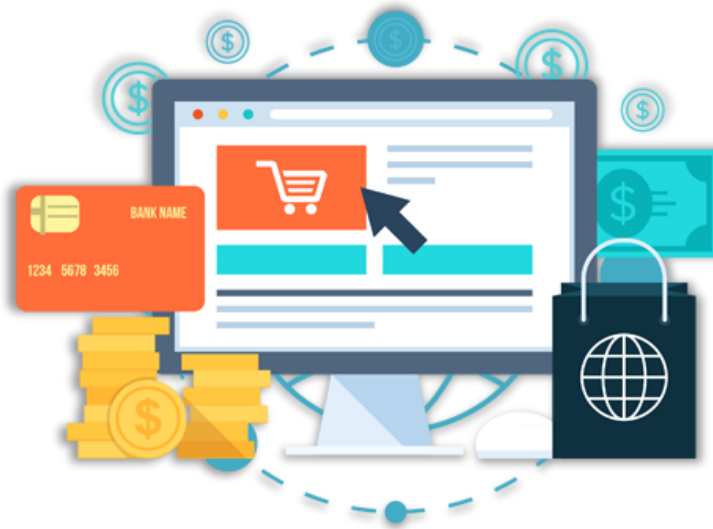


INTERNSHIP REPORT ON

“CONSUMER PERCEPTION TOWARDS E-COMMERCE IN BANGLADESH”



Acknowledgement

Firstly, I would like to express my gratitude to the Almighty for giving me the capacity to perform my tasks as an intern and complete the report within due time.

I am grateful to my Internship Program Supervisor Dr. Md. Shariful Alam, Assistant Professor, School of Business & Economics, United International University for his supervision during my organizational period.

I am also very thankful to Mr. Turas Ayman, Media & Strategic Planner at Analyzen Bangladesh Limited. He has been my Supervisor at Analyzen Bangladesh Limited during my internship tenure. It would have been very difficult to prepare this report without his help and guidance.

I am also very thankful to Analyzen Bangladesh Limited's colleagues, seniors who gave me good ideas, inspiration, and support. I should specify the amazing workplace and teamwork of this agency that has helped me tackle with the real taste of the world of agencies.

Responsibilities and Learnings as an Intern at Analyzen Bangladesh Limited

I have completed my 3 months long internship at Analyzen Bangladesh Limited from January 1, 2018 to March 31, 2018. I have worked under the Digital Marketing Department. Mr. Turas Ayman, Media and Strategic Planner, has been my Supervisor during my internship tenure.

During the internship I have performed the following responsibilities:

- Coordinated and monitored the field work of some of our clients: LUX, TRESemme, Vaseline, Apollo Hospitals Dhaka, PRAN Up, Banglalion, Akij at different points of Dhaka city
- Query Management for Meena Bazar, Lifebuoy, The Great Kabab Factory, Garlic 'n Ginger, Pureit, Aarong, Taaga and British American Tobacco Bangladesh
- Copywriting for Tonic, The Great Kabab Factory, Garlic 'n Ginger and British American Tobacco Bangladesh
- Designing creatives for bloop. and British American Tobacco Bangladesh
- Attended meetings with clients and recorded the minutes of those meetings
- Prepared monthly reports, campaign reports, query reports bills & bill proofs for clients
- Research & Development: Consumer Insights Analysis
- Prepared Creative Pitch and Digital Plan for Transcom Digital, PRAN Rice, bKash Career
- Client Services Management for Apollo Hospitals Dhaka, Omera LPG, Go Zayaan, PRAN Up, PRAN Frooto and Super Board

During my internship, my major learning was the exposure and taste of an Advertising Agency. I had the opportunity of working with various brands and following up them. Working under pressure and meeting the deadline were some other attributes of my learnings. Also coordinating, managing, and monitoring the field work of the brands was pretty thrilling to me. Last but not least, the research on Consumer Insights Analysis enabled me to understand the current e-commerce scenario of Bangladesh which was one of the most interesting learnings from my internship.

Executive Summary

The research tries to explore consumer perception towards e-commerce in Bangladesh. In this emerging sector of e-commerce, it is very important to analyze which factors positively impact consumer perception and eventually lead towards positive consumer behavior and actual purchase as well. In the research, factors like product quality, responsiveness, internet cost, timeliness, security, advertisements, word-of-mouth, brand image, product packaging and website design, cost reduction, positive product review and low shipping cost have been analyzed to find out how they impact consumer perception towards e-commerce in the context of Bangladesh. The study shows how marketer should try to exploit these online prospects of business environment to entice more and more consumers digitally and deliver products in an attractive and sustainable way.

Introduction

Internship Program of United International University is a must undergraduate program completion pre-requirement for the BBA graduates. It is a vital requirement for BBA degree completion at UIU. The primary challenge was to transform the theoretical concepts into real life experience, being an intern.

This internship course and the research have following purposes:

- Gather, understand detailed knowledge on the job description
- Experiencing real business world
- Relate theoretical lessons learned at UIU with practical application and experience
- Fulfil the requirement of BBA degree

This final report is the result of 3 months (January 1, 2018 - March 31, 2018) long internship program conducted at Analyzen Bangladesh Limited and is a requirement for the completion of the BBA program at UIU.

The report is based on the consumer perception towards e-commerce in Bangladesh.

Background of the study

With the advancement of internet facilities in our country, online transactions have become more commonplace to the Bangladeshis. The ease of transaction, less time consumption, fast delivery, etc. are several reasons for what e-commerce is getting popular among the mass people indeed.

Therefore, in this research, I tried to figure out the consumers' overall perception towards e-commerce in Bangladesh.

Objectives of the Report

The basic objective can be classified into two types:

- i. Broad Objective
- ii. Specific Objectives

Broad Objective:

The broad or main objective of this internship report is to understand how consumers of Bangladesh perceive e-commerce.

Specific Objectives:

- To investigate the relationship of consumer perception towards e-commerce with factors like product quality, responsiveness, internet cost, timeliness, security, advertisements, word-of-mouth, brand image, website/product design, cost reduction, positive product review and low shipping cost.

Scope of the Report

The primary reason behind the research is to understand the relationship consumer perception shares with the other stated factors. Here consumer perception is the dependent variable and all the other factors are independent variables. We did survey 100 people who already have received e-commerce services at least once to get a better and trusted response from the survey.

Analyzen Bangladesh Limited - “The First Bangladeshi Digital Agency to go Global”



Basically, Analyzen was a startup that launched off as the software development company at University halls back in twenty-eight by two young graduating students Mr. Ridwan Hafiz & Mr. Sumit Saha from Bangladesh University of Engineering & Technology (BUET), Computer Science & Engineering, which has now turned into a leading Digital Agency in the industry, capable of total digital as well as creative supports, catering to both the local as well as international clients. Mr. Ridwan Hafiz has always been the Creative Expert, who envisioned the growing digital market of the country and wanted to explore this potential opportunity as well. On the other hand, Mr. Sumit Saha has been the Tech-Expert of the Agency since its inception to drive innovations and harness power of technology for solving real problems faced by consumers as well. Besides, the team capitalized from a Brand and Strategic Planning perspective, when Mr. Risalat Siddique - a seasoned Brand Professional having multi-country experience joined as the co-investor of the agency back in 2014.

#BestInTheWorld

Ecommerce

Electronic commerce or called **e-commerce**, is the facilitation of trading in products or services through having PC networks, such as the Internet. Electronic commerce holds technologies like electronic data interchange/EDI, mobile commerce, supply chain management, Internet marketing, inventory management systems, electronic funds transfer, online transaction processing, and automated data collection systems. Modern electronic commerce has been using the World Wide Web for at least one part of the transaction's life cycle, although it may also use different platforms like e-mail.

E-commerce businesses may employ the following:

- Online shopping web sites for the purpose of retail sales direct to consumers
- Delivering online marketplaces
- Business-to-business buying/selling
- Collecting demographic data through web contacts and social media as well
- Business-to-business electronic data interchange
- Marketing to established and prospective customers via e-mail or fax platforms
- Engage in retail for kicking-off new products or services

Types of E-commerce

E-commerce can be categorized into 6 basic kinds:

Business-to-Business (B2B)

Business-to-Consumer (B2C)

Consumer-to-Consumer (C2C)

Consumer-to-Business (C2B)

Business-to-Administration (B2A)

Consumer-to-Administration (C2A)

I. Business-to-Business (B2B)

Business-to-Business (B2B) e-commerce covers all the electronic transactions of goods or services conducted between organizations.

II. Business-to-Consumer (B2C)

The Business-to-Consumer type of e-commerce is differentiated by the establishment of electronic business relationships between businesses and final consumers.

III. Consumer-to-Consumer (C2C)

Consumer-to-Consumer (C2C) type e-commerce includes all electronic transactions of goods or services that are conducted between consumers. These transactions are conducted by a third party, which provides the online platform where the transactions are generally carried out.

IV. Consumer-to-Business (C2B)

There is a complete reversal of the traditional sense of exchanging goods when it comes to C2B. This type of e-commerce is truly common in projects that are based on crowdsourcing. A large number of individuals make their services or products available for purchase for companies seeking precisely these types of services or products.

V. Business-to-Administration (B2A)

This kind of e-commerce covers all transactions conducted online between companies and public administration. This is an arena that involves a large amount and a variety of services, particularly in areas such as fiscal, social security, employment, legal documents and registers, etc.

VI. Consumer-to-Administration (C2A)

All the electronic transactions conducted between individuals and public administration are covered by the Consumer-to-Administration model.

Examples of applications:

- Education – disseminating information, distance learning, etc.
- Social Security – through the distribution of information, making payments, etc.
- Taxes – filing tax returns, payments, etc.
- Health – appointments, data regarding illnesses, payment of health services, etc.

Advantages of E-commerce

- I. Overcome Geographical Limitations**
- II. Gain New Customers with Search Engine Visibility**
- III. Lower Costs**
- IV. Locate the Product Quicker**
- V. Eliminate Travel Time and Cost**
- VI. Provide Comparison Shopping**
- VII. Enable Deals, Bargains, Coupons, and Group Buying**
- VIII. Provide Abundant Information**
- IX. Create Targeted Communication**
- X. Remain Open All the Time**
- XI. Create Markets for Niche Products**

Disadvantages of E-commerce

Ecommerce Lacks personal touch

E-commerce delays goods

Cannot purchase too many goods online

Ecommerce does not allow testing or experiencing the product before purchase

Anyone can set up an ecommerce website instantly

Security

E-commerce in Bangladesh

Getting the help of rapid growth in mobile as well as internet penetration; new horizons of opportunities in Bangladesh has now opened up successfully; both for the entrepreneurs and consumers alike. Businesses have actually surpassed the boundaries of physical locations. These days, businesses are risingly becoming virtual indeed. Local entrepreneurs are making effective use of the increased internet accessibility via being online and consumers are also responding enthusiastically. After all, who wouldn't love the idea of being able to shop from the comforts of their home simply through clicking on their PCs and having products delivered right to their doorstep! Thus, it is no surprise that the E-Commerce area has developed massively in Bangladesh and there are many websites catering to the shopping needs of the local consumers.

Consumer perception

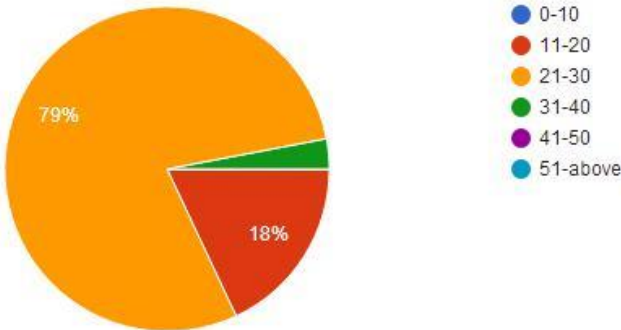
The *consumer* is the individual who pays to consume goods and services produced. As such, *consumers* play a key role in the economic system of every nation. Producers would lack one of the key motivations to produce: to sell to consumers, without consumer demand. Part of the chain of distribution is also being formed by the consumer.

Consumer Perception Theory

Merchants aim to increase their sales by determining what drives their customers' purchase decisions. Through, analyzing motivations for buying or not buying - particular items, consumer perception theory attempts to explain the consumer behavior. Basically, three areas of consumer perception theory relate to consumer perception theory: self-perception, price perception and perception of a benefit to quality of life.

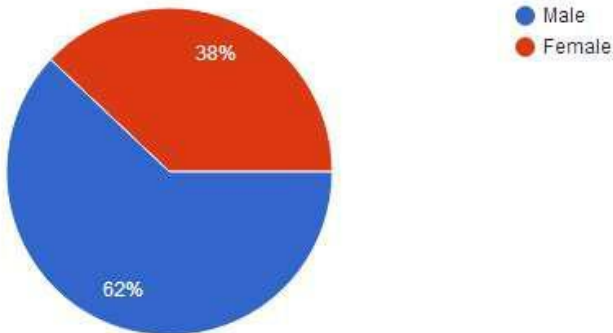
Findings and analysis of consumer perception towards e-commerce in Bangladesh

Age of the respondents



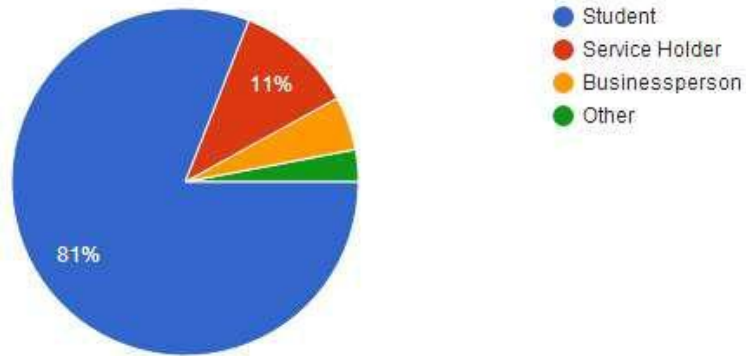
Analysis: 100 people took part in the survey where 79% were from 21-30 age bracket and 18% were from 11-20 age bracket.

Sex of the respondents



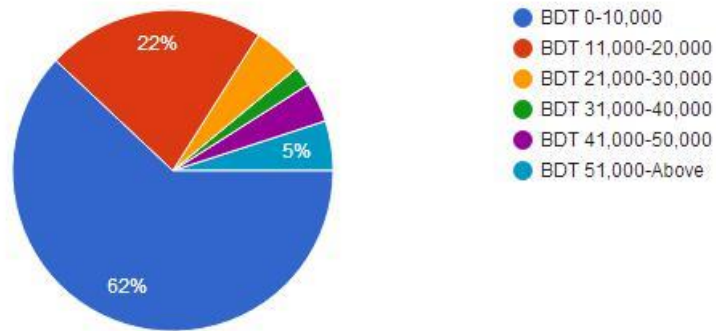
Analysis: Out of the 100 respondents 62 were male and 38 were female.

Occupation of the respondents



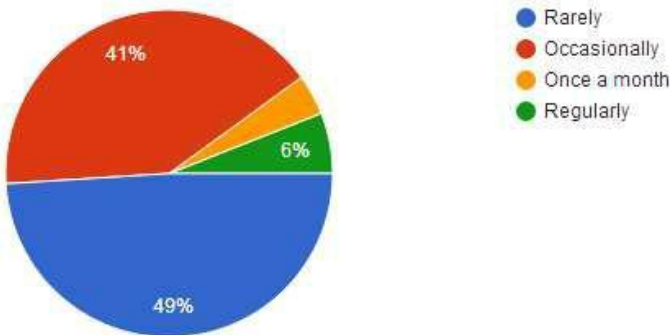
Analysis: Out of the 100 respondents 81 were students and 11 were service holders.

Income level of the respondents



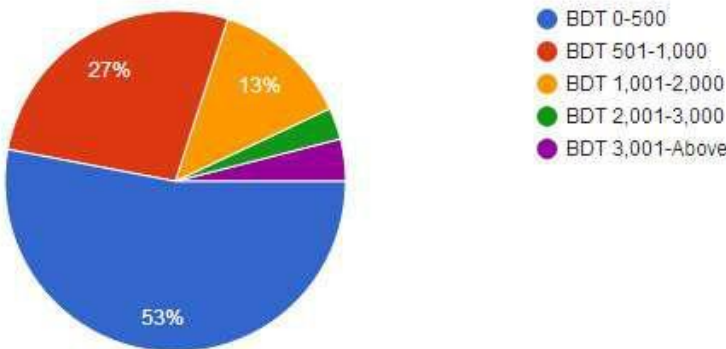
Analysis: Out of the 100 respondents 62% had an income level of less than 10,000 taka and 22% had an income level of 11,000-20,000 taka.

Respondents' frequency of online shopping



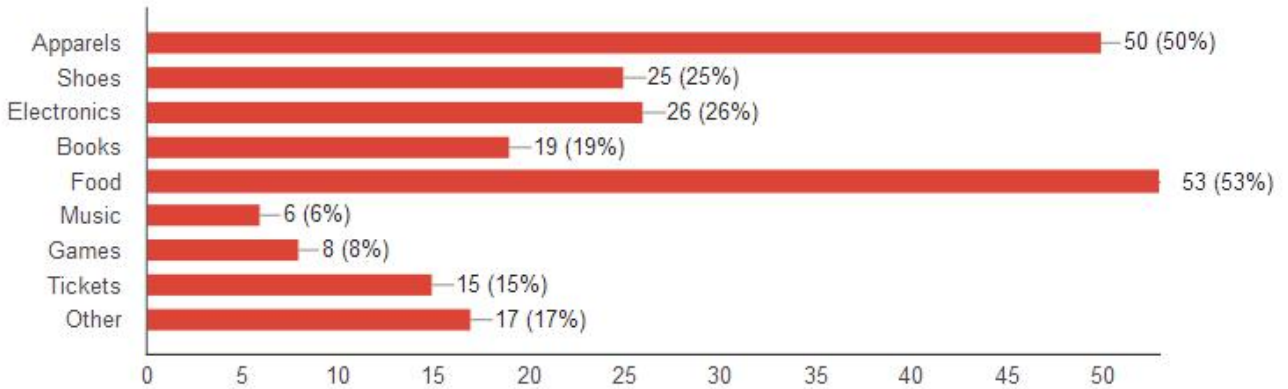
Analysis: Out of 100 respondents, 49 opted for online shopping rarely and 41 opted for it occasionally.

Money spent behind online shopping per month



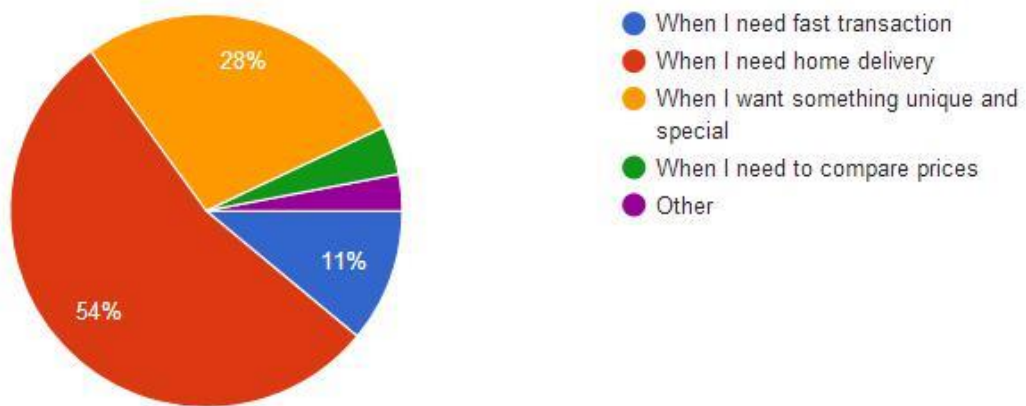
Analysis: Out of 100 respondents, 49 opted for online shopping rarely and 41 opted for it occasionally.

Products usually bought online



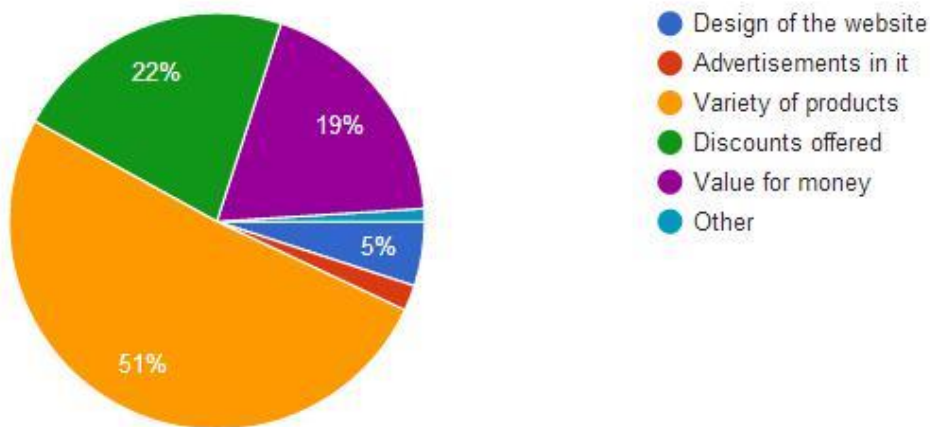
Analysis: In this question respondents could choose more than two options. The responses suggest majority of products bought online are apparels and food.

When the respondents opt for e-commerce



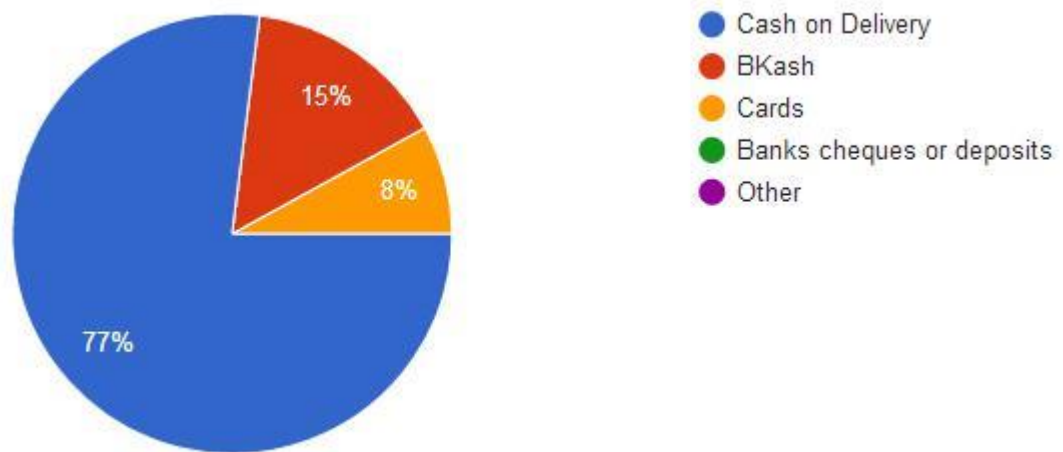
Analysis: Majority of the responses suggest that people opt for e-commerce when they need home delivery. Uniqueness in product and fast transaction are other prominent features for which people opt for e-commerce as well.

For what respondents are attracted to e-commerce websites



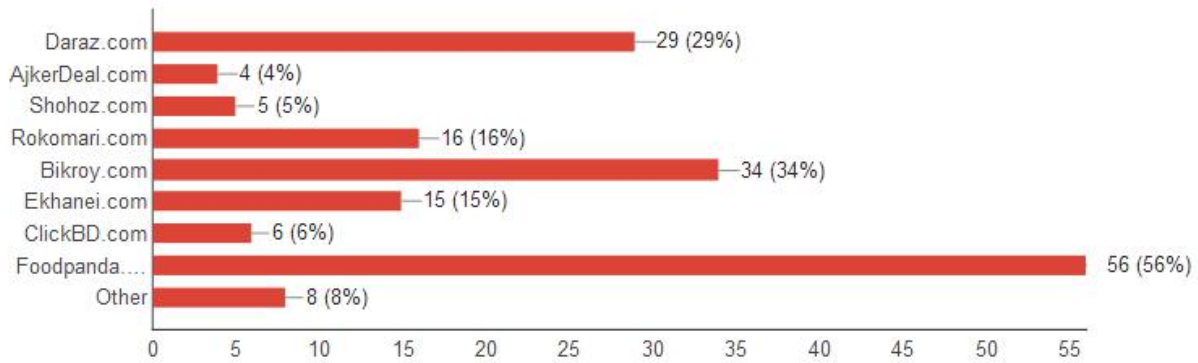
Analysis: Survey shows that variety of products is the major cause of attraction to the e-commerce websites. Discounts offered and value for money are two other important factors that cause the attraction as well.

Consumers' medium of payment



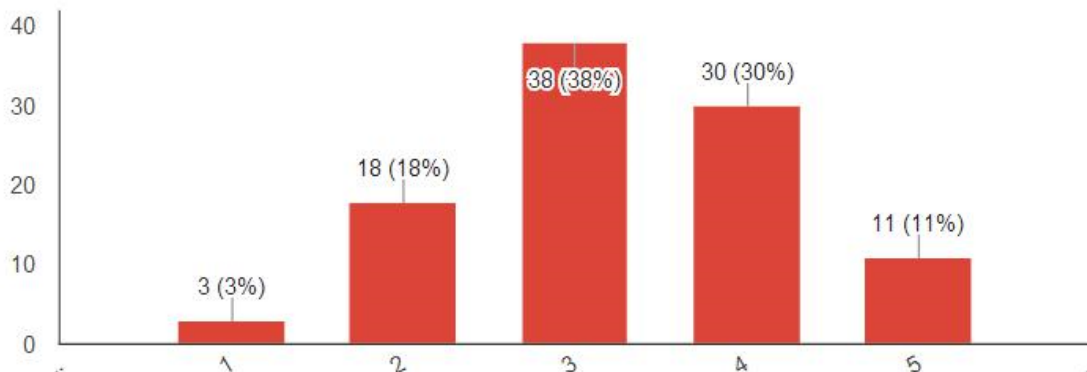
Analysis: Survey shows that Cash on delivery is the mostly used medium of payment (77%). BKash comes second in this regard.

Consumers' most trusted e-commerce website



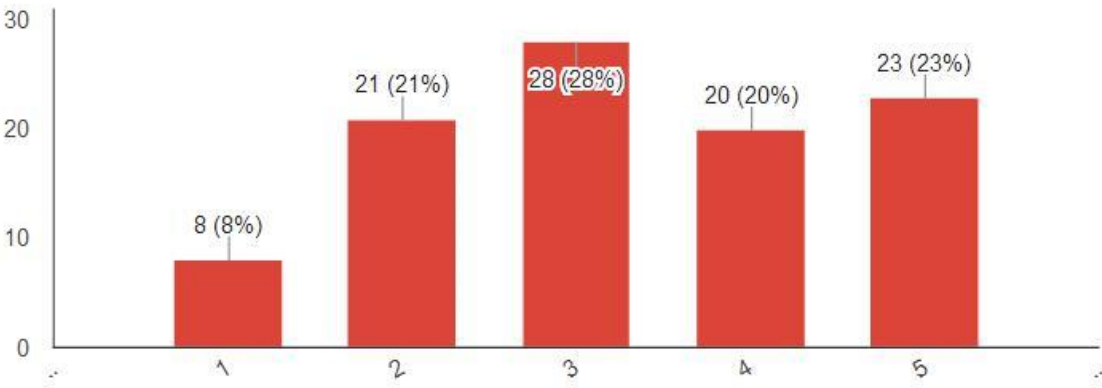
Analysis: Here consumer could choose more than one option in the questionnaire. Foodpanda.com, Bikroy.com, Daraz.com –these three are the most trusted e-commerce websites according to the survey.

Whether consumers feel safer seeing trustworthy card logos (MasterCard, VISA< etc.) in the website



Analysis: Survey shows that 38% respondents are neutral in this regard whereas 30% respondents agree that they feel safer seeing such trustworthy card logos displayed on the e-commerce websites.

Whether consumers think that online shopping will eventually supersede traditional shopping



Analysis: Survey shows that 28% respondents are neutral in this regard whereas 23% respondents strongly agree that they think online shopping will eventually supersede traditional shopping. 20% agree to this point and another 21% disagrees to this point. 8% respondents strongly disagree to this point.

Findings and analysis of Analyzen Bangladesh Limited's prospects in e-commerce

According to a 2009 study by Boston Consulting Group and Telenor:

- There will be 18.3 million internet subscribers in Bangladesh by 2020, totaling approximately 10 subscribers per 100 inhabitants
- 32% will have at least one internet subscription at household level, plus business adoption will be around 66%

Moreover, as of 2014, according to E-commerce industry experts, the current volume of online shopping is more than Tk. 3.5 billion. This figure rises further during festivals such as Eid ul Fitr, while Facebook based commercial activities alone account for more than 60% of all online shopping during Eid.

Industry Category of E-commerce in Bangladesh

Primary E-Commerce Segments in Bangladesh: Though there are other applications of ecommerce, the major kinds can be outlined in the following table.

INDUSTRY CATEGORIES OF E-COMMERCE	
1	Business to Business (B2B)- organization selling goods & services to other organizations
2	Business to Consumer (B2C)- organizations selling goods & services directly to consumers
3	Consumer to Consumer (C2C)- consumers selling goods & services (used or new) to other potential consumers
4	Business to Employee (B2E)- private organizations selling goods & services to the government
5	Business to Employee (B2E)- private organizations selling goods & services at individual level primarily targeting various employees of different organizations

Table: Industry Categories of E-commerce

Growth Rates & Usage Statistics

As a whole, the current trend/e-commerce growth statistics can be illustrated through the following table.

E-COMMERCE GROWTH RATE			
Year	Q1-Q2	Q2-Q3	Q3-Q4
2014 (Recorded)	27%	39%	51%
2015 (Predicted)	60%	72%	79%
2016 (Predicted)	85%	95%	100%

Source: Kaymu.com

Table: E-commerce Growth Rate

We can understand that; the quarter-on-quarter; current growth rates; as of twenty-fourteen are already very high. For most arenas in our country, growth rates of more than 30% quarter-on-quarter are not commonplace.

Next Big Thing in Retailing in Bangladesh

Analyzing the Bangladeshi e-commerce industry and looking at its fast growth (predicted growth rate is 100% at the end of 2016) and also because of the rapid change in the worldwide retail strategy, it is quite evident that e-commerce is going to be the next big thing in retailing.

A growing and booming market like Bangladesh is very likely to prove hugely profitable and sustainable for Analyzen Bangladesh Limited in this regard.

Recommendations

- To ensure responsiveness and timeliness of product delivery, we may recommend brands to establish strong and dedicated distribution channels.
- Brands should post their advertisements on the webpages where their customers visit more often. A research to find out the most visited websites is required in this regard.

Conclusion

There is this increasing popularity of e-commerce/online shopping; due to the availability of internet service among the growing customers of young generations; which has changed the purchasing behavior of customers and allow massive options to compare and choose in order to satisfy their purchasing needs affordably and instantly. The research has taken efficient steps to investigate those factors that influence consumer perception towards e-commerce in a positive manner.

Bangladeshi e-commerce market is growing rapidly with enough scope for Brands to tap it and ensure sustainable profitability.

References

Anon., 2016. *Consumer*. [Online]

Available at: <https://en.wikipedia.org/wiki/Consumer>

[Accessed 2 May, 2018].

Anon., 2016. *customer perception*. [Online]

Available at: <http://www.businessdictionary.com/definition/customer-perception.html>

[Accessed 2 May, 2018].

Anon., 2016. *E-commerce*. [Online]

Available at: <https://en.wikipedia.org/wiki/E-commerce>

[Accessed 2 May, 2018].

Blank, C., 2016. *Consumer Perception Theory*. [Online]

Available at: <http://smallbusiness.chron.com/consumer-perception-theory-40176.html>

[Accessed 2 May, 2018].

Comiskey, J., 2015. *Why Unilever thinks the time is ripe for an Uber-style reboot of e-commerce*. [Online]

Available at: <http://www.marketingmagazine.co.uk/article/1355938/why-unilever-thinks-time-ripe-uber-style-reboot-e-commerce>

[Accessed 2 May, 2018].

e-Commerce Association of Bangladesh, 2014. *Bangladesh e-Commerce sector*.

[Online] Available at: <http://www.e-cab.net/resource-center/bangladesh-e-commerce-sector/>

[Accessed 2 May, 2018].

Fernandes, J., 2014. *Types of e-commerce*. [Online]

Available at: <http://bloomidea.com/en/blog/types-e-commerce>

[Accessed 2 May, 2018].

Ishtiaque, A. S. & Sarwar, A., 2016. *ANYLYSIS PART-III E-commerce in Bangladesh*. [Online]
Available at: <http://www.dhakatribune.com/business/2016/jan/31/e-commerce-bangladesh>
[Accessed 2 May, 2018].

Joseph, S., 2015. *Unilever's online sales are growing at twice the rate of the global ecommerce market*. [Online]

Available at: <http://www.thedrum.com/news/2015/10/15/unilever-s-online-sales-are-growing-twice-rate-global-ecommerce-market>

[Accessed 2 May, 2018].

Khurana, A., 2014. *Advantages of Ecommerce*. [Online]

Available at: <http://ecommerce.about.com/od/eCommerce-Basics/tp/Advantages-Of-Ecommerce.htm>

[Accessed 2 May, 2018].

Khurana, A., 2014. *Disadvantages of Ecommerce*. [Online]

Available at: <http://ecommerce.about.com/od/eCommerce-Basics/a/Disadvantages-Of-Ecommerce.htm> [Accessed 2 May, 2018].

Mahmood, Z., 2015. *E-commerce In Bangladesh: Growth Of Virtual Shopping Malls*. [Online]

Available at: <http://hifipublic.com/2015/02/19/e-commerce-in-bangladesh-growth-of-virtual-shopping-malls/>

[Accessed 2 May, 2018].

Net Imperative, 2015. *Alibaba and Unilever strike ecommerce partnership in China*. [Online]

Available at: <http://www.netimperative.com/2015/07/alibaba-and-unilever-strike-ecommerce-partnership-in-china/>

[Accessed 2 May, 2018].

Tiwari, A. K., 2014. *Hindustan Unilever Ltd jumps on e-commerce bandwagon*. [Online]

Available at: <http://www.dnaindia.com/money/report-hindustan-unilever-ltd-jumps-on-e-commerce-bandwagon-2029758>

[Accessed 2 May, 2018].