partner Support Center) Sellers:**

When PSC sellers transfer from PSC (Partner Support Center) team to VEX (Vendor Excellence) team, the head of VEX (Vendor Excellence) team has divided the sellers and assigned them to the responsible PSC employee inside the VEX (Vendor Excellence) team for manage the vendor. And it's taking to handle almost 500-900 hundred sellers in a week as well as 2000-8000 thousand sellers in a month and contacted with them about their account related issues.

## **e) Providing training:**

VEX (Vendor Excellence) team give training those sellers who are not understood the ASC (ALI SELLER CENTER) system by Webinar and Boot camp in every week. Basically, Webinar is online based live training which takes 20-30mins containing with related topic by using an App called "DingTalk" owned by also Alibaba. And Boot Camp is the physical training which take 1-2hrs containing each and every topic related with the ASC (ALI

SELLER CENTER) system in every hub of Daraz by arranging VEX (Vendor Excellence) team. It is very important for sellers because if they do not understand ASC (ALI SELLER CENTER) system, they cannot run the account, cannot upload their product in Daraz website and also cannot monitor their seller account.

**f) Preparing daily report:**

VEX (Vendor Excellence) team have to prepare daily report based on seller's order. This report has two parts i. Ready-to-ship, & ii. Pending. Ready to ship means when sellers packed their orders and changed status from pending to ready to ship. Pending means when sellers get order and they do not check or stock is unavailable or order is not ready yet. After preparing the report, VEX (Vendor Excellence) team contacted with seller about their order related issues.

There is also some other works like:

- ❖ File Sorting
- ❖ Input data in the online database
- ❖ Input all the result in the daily work sheet
- ❖ Giving all the work result to the supervisor at the end of the day

# **CHAPTER 3**

## **Industry Analysis**

## 3. Competitor Analysis

### 3.1 Competitors of Daraz

Back in 2015 when daraz started their journey as an ecommerce site, the ecommerce business was not very popular to the people or the sellers and the consumers. Day by day, the ecommerce sector rose gradually and as a result now there are many giant ecommerce sites exists in the Bangladeshi local market.

So, before daraz have fewer competitors but now daraz have many competitors to compete. Especially after the Covid situation the online business market is getting big and tougher, Many new companies enters into this market, even ICT division of Bangladesh introduces its new ecommerce site for the rural people.

As the market is getting big, so day by day competitors number are also increasing. So, now daraz have many more competitors than before.

Few of the major competitors list of Daraz is given below

- Evaly
- Priyo Shop
- Pickaboo.com
- Bagdoom.com
- Dhamaka Shopping
- PerFee Online Shopping
- Ekshop
- Alesha Mart

These are the competitors of Daraz but the main competitor for Daraz now is Evaly.

## 3.2 7P Analysis of the market

### Product

For ecommerce organization, the organization itself is a marketplace; they generally don't have their own product. They provide the marketplace, where sellers get the opportunity to sell their product. In return they have to provide commissions to the organization.

So, the product this industry have their seller products. Every product has own category or subcategory. Under these categories consumer can show or search in the website.

Few common categories of existing ecommerce sites are

- Fashion
- Motorbike
- Grocery
- Health & Beauty
- Electric and Electronics
- Health & Beauty
- Mobile & Computer Accessories
- Home & Living
- Digital goods

Under this category there are also many sub categories. Competitors like Evaly has all those mentioned category products as mentioned, but other competitors like Dhamaka shopping and Alesha Mart are still working to add or update their category based products.

## **Price**

Price is an important factor of consideration in ecommerce sector. There are different category sellers but many of them sell almost same product. So we can see the price variation in the same ecommerce site and also the others.

The price differs for the quality of the product or for the product sourcing or for the different commission rate for the different ecommerce site.

For an example, daraz charges 12% commission on the fashion category product, whereas other ecommerce site who enters the market recently charges few. As daraz have more consumers for the sellers, so the rate is bit high compare to the other competitor but for the same category product evaly charges almost the same rate.

## **Promotion**

For promotion almost every ecommerce site follows The marketing mix strategy.

- ***Digital Advertising :***

When we open YouTube, sometimes or every times we experience different types of ecommerce site ad. Which contains information about those sites and nowadays this is the most effective marketing strategy.

Daraz, Evaly, Priyo Shop and other ecommerce sites regularly do this type of promotion but in comparison with other sites Daraz and Evaly invest more on Digital Advertising

- ***Social Media :***

Another most powerful marketing strategy. This strategy connects to the consumers and the sellers through several social media sites like Facebook, Instagram, and Twitter etc.

All the existing ecommerce sites are active on social media and this generates a high amount of turnover.

Recently, the most engaged ecommerce site on Social Media is Daraz and Evaly through attractive campaigns and offer.

## **Place**

The place for business to the ecommerce sites are one and only are their Website. It is considered as place where they can operate their business properly.

For daraz it's (<https://www.daraz.com.bd>)

For evaly it's (<https://www.evaly.com.bd>)

In every ecommerce sites has their own site like this and this is the place where you can capture or retain the customers

In recent version the sites are introducing Mobile Application to reach more consumers. But the difference between mobile apps to the sites is the version of User Interface

Evaly use 3<sup>rd</sup> generation UI for the Customer app, whereas Daraz use 5<sup>th</sup> generation UI

## **People**

The people that operates business for ecommerce needs to be highly trained and technologically expert.

More or less every organization has capable employees for their organization but according to the business size of the organization it fluctuates.

## **Process**

Most of the ecommerce site still doesn't have their own delivery channel; they use Delivery Partners to deliver.

Org. like Evaly offers normally delivery within 14 working days but for the cyclone offer it's more than 60 working days, Alesha mart delivers within 30-40 working days for campaign products

## **Physical Evidence**

In e-commerce sector customer don't have any touch and feel option of buying any product. But consumer can get the idea or can see the product details by other consumer reviews.

Also, seller can improve their product dimension or quality based on the reviews. All of the existing ecommerce sites allows and sellers to give review or back the review's feedback.

## **3.3 Daraz Summary in 7P**

### **Product**

Daraz is the first ecommerce site introduced grocery and digital goods, on the contrary others are just following daraz. It has a huge varieties of all types of products.

### **Price**

Daraz don't set any price for its consumers but for its commission rate the price fluctuates. Based on different category the commission rate varies.

But as I mentioned earlier Daraz has more than 500 million consumers, so it offers more customers than any other competitors and as the first online ecommerce site in Bangladesh it has first mover advantage as well

### **Promotion**

Daraz recently becomes the official Sponsor of Bangladesh National Cricket Team and also Shakib Al Hasan is the brand ambassador of Daraz, whereas other competitors are much behind than its promotion.

But to be mentioned Evaly is also doing well in their promotional strategy.

## **Place**

Daraz.pk operates the website for 5 countries operation. Daraz backend website for seller is currently using 7<sup>th</sup> generation technology , whereas others are still using 5<sup>th</sup> generation technology.

## **People**

Evaly, the main competitor of daraz has more than 1200 employees in their organization , on the other hand Daraz has over 3500 people working in their organization.

So, daraz has much manpower than its other competitors

## **Process**

Daraz has their own delivery channel “DEX” and has also 3 other delivery partners. It has the largest warehouse among the competitors.

Also Daraz promises 7 days delivery and for Daraz Mall is 3 working days delivery, on the other hand competitors take longer time

## **Physical Evidence**

For evaly consumers sometimes can't see the product review or the overall seller review but daraz allows both parties communication through online reviews

So, here daraz have an advantage of having clear review system for both parties

# **CHAPTER 4**

## **Summary of Observations**

## 4. Experience Analysis

### 4.1 Problems identified in the workplace:

I was very happy to have that opportunity to work in a Multinational Ecommerce organization. I had a fantastic taste of corporate life. As I worked as an Intern in Commercial dept. , so I have a vast idea about the organizational full operational process. As per my observation, I found out some issues that need to be focused on, in my opinion if the issues could be solved, it would be beneficial for the whole organization

#### **Delivery Issue**

Daraz Bangladesh Ltd. is an E-commerce business leader in Bangladesh.. As an expectation from that their operation service has to more reliable and express. But the maximum sellers are frustrated with the delivery service. They didn't get the delivery man/rider on time to reach the product to the customer. And sometimes seller instructed to drop off the product in the nearby hub. For this, the seller gets confused, whether they pick up/drop off the ordered product. After all of this, sellers pitched off to doing the business with Daraz. So it's working a demotivate factors for run the business with Daraz from the perspective of a seller.

#### **❖ System Sink Issue:**

The total business of Daraz is run through the online systems. As it's related with the technical system, so sometimes the system has lots of difficulties to run. Alibaba has 42 systems and it's adding day by day more. And whenever the system sink issue arises, the employees have to get lots of hassles to sort out the problem through these multiple systems in one by one process. The system sink issue is the thing where the system shows one status but it's not done actually.

As an example, when an ordered product returned from customer. The system update this by mentioning “Returned” according to that order but unfortunately the seller didn’t get the returned product from warehouse after passing 1-2 months even. Another one is the delivery issue. Where the seller updates the status regarding the order in “Ready to Ship” after packaging the product but the delivery man/rider don’t reach to pick up the product in time and as a result the order is cancelled by customer for not to reach on time.

#### ❖ **Shortage of Resources ( Manpower)**

As per the company structure, many works has to be done by Commercial Department. But it is very difficult for the existing employees to handle so much work pressure with fewer work forces. As an example, in my VEX (Vendor Excellence) team we had total 7 members including my team head. Two (2) members are considering for Incubation portion where they are working with new sellers; Two (2) members are assign for seller training and rest of two (2) members are for PSC portion where 800-2000 inactive sellers list come in each week and this PSC portion have to be done activation by health checking, call pitching and appropriate suggestion of this seller’s. It’s creating so much work load for each of the employees as well as not possible to maintain the work flow consistently in the workplace. Recruitment and talent management should be more concern about this so that the team can have enough work forces to handle any kind of work pressure.

#### ❖ **Technical difficulties for employees**

As its operation operated by online, so every work of ours is based on online and technical issues. All the employees have to connect all the time with Daraz’s insight network by using the system called “Alilang”. For this, sometimes had to face technical difficulties like server down or not getting the correct information

from the network. To approach from other network, we had to go through many security procedures and rules to get that information. This difficulty hampers the work flow. Even when a new employee joins in Daraz Bangladesh Ltd., he/she have to wait at least 4-5 days to get the Alilang access account ID from the Daraz's origin Head Quarter which situated in Pakistan. In these days, the new employee stuck and can't do the assign work.

#### ❖ **Seller contact not found properly**

The PSC (Partner Support Center) portion's main task is to pitching the inactive sellers and giving advice those sellers who are not getting order. The VEX (Vendor Excellence) team head divide the inactive lists of the sellers into two (2) of team members to work on it. First of all, they checking the health of the account like seller name, total SKU, live SKU, ratings, followers, cancellation rate, usage of promotional tools etc. from the ASC (Ali Seller Center) and find the problems of why they are not getting the order from the customers. After that they are going to call to that specific seller. But it's very common to find the exact contact information which is missing from that sellers list. As a result, couldn't reach to those sellers for activation and it's hitting in the scorecard of VEX (Vendor Excellence) team. And surprisingly, it's not solved by PSC, SSU team still now who are the responsible for making of the inactive sellers list.

## 4.2 Tentative Recommendations

When Daraz entered into this ecommerce sector, there were few competitors but day by day the competitor number is arising and also the opportunity is increasing, on the contrary there are some threats as well.

Organization like daraz should be more emphasized on both rural and urban sellers, the technology should be user friendly to the seller and the user. Not only that they also have to focus on the promises they made to their suppliers. If the operational process can't be developed soon, it will be a cause of suffer in the long run.

Few of my recommendations are given below

- They need to hire more workforces so that the work pressure can be reduced for the existing employees. If the man power is well enough then they can ensure better services throughout the year. It will reduce the service performance gap.
- From Daraz Bangladesh Ltd. every issue forwarded to Daraz Pakistan and it takes lots of time to get a result. So Daraz Bangladesh should have their separate software system or access so that every issue can be solve within less time and the dependency level can decrease from Daraz Pakistan. Can solve the problem of technical difficulties and narrow the performance gap.

# **CHAPTER 5**

## **Concluding Remarks**

## 5. Concluding Remarks

Mainly Daraz introduces the new era of this sector, so it has a wide advantage and it has already developed its position to the market. The business is doing well and it shows the path to the new entering sites.

Now Daraz have over 500 million consumers and about 30000 sellers , but sooner or later it will expand more and more if they focus on the seller and consumer satisfaction , also there is now lot of scopes of employment, It has opened a new era of this sector.

## 6. References

- Daraz.com.bd Retrieved From: <https://www.daraz.com.bd/>  
(Hossain. Mahtab, Personal communication,)
- <https://sellercenter.daraz.com.bd/>
- <https://admin.sellercenter.daraz.com.bd/product/portal/index>
- Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2008). Services marketing: Integrating customer focus across the firm. New Delhi: Tata McGraw-Hill. (2), 36-39
- <https://expertprogrammanagement.com/2018/03/gap-model-service-quality/>
- [https://www.google.com/search?q=provider+gap-1&rlz=1C1GCEB\\_enBD857BD857&source=lnms&sa=X&ved=0ahUKEwil8I3rpczjAhVJ6Y8KHXpsBa0Q\\_AUIDCgA&biw=1366&bih=608&dpr=1](https://www.google.com/search?q=provider+gap-1&rlz=1C1GCEB_enBD857BD857&source=lnms&sa=X&ved=0ahUKEwil8I3rpczjAhVJ6Y8KHXpsBa0Q_AUIDCgA&biw=1366&bih=608&dpr=1)
- Carroll, J., & Broadhead, R. (2013). *Selling online: How to become a successful E-Commerce merchant*. Dearborn Trade Publishing.