



United International University
QUEST FOR EXCELLENCE

Internship Report On **daraz.com.bd**

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Submitted To:

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Acknowledgement

Report making is a very important part of BBA along at the successful completion of internship period. It is not an easy task to do a report on “Daraz Bangladesh” and it is almost impossible to do it alone without the proper guidance. Finishing this report consumed huge amount of work, research and dedication. Still, implementation would not have been possible if I didn’t have enough support of my supervisor Mr. Mohammad Tohidul Islam Miya Sir. First of all, I would like to show my gratefulness to my supervisor Mr. Mohammad Tohidul Islam Miya (Assistant Professor, SOBE, United International University) for making me successful to complete this challenging task and for giving proper instruction to complete this analytical report. There is no doubt about without his help and instruction I would not be able to make this report happen. Then I would like to convey thanks to many other people from Daraz Bangladesh who provided me with valuable information which was much needed for the completion of this report successfully.

26th August, 2019

To

Mr. Mohammad Tohidul Islam Miya

Assistant Professor

School of Business and Economics

United International University

United City, Madani Avenue, Dhaka 1212

Subject: Submission of Report on “Daraz Bangladesh”.

Dear Sir,

This is to inform you that I have completed the report on “Daraz Bangladesh” for the trimester of summer 2019.

In writing this report, I have followed the instruction that you have given me on your counseling hour and have also applied relevant concepts that I have learned throughout my various academic course of Marketing. I have defined the introduction and the findings and analysis results in this report. The information provided in this report is all analyzed, though some information and references have been taken from different source to facilitate this report.

However, I will be glad to clarify any discrepancy that may arise. Finally, I would love to express my gratitude for your supportive thoughts and kind consideration throughout the internship period.

Yours Sincerely,



Minhazul Hasan

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Executive Summary

We see a substantial development of internet users every year. Now e-business among individuals has become very common. Amazon, Alibaba, for most individuals in Bangladesh. Flipkart are not ideas that are alien. We have a lot of e-commerce enterprises like BD button, bikroy.com, ekhanei.com, daraz.com.bd, Kaymu, Hungry naki etc.

This report contains the overall organizational view of Daraz Bangladesh. Online e-commerce is the growing industry now, the report shows the current industry trend along with the present condition of Daraz. I was assigned as an intern of Vender Excellence Department, where I used to manage the seller's account of Daraz Bd. In this report, many other things will be noticed ranging from the Daraz business model to the Daraz marketing strategy. They are trying to make their services better than ever. Throughout my report, I have collected data from various employees, and departments of Daraz and various websites to get a proper analysis of the report.

This report covers the organizational analysis of Daraz. Though e-commerce sector is booming and yet a very new industry, people are getting more and more dependent on it. But the online business organizations are not performing up to the mark. It is high time for Daraz to improve their services to sustain in the long run and to hold its position as the market leader. The recommendations are also given based on the drawbacks that they have and if they could apply those in real life it could be helpful for them in the long run. Being a leading e-commerce company of Bangladesh, it has a potential future and we will see different sides and aspects of this company in this report.

Chapter 01 (Introduction)
1.1) Background of the Study
1.2) Objective of the Study
1.3) Research Methodology and Data Collection Procedure
1.4) Limitations of the Study

1.1 Background of the Study

I'm inquisitive in this context because we all understand the word "E-Commerce" but few of us understand precisely what it really means. Essentially, it is a market place which situated in online. It demonstrates that by reviewing the product description and picture, a client can view and order a product online. There are also vendors who are going to sell their products in this platform via online. Time is more precious than anything in this increasing economic sector. So now a day an individual doesn't not get that much time to go for shopping physically. Compare to those of physical markets' customers can see the items and order it by sitting in his or her residence. So, we can say that there are more opportunity and growth in e-commerce industry then we think.

Before that Bangladesh now has extra prospective clients. Sellers therefore, understand very well that merely having physical presence will not ensure the purchase right reach. Therefore, as we all understand within e-commerce locations, they are prepared to hit the internet platform for sale. Currently, however, many shoppers are facing several issues such as looking out and browsing internet merchandise and analyzing all merchandise in order to promote the greatest value with fitted quality. To loosen this downside and ensure that Daraz Bangladesh takes the highest quality measures.

1.2 Objective of the Study

Primary Objective:

- To understand the Business Model of Daraz
- To identify the competitive environment of e-commerce industry
- To define the market strategy
- To understand the industry structure of Daraz
- To get an in depth understanding of the Marketing Strategy of Daraz

Secondary Objective:

- To fulfill the academic requirement for completion of BBA degree

1.3 Research Methodology and Data Collection Procedure

This report is prepared through '**Exploratory Research**' that refers to the type of research when there is no previous data or a few historical evidences to recognize the complications. Exploratory

research is an unstructured and informal type of research. It serves as a preliminary research that is conducted for better understanding the problem and discovers new thoughts. This exploratory research has been conducted through expert's interview, secondary data, and some real-life work experiences.

Primary source:

For this report, primary data has been collected through observing Daraz employees and directly interviewing my boss and colleagues as I got the opportunity to work in Daraz HQ.

Secondary source:

Secondary data has been collected through different websites, articles, and through discussing with other people related to Daraz.

1.4 Limitations of the Study

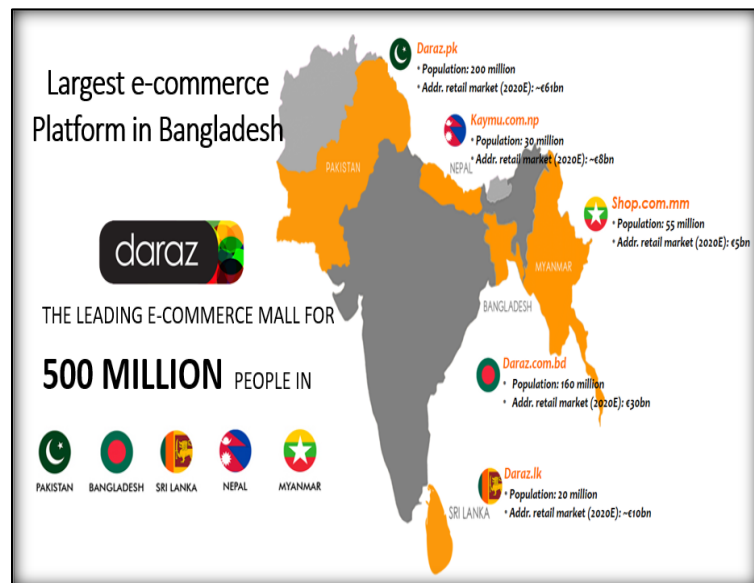
Some limitations while doing the report were:

- Unavailability of information
- Short time period of conducting the report
- Limited access to specific information
- Unwillingness of the organization to provide information
- Inconsistent type of information

Chapter 02 (Company Overview)
2.1) Background of the Organization
2.2) Alibaba
2.3) Business of Daraz
2.4) Organization and Management of Daraz
2.5) Commercial Department

2.1 Background of the Organization

Daraz came from an Urdu word that expresses the meaning of ‘Drawer’ that indicates the overall e-retail market place. Daraz confidentially started its business in Bangladesh as daraz.com.bd. In the middle of 2013, it came out the 4th net business website. However, besides Daraz, other business is operating such as OLX, clickbd, ekhanei.com and so on. There are now more than 20 e-commerce businesses that are operating besides Daraz. Daraz has an FB page which is verified and has 4 million of followers. It is an e-commerce that urges to seek customers in online. Daraz always keeps their eye on SEO and recognized to be one of each internet market places. So, when a customer searches about the largest online site on Google, Daraz appears to be the first one in the search engine. Daraz is the biggest market place in south Asian region in the online sector. In 2012, German Venture Capital started Daraz and happened to be the founder of this online business. Daraz operates its business in 5 south Asian countries that includes Pakistan, Nepal, Sri Lanka, Bangladesh and Myanmar. In 2018, the Chinese company named Alibaba has acquired Daraz and bought 100% of its shares. In Bangladesh Daraz is running its business as the market leader and is one of the only a few companies that does business of all type of products.



Mission: Daraz is trying to acquire the entire purchaser base and this is the mission of Daraz. Daraz provides so many good offerings frequently to accomplish this mission. Daraz also provides products in the lowest possible price so that customers can buy something happily and that is why that tagline of Daraz is “Happy Shopping”.

Vision: Daraz wants to capture the whole consumer base in the online sector.

Objectives: In order to accomplish the mission and to fulfill the vision there has to be some objectives. Daraz also focuses on some goals to achieve efficiency, latent potential and to achieve those objectives. They are-

- Daraz is trying to flourish its business by closely working with the seller just to ensure a great online shopping experience for the customers.
- By providing quality products in the lowest possible price and delivering the products in the least possible time, Daraz wants to get a large market share in the online sector.

- To improve customer shopping experience Daraz is determined to increase its effectiveness and efficiency.
- Daraz also provides training to the seller so that they can operate efficiently and recruit talented people who will be devoted to the work of the organization just to accomplish the mission and to find and build valuable resources for the organization.
- Daraz is trying to build such an organization culture with the help of Alibaba when the employees will get the chance to grow and will contribute the organization's ROI.

Daraz not only wants to grow, but also wants to set the market trend in the e-commerce sector of Bangladesh.

Goal: The goal of Daraz is to give the best quality product in the least possible time for the lowest possible price.

2.2 Alibaba



Alibaba Group is a Chinese company that acquired Daraz fully in May of 2018. Alibaba Group was founded in 1999 with a team of 18 members led by Jack Ma, who was a former English course instructor in Hangzhou in China. Alibaba mainly kicked off with little retail business believing that someday internet will align the field by qualifying small vendors

to leverage newness and technology to grow and emulate more effectively and efficiently in the national and international market. The acquisition includes Daraz operations in Pakistan, Nepal, Srilanka, and Myanmar.

The operation will be continuing by the brand name of Daraz. Daraz intended to follow Alibaba's cheifdom and use its experiences in online technologies, online commerce, mobile payment and logistics to enhance prosperity in the five south Asian online markets that have a combined population of over 460 million.

2.3 Business of Daraz

Daraz is an intermediary for sellers and clients where the vendors are given the opportunity to exhibit their products and customers get the chance to get all at once. It is an internet B2B and B2C kind of offering and this business model seems to have taken a favorable perspective from the side of the customers. By adding more sellers to the website, Daraz is concentrated on further expanding its client variety even more. It is a location where the clients can readily find sellers

easily and choose from a wide selection of product choice. There are eleven wide categories of accessible at Daraz now.

The categories are-

- Fashion products
- Phones & Tablets
- Sports & Travel
- TV, Audio & Camera
- Computing and Gaming
- Home & Living
- Baby, children and Toys
- Beauty & Health
- Grocery shop

Initially the website focuses more on the fashion industry in the original phase as the primary issue was to create the consumers feel satisfied, authentic and reliable about purchasing with buying online fashion products. Gradually when the website created and obtained reliability, the website attempted to capture each and every category. In the current age, individuals not only prefer buying products online, but also, they prefer services as well and Daraz Bangladesh has entered Tourism and Travel industry as a result of this upcoming trend. There will be list of hotels, resorts and travel agencies in this category that will provide Daraz customers with the finest packages and deals.

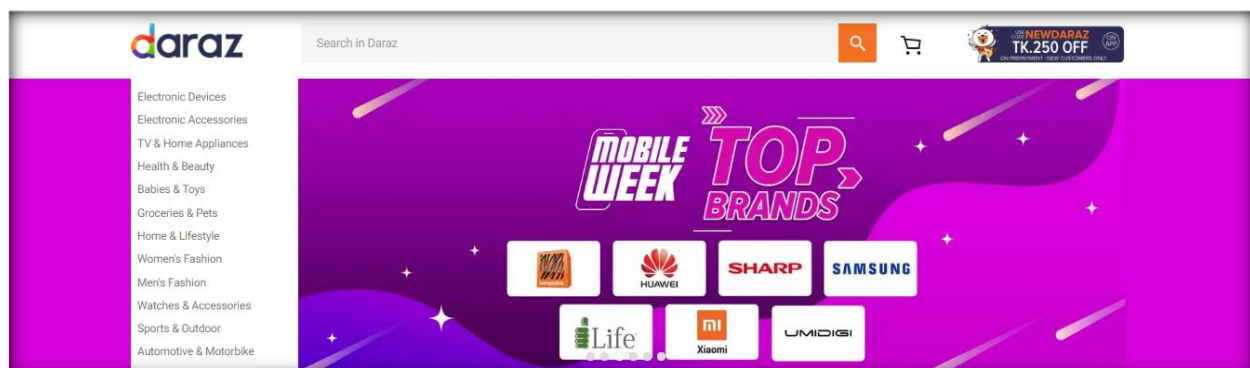


Figure: Daraz Customer Portal

Customers often get a lot of Daraz advertising deals to buy. But there are items when offers arrive occasionally, either once in a year or at the end of the year. To take these offers clients order more additional units from the portal. Through using separate emails, Daraz can be ordered by a client in a multiple way. In order to provide the greatest purchasing experience, Daraz puts effort to give the customers up dated and developed products. Leading brands like- Samsung, Panasonic, LG, Walton, Apple etc. are giving the full support to Daraz.com by giving the sales review.

2.4 Organization and Management of Daraz

The journey of Daraz in Bangladesh began in 2005 and from the time the company is growing with its various departments. At present, 19 HUBS are being operated outside the Dhaka and some inside Dhaka there are offices that are operating to run the company in a more efficient way. Daraz welcomes sellers to be a part of it as they come in. Sellers are provided with training programs as they onboard in Daraz. Since the organization is growing day by day, the organogram is becoming more complex and crucial. The organizational view of Daraz Bangladesh is shown below with a diagram:

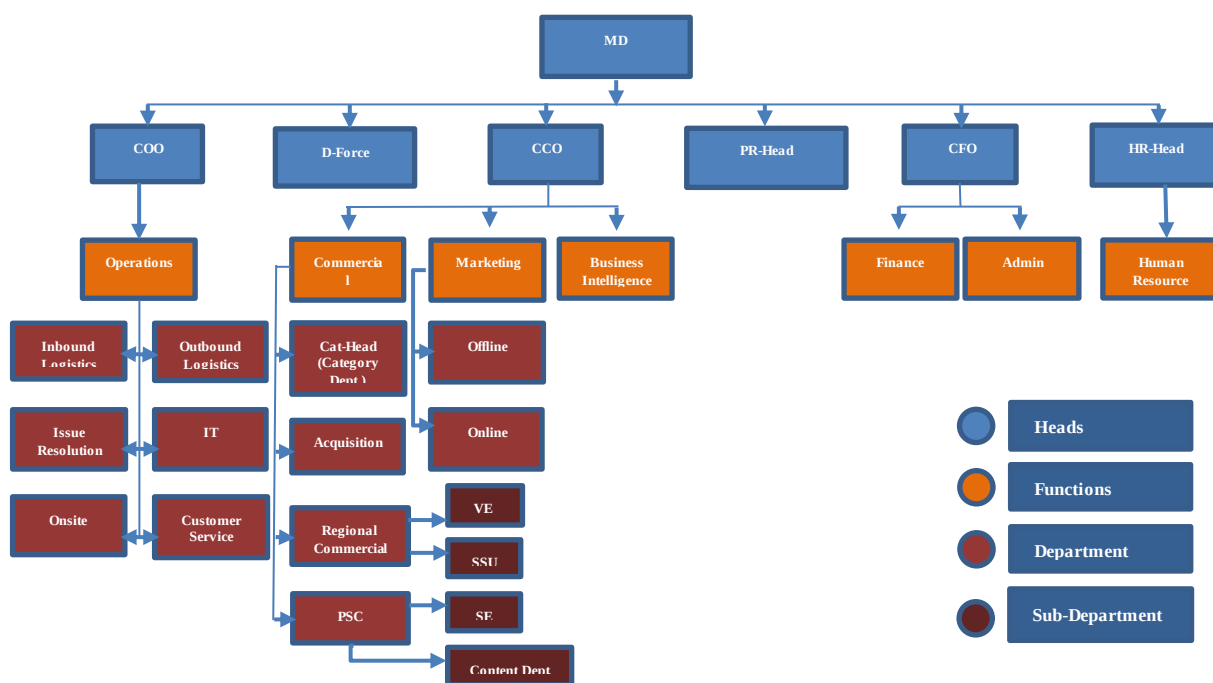


Figure: Daraz Organogram

At the top of the diagram, we can see the post of MD. The current Managing Director of Daraz Bangladesh is Syed Mostahidal Haque. He is the person who represents the company in a whole.

Crucial Departments:

Every departments with an organization are important depending upon the size and nature of the work. The departments are operated in their own strategy to be successful from their point. The departments are filled with some talented bunch of people to carry out the operational activity in a more efficient manner. As Daraz is a Multinational Company in the industry of e commerce,

each department's activity is planned and implemented according to their standard which is set from the Headquarter Alibaba. The crucial departments of Daraz are:

- Finance Department
- Account Department
- Marketing Department
- Human Resources Department
- Commercial Department
- Business Development Department
- Administration Department
- Sales Management Department
- Information Technology Department
- Department of Public Relation
- Onsite and Content Management Department
- Issue and Resolution Department
- Graphic Design Department
- Operations Department
- Customer Services Department
- Department of Category Management

Each of these above-mentioned departments have their sub departments. Each of the departments operational activities are carried out in a such manner which helps Daarz to be the best platform for online business in Bangladesh.

2.5 Commercial Department of Daraz

Commercial department is consisting of the following sub-departments-

- **Acquisition:** The work of this department is to hire or acquire new sellers. After acquiring they send the new seller to PSC for account verification.
- **Partner support center (PSC):** This department's jobs are account verification, activating account, deactivating account, making seller's product live by sending product list to content management department, and providing support to the new sellers who have registered via online.
- **Seller Support Unit (SSU):** This department monitors seller's activity in the seller center and making list of under-performing sellers and sends it to Vendor Excellence Dept. for further follow up so that these sellers can improve their performance.

- **Vendor excellence (VE):** The job of this department is to following up the inactive sellers account, finding out the problems, and keeping the record of them. According to those records or findings, the VE department contacts to those sellers, tries to find out the reasons of the sellers for being inactive, telling them about their problems, advising them about how they can improve the amount of orders, provides necessary support to sellers and looks after their issues if there is any. After getting an issue from the seller the concerned VE personnel sends that issue to the concerned department according to the type of the issue. For example: If the issue is about payment then the VE personnel sends that issue to the “Accounts Department”. There are several types of issues that are solved by different departments but the work of a VE is just to send the issue to the concerned department. This department also provide training to the uneducated sellers who are basically new sellers or the seller who faces trouble to operate the seller center (Actual Platform). There are two types of training-
 - i. Webinar- Online training.
 - ii. Bootcamp- Offline training or physical training.
- **Content management:** This department checks the contents of the products submitted by seller for making live. If the contents are all okay, then this department makes the product live or visible and if the contents fail to meet minimum criteria then they reject the product and shows the reason.
- **Category management:** As Daraz sells different categories of products, this department assigns a category manager for each of the category. Each category manager looks after each category.
- **Seller Engagement:** This department interacts with seller and takes their valuable opinions to improve organization’s strategy and involves seller in organizational decision making.
- **Regional Commercial:** The head of regional commercial controls different hubs and offices within a particular region. For example, Dhaka City.

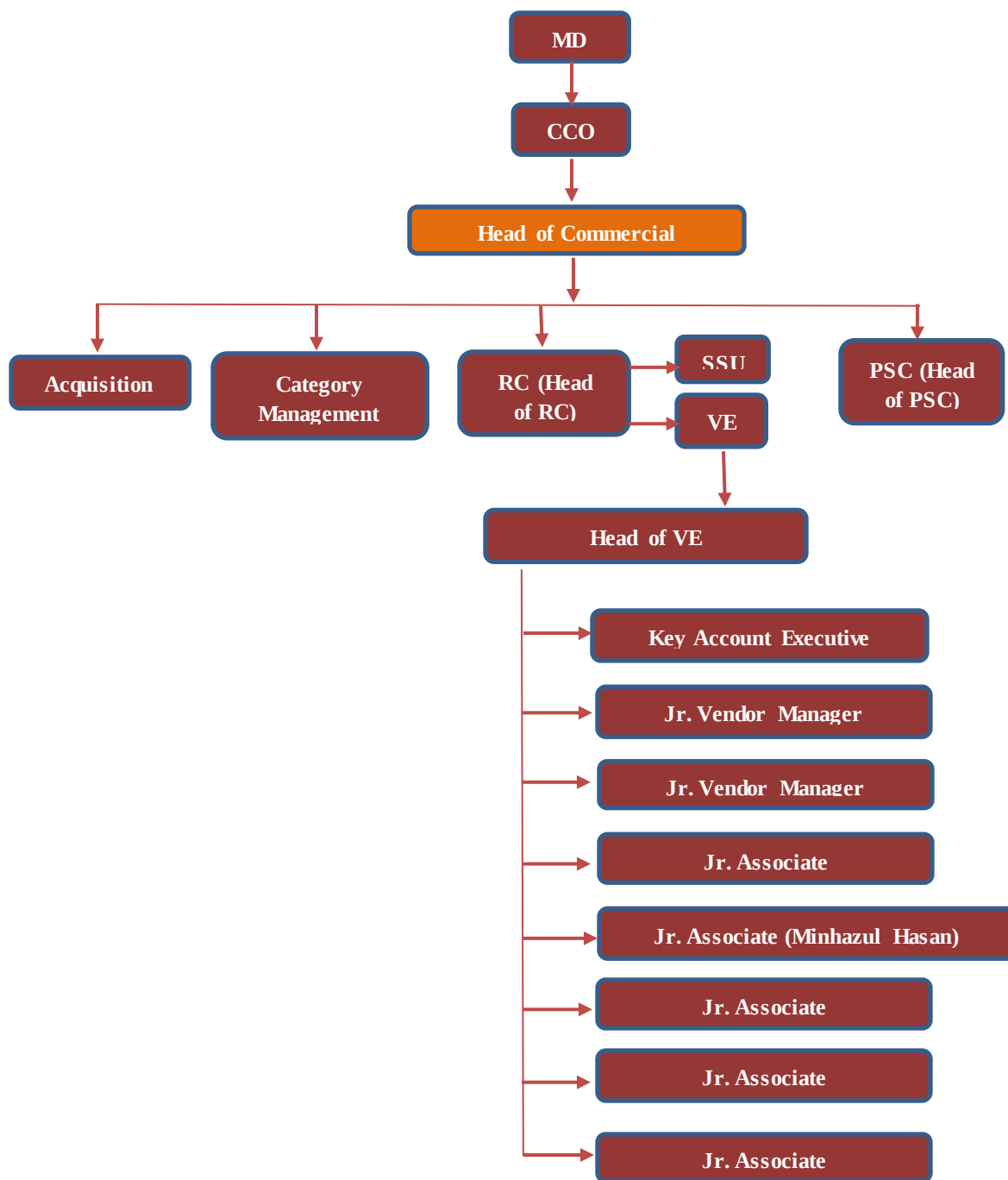
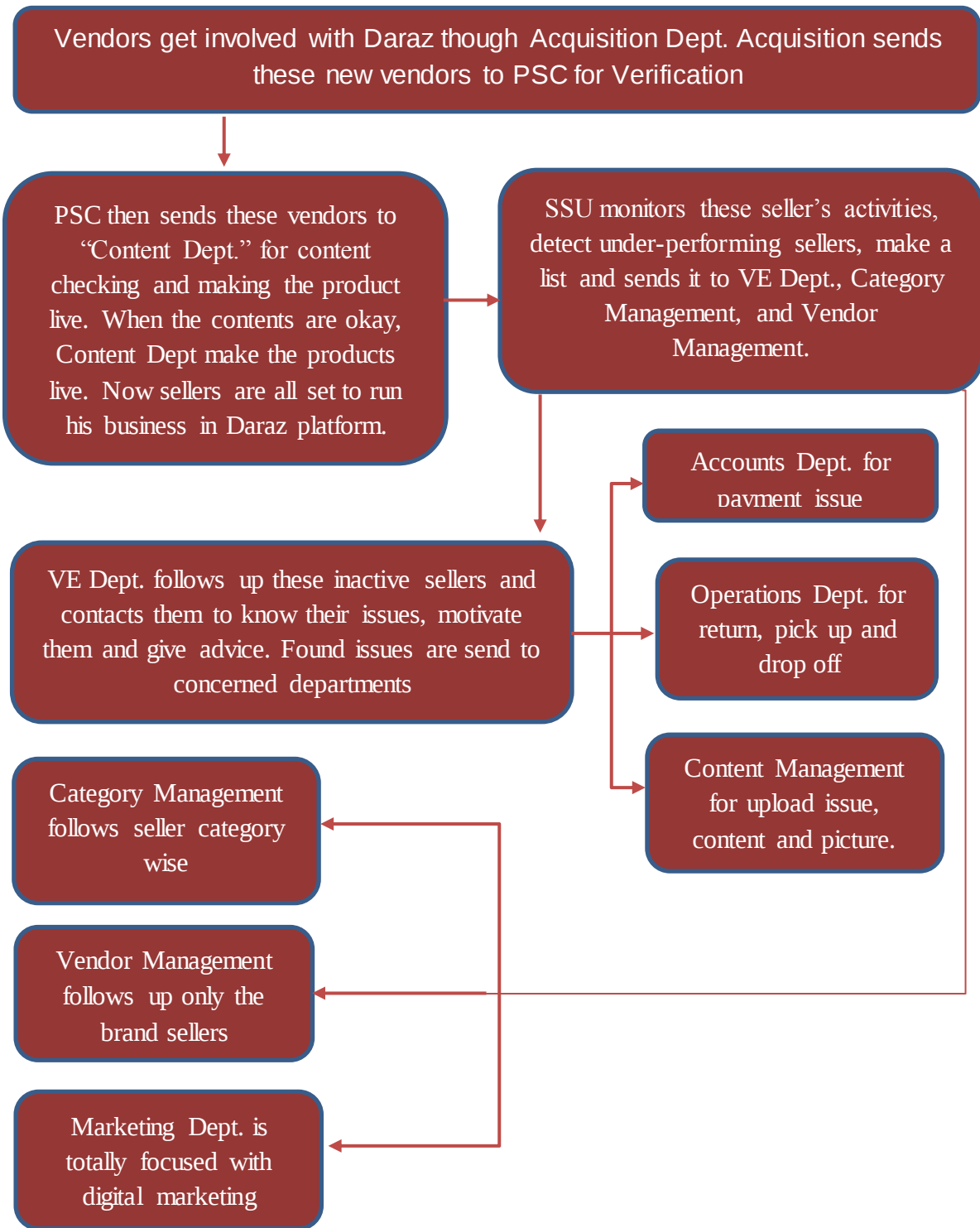


Figure: Career path from VE to Head of Commercial.

Workflow of How Vendors Get Involved with Different Departments under Commercial:



Job Description:

In the “Vendor Excellence” department there are several types of tasks an employee has to do. A list of inactive sellers comes every two weeks. These sellers are equally divided to each VE personnel. There are two types of inactive sellers in the list- one is new inactive sellers and the other is old inactive sellers. From this point the actual task begins-

- First, I have to find out the problems of the assigned sellers from the seller’s account and keep record of those.
- Secondly, I have to start pitching call to the sellers to find out why they are inactive and if there is any issue. If there is an issue then according to the type of the issue, I send it to the concerned department to solve it.
- Then giving sellers training who doesn’t understand all the functions of seller center.
- Motivating sellers to run his/her account actively.
- Suggesting the seller about how they can improve the numbers of their orders.
- Lastly, helping the sellers with their problem within my authority.
- Office timing is 9:30 AM to 6:30 PM.

Job Specification:

A candidate or an applicant for this job must have the following requirements-

- Must have “Bachelor’s Degree” in any principle.
- Must be skilled in ‘MS Office’.
- Must have good communication and presentation skill.
- Priority is given to applicants with experience.

Chapter 03 (Business Model of Daraz)
3.1) Revenue Model
3.2) Value Proposition
3.3) Competitive Environment in Bangladesh
3.4) Market Opportunity
3.5) Competitive Advantages
3.6) Market Strategy
3.7) Organizational Development

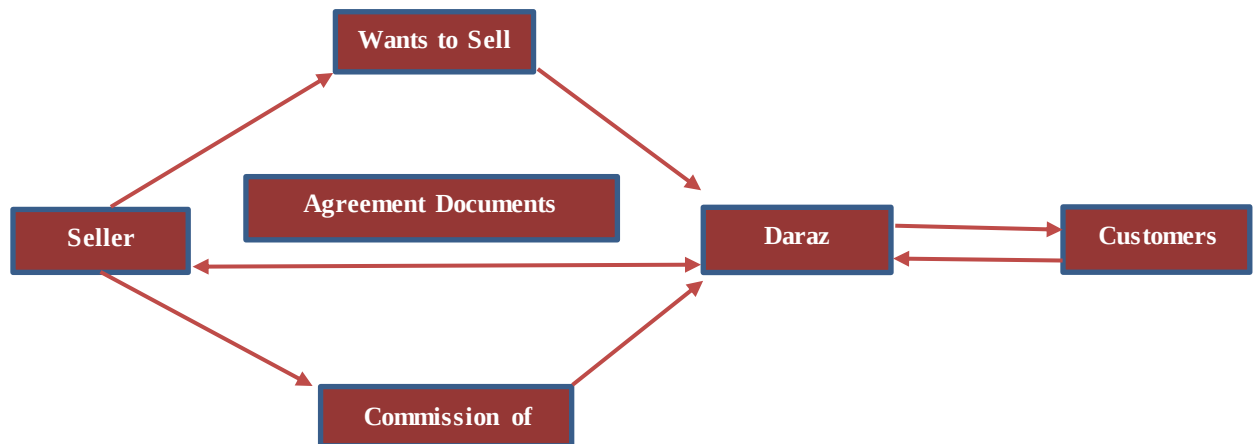


Figure: Daraz Business Model.

Daraz is an online business platform that can be operated through computer, laptop, tab and android cell phones with the connection of internet. There are 2 types of portals-

- **Seller Center (seller's portal):** This is the back-end portal where sellers upload their products with price, manage their products, manage orders, manage store, use promotional tools, join campaign, and manage their finance.
- **Online Portal: (customer's portal):** When the sellers upload any product from their back-end portal that becomes live or visible in the online portal after QC (Quality Control) verification. Once the product becomes live in the online portal, customers can see the product in Daraz website (<https://www.daraz.com.bd/>) and can make orders.

Now we can make an assumption from the business mode diagram shown above that how Daraz does business by using these two portals. Daraz mainly operates in '**Business to Consumer**' business model. It also operates in '**Business to Business**' business model but in a very limited aspect.

Daraz basically doesn't have its own products, it is mainly an online intermediary that links sellers and buyers through its online business portal.

3.1 Revenue Model

The sellers with interest to do business with Daraz first make an agreement on Daraz business policy and commission. Commission varies depending on the product's category. When a customer orders any product from any particular seller through Daraz portal then the seller packs the product and sends it to Daraz hub or Warehouse near him. It is told to the sellers to make the

ordered product ready to ship within 24 hours (at maximum 48 hours) so that Daraz can make the delivery complete within a short period of time to ensure faster delivery.

When Daraz gets the ordered product from seller, then Daraz sends it to the customer either with its own delivery man or through third party logistics. Once customer gets the product in hand, they make the payment through either cash on delivery or they can also make the payment directly through “Bkash” while making the order. The customer also has to bear the delivery charge and the delivery man takes it from the customer when the product is delivered to the customer.

Once the product is delivered to the customer then Daraz takes the agreed determined commission from the selling price and sends the remaining portion of the money to the seller’s bank account. This is how Daraz is doing business in the market.

3.2 Value Proposition

Daraz offers value to two different groups-

- i. **To customers:** People are getting busy these days and becoming more and more dependent on internet. Now they can’t even manage time for shopping. Even if they have time for shopping, they don’t have that energy or willingness to physical store and shop for them. So now as they are using internet and Daraz is also serving customers through internet, people can buy anything they want from Daraz by placing online order. In this way customers can get the following benefits-
 - **Save time:** As, they don’t have to go to physical store and search for the product they want. They can buy the product they want sitting from home.
 - **Save money:** If customer buy the intended item from home, he can save the conveyance bill to some extent as Daraz only take 45-60 Taka as delivery charge. If the customer would go to physical store to purchase then he might have spent more than 60 Taka and if he wouldn’t find the product in that particular shop then he also might have to go to somewhere else to purchase the product. On the other hand, there is 20% instant cashback if the customer makes payment in ‘Bksash’.
 - **Save physical and mental energy:** As the customer is not going to physical store, he/she won’t have to move outside in this adverse weather and traffic. So, he/she doesn’t have to take the hassle and can be relaxed physically and mentally.
 - **Product search:** Sometimes the customer doesn’t know where he/she can get the product. But, as Daraz is a market place online retail online platform, it has every type of products and categories. Customer can easily search hi/her product in Daraz website.

- **Secured and best product:** Daraz ensures heavy packing as a result the customer's ordered item doesn't get damaged and be safe and secure in the box. On the other hand, customers can see the seller's rating and reviews in Daraz website while making an order. By considering the best rating and review of the sellers the customer can purchase the best product from the best seller.
- ii. **To sellers:** Sellers can be benefited in the following ways-
- **Business expansion:** A seller can expand his business alongside his physical if he can make things sell online. **For example:** If a seller runs his business through a physical store in Dhanmondi, then his customers are people in and around Dhanmondi area. But, if he sells things online, he can get the customers from different areas and even outside Dhaka. His customer base will expand, as a result his profit will increase.
 - **Startup sellers:** The sellers who want to start a business and have nice business idea as well as products but can't due to lack of capital or finance to take a rent and manage physical store. As a result, they can't reach their target customers with their products. But they can carry on their business through this Daraz online portal and they won't have to bear the cost of renting and managing a physical store.
 - **Advertisement:** When a seller lists his/her products on Daraz portal, those products become a part of Daraz as Daraz generates its revenue by selling those products. To promote those products Daraz makes advertisement side by side the seller's products get advertised simultaneously.

3.3 Competitive Environment in Bangladesh

Time is regarded important and precious. People want to make the best use of their moment in this competitive universe. Time is regarded to be cash after all. With the accessibility of the quick and inexpensive internet, individuals in Bangladesh are gradually creating a culture of using the internet as part of their daily lives. People save time and effort with a few clicks, from paying bills to ordering food from restaurants. With this shift in the day to day lives of the people, online shops are gradually becoming more common and popular. We are here to provide you with data about Bangladesh's top and finest online shopping location so you can have a nice shopping experience online.

Besides Daraz.com There 23 online businesses that are considered to be the direct and indirect competitors of Daraz according to their business pattern. **Direct competitors** are those that are doing business in the same that Daraz is doing and **Indirect competitors** that are doing business on specific products or in different ways.

The competitors are-

<u>Direct Competitors</u>	<u>Indirect competitors</u>
1. Ajkerdeal.com- Online shopping in Bangladesh. 2. Bagdoom.com- Fashion, watches, electronics. 3. PriyoShop.com- Online shopping. 4. Othoba.com- Pran company's ecommerce website. ClickBD.com- Online buy-sell. 5. ClickBD.com- Online buy-sell.	1. Rokomari.com- Online book shop. 2. Pickaboo.com- Mobile and electronics. 3. Chaldal.com- Online grocery shop. 4. Iferi.com- Online home and living business. 5. KhaasFood.com- Another online grocery business 6. Buymobile.com.bd- Online mobile and electronics business. 7. Branoo.com- Online shop for brand products. 8. Sheba.xyz- Home service. 9. Kiksha.com- Online shopping. 10. Shoparu.com- Books and fashion. 11. ShoppersBD.com- Fashion and electrics business. 12. ITbazar.com.bd- Online mobile, computer and electronics business. 13. Shadmart.com- Biggest online business in Bangladesh. 14. Giftghor.com- Online shopping. 15. Ajkeroffer.com 16. Aponzone.com 17. BanglaShoppers.com (cosmetics, and personal grooming products) 18. Bikroy.com (mainly second-hand used product's business)

Among these competitors shoppersBD, PriyoShop, Giftghor, Ajkerdeal, ClickBD, Iferi, Ajkeroffer, and Aponzone are the top rivals of Daraz.com. They are directly competing with Daraz in different product categories and more recently chaldal.com is competing with Daraz in the grocery sector.

3.4 Market Opportunity

We know that market opportunity refers to the scope and space where the company wants to operate from which it wants to avail all the financial opportunities.

Now we know that Daraz is online market place retail and it runs its business all over the place of the market. It is not a highly concentrated market or a market niche. This website includes all type of products and categories, so the whole online market place is its field of operation and it generates all the revenues from here.

Till now Daraz Bangladesh is the number one leading company with few direct and indirect competitors. E-commerce is flourishing in Bangladesh as people are getting access to internet easily and people are getting more comfortable in shopping online due to lack of time, cost and energy. That brings a huge opportunity or scope for e-commerce.

Though there is some fact that should be surveyed and analyzed before starting business in the e-commerce platform. These factors are-

- i. **Availability and type of products:** You must know the type of products that you want to do business with. Because all type of products will not bring you the same type of opportunity. **For example:** Though many people buy electronics items online yet people don't find buying electronic items reliable from any kind of online platform as people can't test it physically. On the other hand, clothing fashion products are running very well.

You also have to be aware of the availability of the products you are doing business with. If you don't have available products in hand you won't be able to meet the demand of the customers.

In Bangladesh not many companies are doing business of all kind of product categories. Maximum companies are doing business with 2 or 3 product categories where Daraz is doing business of more than 10 categories of products. So, the scope is huge.

- ii. **Competitors:** Daraz is the leading online platform in Bangladesh with a few small indirect competitors and a few big fish that are recently doing good in the market. Also, now Daraz is financially strong as Alibaba is the investor. None of the competitors has this much financial resources like Daraz has. As the largest online company having Alibaba above the head as investor, it has access to a great financial resource and human resources.
- iii. **Regulatory trends:** Daraz doesn't do any type of business that goes against and conflict with the regulatory system of Bangladesh as well as its business. Daraz is doing business of the products that are authorized by the Bangladesh government. On the other hand, you must consider tax law, customer law, and domestic law before searching market opportunity.
- iv. **Target market:** This is the main factor that actually brings the revenue and the target market is the ultimate market scope for a business organization. If you don't select your target market properly according to your product, you won't be operating in the market in the long run.

As Daraz is doing business of all kind of products, Daraz's target market is very diversified and huge. So, the market opportunity is also good for Daraz.

- v. **Available online tools:** Before searching an online market opportunity you must know whether you have the proper online tool or not to serve your target market. Even if you have market opportunity but an improper online tool won't do any good and generate revenue for you.

Till now Daraz has the best online tool as it is very much detailed which ensures good perceptibility of the products, security and flexibility.

3.5 Competitive Advantage

Daraz is the leading online platform in Bangladesh with the mother company above its head. It is also the first biggest online company that is conducting business in the market. Some competitive advantages are giving it the edge to be the number one in the market. Those advantages are described as follows-

- i. **First mover advantage:** Though AjkerDeal started as the first online business in Bangladesh in 2011 but it could gain trust and reliability as many people were not comfortable with online business. Many people knew about Daraz and its business as it was a multinational. After Daraz's arrival in Bangladesh the trend of online shopping started and people started shopping from Daraz. As a result, Daraz got the first mover advantage, and it has also got access to different resources.
- ii. **Technological advantage:** Daraz is operating its business with a very detailed, user friendly and intelligent website. Sellers can list their products with ease, can manage their products, orders and finance. Customers can search and order various products very easily that they want to buy by searching product's name, seller's shop and also by searching category wise.
- iii. **Human resource:** This is the most important resource that an organization must have access, in order to survive in the market. A talented and hard-working pool of employees can push an organization to the edge and beyond. As a fast mover and being a multinational company, it already has a big pool of talented employees and the company is hiring many more. Also talented applicants are getting eager to join this company as online business is booming in our country and we are hoping that most part of the business will be online based in the near future.
- iv. **Financial advantage:** Daraz was already a multinational company before the acquisition of Alibaba Group as it was and still is operating its business in Pakistan, Myanmar, India, Srilanka, and Nepal. So, it came to Bangladesh with a huge finance. And now it has Alibaba Group as its parent company to invest on it.

- v. **Huge product base and less Switching:** Daraz has every type of products and categories in its website whereas most online based organizations in Bangladesh are doing business of single or two to three product categories. For that reason, customers find any product they want to purchase in Daraz website. Not only that, there are so many sellers are doing business of the same product that the customers looking for. So, if the customers don't find the product good for them from a particular seller, they can switch sellers within Daraz platform but not Daraz itself. The switching ratio from Daraz to other online platforms is very low.

3.6 Market Strategy

Market strategy involves certain things to get long term customers, survive in the business, sustain in the business for long run and to reach to the intended goal of the organization. Those things are discussed as follows from the perspective of Daraz-

- i. **Market segmentation:** Market segmentation is a method involving customer's division into distinct organization with distinctive features. Identifying the target market is performed to enable the business to design and create different marketing programs to meet the target market.

Daraz also segments the general market into distinct subdivisions in order to define the most efficient marketing strategies for multiple industries. It utilizes various variables to segment its market as follows:

- **Demographic Segmentation:** It categorizes its client according to different features including gender, age, earning and education.
 - a. **Gender:** Different sexes tend to have different needs. Daraz is therefore dividing its market into males and females. It provides both sexes different types of products such as garment, shoes, and accessories.
 - b. **Age:** Daraz has split its market into various age groups such as kids, adolescence, youth, and adults. It has concentrated primarily on young people as they are fonder of using internet so that most of the products on the site attract them.
 - c. **Income:** It has split the market based on income groups such as low-income groups, middle-income groups, and high-income groups. Daraz provides premium products at the highest cost so that individuals from the upper class as well as middle class can buy their products.
 - d. **Education:** Daraz also uses education as the basis of segmenting its market as it tends to attract individuals who are internet users and are able to access its website without having any trouble.
 - e. **Occupation:** Daraz has categorized its client as a university students, staffs and experts.

f. **Generation:** Daraz has divided the industry into four distinct generations- Generation-Y (Millennial), Generation-X, Baby Boomers, and Silent Generation. Mostly millennials spend their cash on website. The millennials are extremely socially aware and has the authority to spend. Daraz has aimed and provides its items accordingly to the millennial's generation.

- **Geographic Segmentation:** Daraz segmented its market based on different towns and areas. It offers distribution services in the distinct of Bangladesh.
- **Psychographic Segmentation:** This strategy focuses on the customers' lifestyle activities, attitudes, values and opinion and examines how these affects the purchasing judgment of the customers. Daraz has primarily targeted clients of Tech-Savvy to construct on their high basket value. It only sells premium brands so that individuals with moderately elevated lifestyle can be attracted.
- **Behavioral Segmentation:** Daraz focuses mainly on occasion variable under behavioral segmentation. Buyers can distinguish according to occasions when they develop need, purchase a product or use a product. During occasion such as Dashain and Tihar, Daraz is planning for "Dashain and Tihar Sale" as people tend to buy new goods during this time. Similarly, it also keeps track of people who regularly use the internet so as to identify its potential customers.

ii. **Market Targeting:** Targeting is the selection method of market segments that will become the focus of the marketing programs of the company. Targeting allowed Daraz to channel its funds and operations to the most appealing sections of the market. Targeting will also enable Daraz to solve the restricted marketing budget issue by concentrating on a few client sections rather than the industry as a whole.

There are three kinds of strategy that involve (1) Undifferentiated strategy, (2) Differentiated strategy, and (3) Concentrated strategy. Daraz used a differentiated approach to offer distinct products in distinct market. **For example**, it provides children's toys and games as well as children's diapers and napkins, while it provides a variety of electronic gadgets and fashion products for youth and teenagers.

iii. **Market Positioning:** Positioning is all about creating a brand image in the mind of customers. Daraz has tried to position itself as an online shopping site that offers premium and branded products at best prices. This helps to differentiate itself from its competitors and to achieve market leadership.

Repositioning a brand or product means altering its place in the minds of the consumer. Daraz has rebranded itself from Kaymu to Daraz trying to change the consumers' perception of a brand. This rebranding is done to position itself as a premium brand. However, this rebranding has created confusion among customers in the target market. To avoid this confusion, Daraz is involving in various activities such as "Mobile week", case study in educational institution, Daraz Ten i.e. offering 10% discount in every item purchased etc.

iv. **Marketing mix:** It comprises of 4 important factors of a company with what any company can analyze their competitive advantage in the market. The factors are known as the 4ps-

- ✓ Product
- ✓ Price
- ✓ Place
- ✓ Promotion

- **Product:** Daraz Bangladesh Ltd generates basically no products at all. It is an online market place selling their products by distinct kinds of vendors. Customers can buy the products they want from Daraz. They can find it in various categories like Men's Fashion, Women's Fashion, Phones & Tablets, TVs, Audio & Cameras, Computing & Gaming, Appliances, Home & Living, Sports & Travel, Beauty & Health, Baby, Kids & Toys, Grocer's shop, Other Categories. In a column in the website, customers can discover all these categories mentioned above. They can search in a search box on the website for their required products. Daraz sells all these products from various vendors by charging the vendors with separate commission rates
- **Price:** Daraz sets no cost what so ever on the product. It provides prices based on the seller's price. Due to the price set by the vendors, the prices of the same products in Daraz sometimes differ. Sometimes the vendors offer discount on their product's price.
- **Place:** Daraz's location is entirely online or virtual. Sellers sell all their goods through Daraz website. In any periodic type store, Daraz doesn't sell any item. Daraz web address is www.daraz.com.bd, can be reached as Daraz's location.
- **Promotion:** Daraz is carrying out multiple kinds of promotional operations. For their promotions they concentrate primarily online. By displaying their advertisement there, they are frequently active on social media sites. They also offer on YouTube. Daraz has maintained their private database of emails. They also retain customers' phonebook database. They send SMS to clients in order to reach them and promote them. There are some unique campaigns like promotions conducted by Daraz to increase their revenues-

❖ **Fatafati Friday:** Daraz Bangladesh Ltd. launches the Black Friday campaign as the 'Fatafati Friday' in Bangladesh. Some of the key features of this campaign has been given below:

- ✓ Daraz Bangladesh Ltd. launches this campaign in the month of November every year.
- ✓ The duration of this campaign is from November 17 to November 27.
- ✓ They sell all sorts of products during this campaign.
- ✓ They give discounts in this campaign.
- ✓ They give up to 80% discounts during this campaign.
- ✓ They launch this campaign in different brand shops in collaboration with them.

Daraz Bangladesh Ltd. is the company who has introduced this type of campaign in Bangladesh. Currently they are the only one who is practicing this in our country. They have changed the name from Black Friday into “Fatafati Friday” to give it a touch of Bangladesh. The sale of Daraz Bangladesh Ltd. gets tripled during the “Fatafati Friday” campaign.

The other ecommerce sites in our country have not reached to the satisfactory level in their business. Therefore, the competitors of Daraz Bangladesh Ltd. did not launch this campaign of Black Friday.

- ❖ **BNY (Bangla New Year):** The campaign called BNY (Bangla New Year) is basically the Pohela Boishakh campaign. It is a part of the marketing strategies that Daraz Bangladesh Ltd. does. Some of the key features of this campaign have been given below:

- ✓ Daraz Bangladesh Ltd. launches this campaign during the Bengali New Year
- ✓ It lasts for nearly a month
- ✓ Daraz Bangladesh Ltd. basically sell all types of products to their website
- ✓ They give discounts during this campaign.

Daraz Bangladesh Ltd. is the only ecommerce company in Bangladesh who are giving campaigns on Pohela Boishakh. Currently they are the only one who is practicing this in our country. They have given this kind of name to attract people.

The other ecommerce sites in our country have not reached to the satisfactory level in their business. Therefore, the competitors of Daraz Bangladesh Ltd. did not launch this campaign of BMY or Pohela Boishakh.

- ❖ **Grocery Flat Sale:** The campaign called grocery flat sale is another marketing campaign of Daraz. On this campaign the organization sell all kinds of grocery items in a discounted price. Some of the key features of this campaign have been given below:

- ✓ All kinds of grocery items get sold.
- ✓ All the items are sold with a discount.
- ✓ The campaign starts at the end of July.
- ✓ It lasts for nearly half of the month.

In the past no ecommerce site in Bangladesh ever launched any campaign on grocery items. Daraz Bangladesh Ltd. has introduced this in Bangladesh. Because of launching this campaign, the sale of Daraz Bangladesh Ltd. gets increased a lot.

Other ecommerce sites still did not start selling grocery items in a huge scale like Daraz Bangladesh Ltd. They are the only one in the country who is successful in selling the

grocery items online. The competitors of Daraz Bangladesh Ltd. have failed to cross them.

❖ **Eid Fashion Week:** The “Eid Fashion Week” is another successful marketing campaign of Daraz Bangladesh Ltd. The company launches it successfully every year. Some of the key features of this campaign has been given below:

- ✓ Daraz Bangladesh Ltd. launches it every year before Eid.
- ✓ They sell fashion products on this campaign.
- ✓ They give a huge discount during this campaign.
- ✓ Most of the fashion brands products are available during this campaign.

Daraz Bangladesh Ltd. launches this every year successfully. No other ecommerce sites in Bangladesh have become successful like Daraz Bangladesh Ltd. on their Eid campaign. Daraz Bangladesh Ltd. sells a huge number of products during this campaign.

Other ecommerce sites also launch Eid fashion campaign on their sites. But no one has become successful like Daraz Bangladesh Ltd. Daraz Bangladesh Ltd. is much ahead of them on this.

❖ **Autumn Sale:** The “Autumn Sale” is another successful marketing campaign of Daraz Bangladesh Ltd. The company launches it successfully every year. Some of the key features of this campaign have been given below:

- ✓ Daraz Bangladesh Ltd. launches this event every year during the autumn
- ✓ They sell the fashion products suitable for autumn season in this campaign
- ✓ They give a lot of discount in this campaign
- ✓ This campaign lasts for a long period

Daraz Bangladesh Ltd. is unique in launching its marketing campaigns. Because of launching this campaign, they are boosting their sell. Daraz Bangladesh Ltd. is launching this successfully every year.

No other ecommerce sites have been successful so far in launching any kind of seasonal campaign. The competitors of Daraz Bangladesh Ltd. have failed to defeat them in the seasonal campaigns. Daraz Bangladesh Ltd. is much ahead of its competitors in launching the seasonal campaigns.

❖ **Mobile Week:** Another successful marketing campaign of Daraz Bangladesh Ltd. is the campaign called Mobile Week. The company launches it successfully every year. Some of the key features of this campaign have been given below:

- ✓ Mobile phones of all Brands are being sold in this campaign.
- ✓ All the mobiles are sold with a discount.

- ✓ The campaign starts on the month of May.
- ✓ It lasts for nearly half of the month.

Daraz Bangladesh Ltd. is successfully launching this campaign every year. They have made it easier for their consumers for buying a mobile. They are very unique in launching this campaign in Bangladesh.

The competitors of Daraz Bangladesh Ltd. are does not launch any campaign that specially focuses only on the mobiles. They sell mobile, but they have never launched any marketing campaign on mobile phone. Daraz Bangladesh Ltd. is now made their position very strong in the market that no one will be able to cross them.

❖ **10.10 Campaign:** The campaign called “10.10” is another marketing campaign of Daraz. On this campaign the organization sell all kinds of products in a discounted price. Some of the key features of this campaign have been given below:

- ✓ Daraz Bangladesh Ltd. launches this campaign in the month of October every year.
- ✓ The campaign lasts only on the 10th of October.
- ✓ They sell all sorts of products during this campaign.
- ✓ They give up to 85% discount during this campaign.

Daraz Bangladesh Ltd. is again proved itself unique in launching marketing campaigns. They have chosen a random day of October the 10th and made this day a marketing campaign of them. They sell a huge number of products during this campaign.

The competitors of Daraz Bangladesh Limited has not yet come up with this kind of idea whereby they will make any random day of the calendar a special one by making it a marketing campaign of them. They will have to go a long way to cross Daraz Bangladesh Ltd.

v. **Online Marketing of Daraz Bangladesh Ltd.:** Daraz Bangladesh Ltd. is mainly an ecommerce site. As a result, they focus mainly on the online marketing to boost up their sells. Some of the mediums that they use for online marketing are discussed below:

- Daraz Bangladesh Ltd. uses the social media websites for their online marketing.
- They run a Facebook page where they give regular updates on their products and upcoming campaigns.
- Daraz Bangladesh Ltd. uses Twitter for their online marketing.
- They give advertisements on the YouTube.
- Daraz Bangladesh Ltd. gives advertisements on different websites all the time. If any visitor clicks on those advertisements, they will directly go to the webpage of Daraz Bangladesh Ltd.

vi. **Offline Marketing of Daraz Bangladesh Ltd.:** Even though the online marketing is overtaking the field of Offline marketing nowadays, the offline marketing still did not lose its

ground. Daraz Bangladesh Ltd. also does offline marketing. Some of the mediums that they use for offline marketing are discussed below:

- Advertisement on the daily newspapers.
- Participating in different types of fairs.
- Locating banners of Daraz Bangladesh Ltd. in different markets during their Fatafati Friday campaign.
- Giving vouchers to its consumer to get discounts in different restaurants.
- They give discounts cards to its consumers during their Fatafati Friday campaign. So that they get discounts from some selected Brands.

3.7 Organizational Development (OD):

Organizational development is way behavioral science is applied to assist enhance people and structures in organizations. The objective of OD is to assist individuals in an organizational context function better. OD is meant to be a purposeful and meaningful change for the better.

OD sought to-

- i. Improve organizational efficiency while respecting the culture and values of the organization.
- ii. Maximize the ability of the staffs and assist them to increase their contribution.
- iii. Evaluate what happens in the organization and then carry out an invention to attempt to generate beneficial changes.
- iv. Align human behavior with the approach, structure, process and goal of the organization.
- v. Help encourage the values of the organization throughout the workplace.

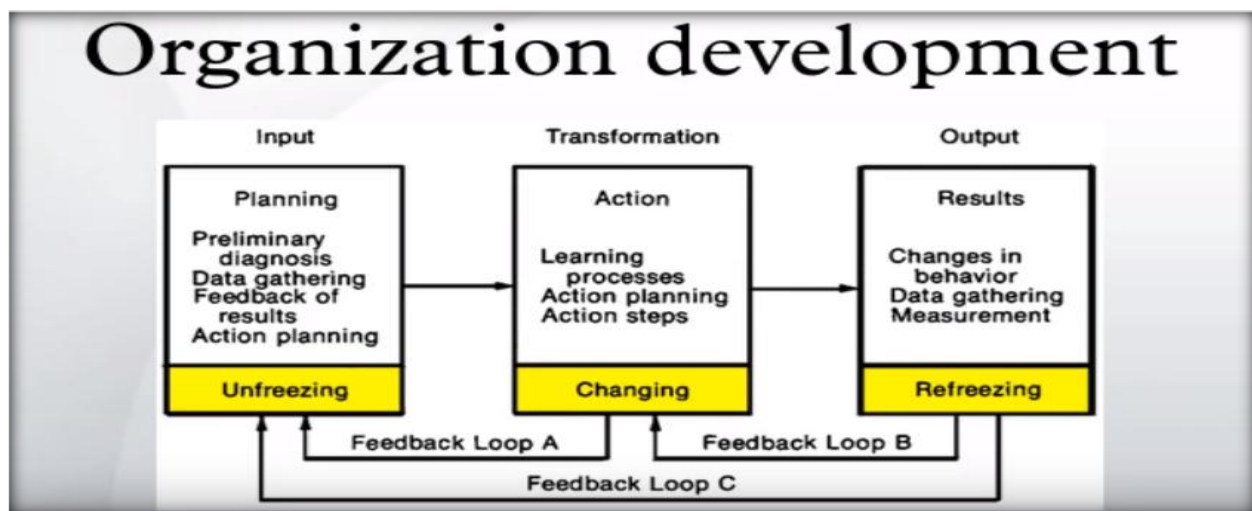


Figure: Organizational Development

In case of Daraz, first of all, there is no telling that it has a very friendly culture and work environment that allows the employees to work very freely and thing beyond their normal capacity. The work place is very flexible and open and there are tables for every department without any kind of partitions.

On the other hand, Daraz provides necessary equipment to their employees without any delay that are necessary for works. But as Daraz Bangladesh is comparatively a new growing company it's still analyzing things that need to be developed.

Management team:

The management team is the group of individuals that operate at the higher levels of an organization and have day to day responsibilities for managing other individuals and maintaining responsibility for key business functions.

The management team is also generally responsible for putting together the business strategy and ensuring the business objectives are met. The management team is held accountable by the company's board of directors.

In case of Daraz the management team structure is flat and consists of MD, COO, D-Force, CCO, PR-Head, CFO and HR-Head. They are the decision maker together and they control order of command. A flow chart of the Daraz manage team is given below-

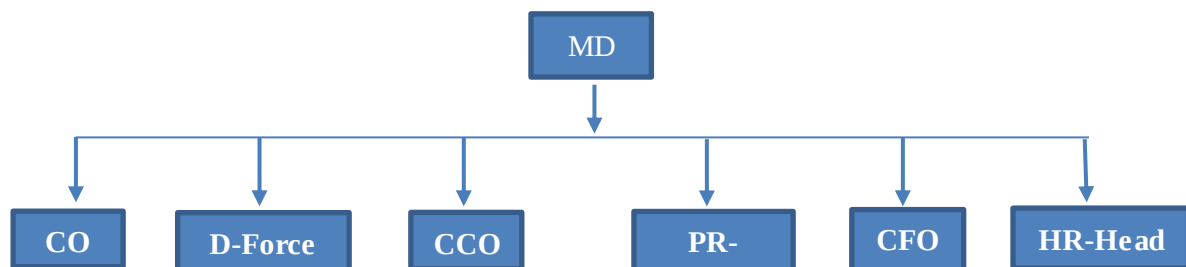


Figure: Daraz management team.

Chapter 04 (Industry Structure Analysis of Daraz)

Industry structure analysis represents the nature of the players in an industry, nature of the substitute products, the barriers to entry and the relative strength of consumers and suppliers. To analyze the industry structure of Daraz we are going to describe these things later on. First, let's have a look on the diagram of the industry structure analysis the we will relate those with Daraz.

- Rivalry among existing competitor:** Currently Daraz is holding about 40% of the market share in Bangladesh. No other competitors are holding this much market share in the e-commerce industry as Daraz. So, it is very obvious that Daraz is the market leader in Bangladesh. But other e-commerce platforms are doing business on particular areas or products whereas Daraz is doing business in all over the place. **For example,** Pikaboo does only electronics' business, Rokomari does only book's business but Daraz does business of every kind of products. So, in that sense these types of other platforms are directly competing with Daraz for particular product segments yet they are no the direct competitors of Daraz as they are not doing the same business as Daraz does.



Figure: Industry structure analysis.

- Threat of new entrants:** In the e-commerce industry in Bangladesh the threat of new entrants is very high as this sector is growing and booming. On the other hand, this business is easy in a sense that if anyone can develop the website and an application for mobile or tab, he is set to do business though it will take time for him to expand the business. Like Daraz, sellers will do business in his website by getting them registered in the platform. Besides, there is no tension of physically doing business, maintaining stock, deciding price and so on. These tasks will be done by sellers.

After 10 years this industry will be established and very much successful as people are depending more and more on the internet and they will get comfortable shopping in the internet gradually. This industry seems very much lucrative and the threat of new entrant is very high as well.
- Bargaining power of buyers:** In the e-commerce industry, there is less or no bargaining power of buyers because the price is set by the sellers who are doing business in the platform. We can see many sellers are doing the same business and they can see each other's price. So, most of the sellers set more or less the same price for the same product to sustain in the

competition. This limits the switching option for the buyers. So, the buyers may purchase from different sellers but platform remains the same. Yes, buyers have the option to explore different platforms but the same sellers are doing business in different platforms and setting the price in the same way. On the other hand, the buyers or sellers have no option to communicate with each other about the products. So, basically the buyers have no bargaining power in this industry. The only way is buyers can ignore this e-commerce platform and buy the product physically.

- **Threats of substitute products:** There is a threat of substitute products in a sense that you can buy a product either physically or through different e-commerce portals. As we are discussing the e-commerce industry, let's say a product can be bought using different portals. So, here in this industry you have different source to buy a product. But if you want to buy substitute products then you can buy them from either of these platforms (Direct competitors). Basically, you will find both the main product and the substitute product in Daraz portal as well as direct competitor's portals. So, as Daraz does business of all kind of products, there are no threats of substitute products but the direct competitors.
- **Bargaining power of suppliers:** Basically, Daraz has no connection with suppliers as the sellers are doing business in Daraz platform in their own way with their own products in exchange for commission just for using the platform. Daraz doesn't have its products of its own. So, there is no question of supplies and supplier in the business. The sellers may have connection with suppliers, so, the bargaining power of supplier can influence sellers but not Daraz or other e-commerce platforms that are doing business in the same way.

Chapter 05 (Value Chain Analysis of Daraz)

Value chain refers to the set of activities performed by an organization or an industry to transform raw materials into final goods or services.

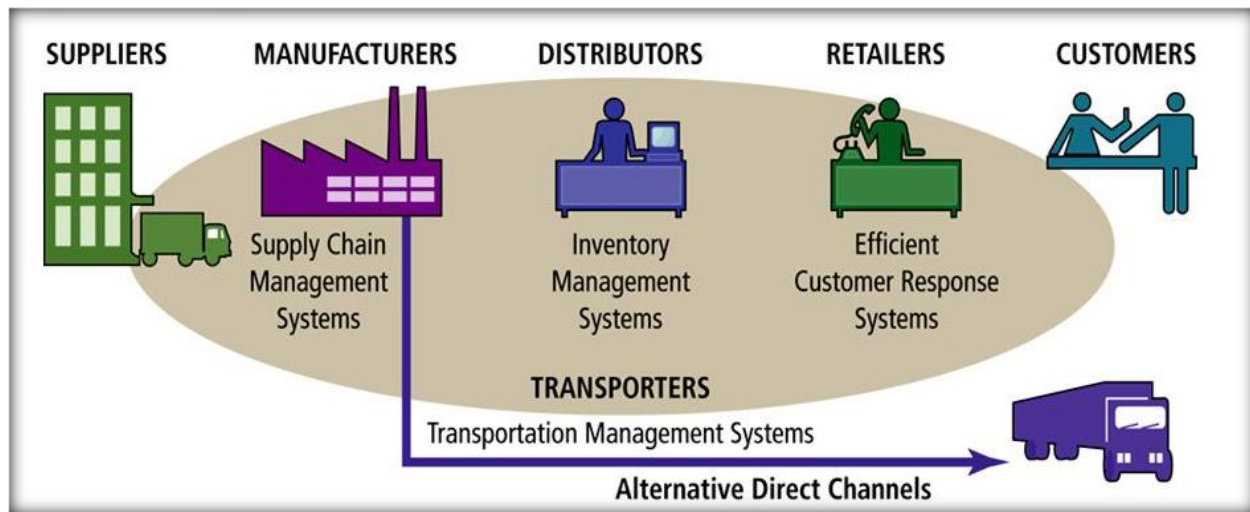


Figure: E-commerce and industry value chain.

Value chain involves 5 steps where the suppliers supply the raw materials to the manufacturers. Then manufacturers manufacture the products. The products then carried away by the distribution channels to various retailers. Finally, the customers buy their intended products from the retailers. In the first 4 stages before reaching the final buyer, the products are added with values in each stage. That is why it is called the firm's value chain.

But in case of Daraz, things are a little bit different. As Daraz has no products of its own, and it earns revenue by letting sellers use its portal in exchange for commissions, the value chain of Daraz or other e-commerce platforms is a little bit different from physical business. Its value chain starts mainly when a customer makes an order. The steps or the process of Daraz value chain is discussed as follows-

Step- 1: The seller (Basically sellers are the supplier of readymade products in e-commerce platforms) either packs the product with Daraz packaging materials or directly sends the product to the drop off and packaging hub when an order comes. If the seller doesn't pack the product then the delivery man of Daraz packs the product. Though the products are already packed with company's packaging material, yet Daraz makes a heavy packaging so that the products remain safe while carrying by the delivery man.

Step-2: Then the delivery man (Distributor) carries the product to the customer (Final buyer) as early as possible.

In this process three types of values are added-

1. The customers are getting safe, intact, and undamaged products.
2. They are getting the product in the shortest possible time without any hassle.
3. They can save product's searching cost, conveyance cost, and physical and mental energy cost.

Daraz Value chain:

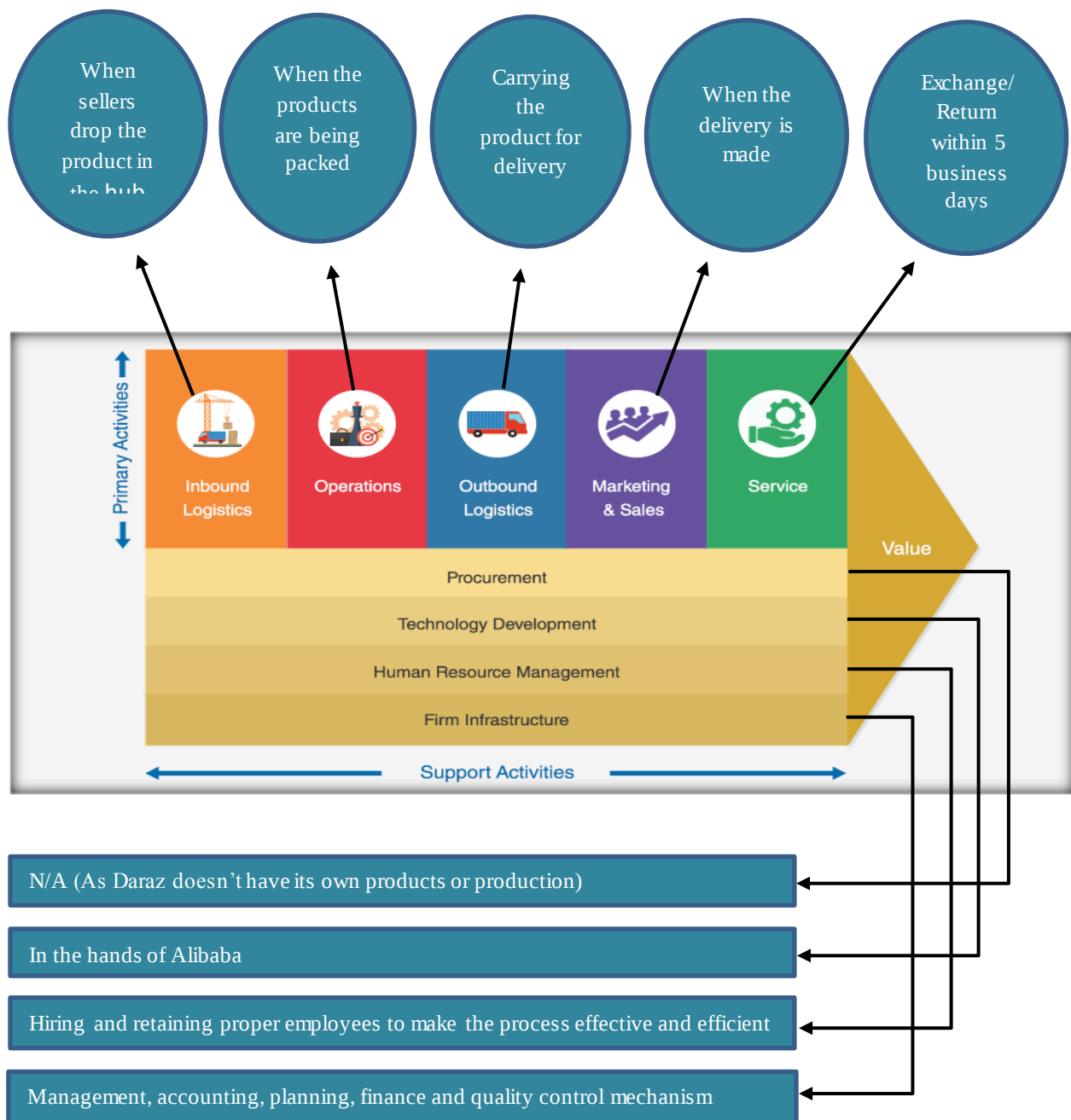


Figure: E-commerce and firm (Daraz) value chain.

Chapter 06 (Business Strategy Analysis of Daraz)

Strategic analysis is a process that involves researching an organization's business environment within which it operates. Strategic analysis is essential to formulate strategic planning for decision making and smooth working of the organization. With the help of strategic planning, the objectives or goals that are set by the organization can be fulfilled.

There are two types of business environments-

- i. **Internal environment:** Refers to the internal strengths and weaknesses.
- ii. **External environment:** Refers to the threats and opportunities that comes from the environment outside the organization.

This environmental analysis is known as the SWOT analysis.



In this case the SWOT analysis of Daraz is-

Strength:

- High security
- Feasible modes of payments
- Offers ubiquity to customers
- Diverse branded product's category

Weakness:

- Low profit margin
- Insincere employees
- Lack of proper monitoring

Opportunities:

- Growing e-commerce sales
- Rapid growth of internet user base

Threats:

- Security issue
- Increase in online retailers
- Social media business

On the other hand, business also refers to a set of plans for achieving long-term return on the capital invested or a plan for making profit in business firm. There are five generic business strategies. We now will see these five strategies relating to Daraz and also which strategy Daraz pursues to make profits-

Differentiation: It is the way how a firm uphold their products or services to the customers in more unique and distinguishing way so that customers can easily differentiate the firm's products from those of competitors.

Daraz differentiates itself from the competitor by its unique website or portals. No other online portal in Bangladesh is as unique as it is. The portals are very easy to understand, operate and detailed both for sellers and customers. Besides, Daraz is differentiating itself through its delivery system though the delivery system of Daraz is yet to be improved and more efficient. But in this country various situations hampers fastest delivery in the shortest possible time.

Strategy of cost competition: It refers to offering products or services in less price than of the competitors. In this way business firms take cost leadership in the market.

Though setting the price of the product in Daraz portal is completely in seller's hand, Daraz launches various campaigns in a very frequent way, offers coupons, vouches and free shipping just to offer products in less price. Daraz also motivates sellers so that they use different promotional tools by themselves to increase the order level.

Scope strategy: It refers to competing in the global market rather than competing in the local market or national market.

Daraz is a multinational company from the very beginning even before starting its operation in Bangladesh. Before Bangladesh, it has been operating in Srilanka, Nepal, Myanmar and Pakistan. Recently Chinese company Alibaba has acquired Daraz.

On the other hand, Daraz doesn't do focused or niche marketing. It has spread its business by concentrating in the business all types of products and categories except for illegal products. So, the scope of business is very huge for Daraz.

Customer intimacy: It refers to developing intimate ties or relationship with the customers in order to increase the switching cost.

Customers can find any product they want in Daraz portal whether the product is related or unrelated. There are so many sellers doing business of the same product. So, if the customer wants to switch, he/she might switch the seller but he/she is still remaining in Daraz portal. So, the chance of switching to other portals is very less. Also, Daraz provides so many offerings to customers that the customers won't intend to switch unless or until he/she have a negative experience.

On the other hand, Daraz has the provision of giving the customers chance to return the product within five business days after purchasing the product if the customer doesn't like the product or face any dispute. Customers can also order products with maximum quantity of five pieces within the same delivery charge. Customers also can communicate with the seller through comment box regarding products. Before ordering something, customers can also see sellers rating and reviews.

Chapter 07 (Digital Marketing Strategy of Daraz)

7.1) 5 D's of Digital Marketing

7.2) Digital Marketing Strategy that Daraz Optimizes

Digital Marketing: In order to support the “Modern Marketing” the massive usage of internet and other digital media and technology were introduced. A wide range of labels and jargon were created by both academics and professionals to support this modern marketing. This can be called as the Digital Marketing. More precisely, any form of marketing products or services that involves electronic devices can be called Digital Marketing. For an online platform like Daraz Bangladesh, digital marketing is the most important factor to capture consumers’ every day.

7.1 5 D’s of Digital Marketing

The 5 D’s of Digital Marketing gives consumers the opportunity to have an interaction with brands and opens a door for the businesses to reach their consumers and learn from them about their feedbacks. Daraz.com.bd is highly engaged in digital marketing activities resulting from digital platforms to digital media. The 5 D’s of Digital Marketing are explained below in association with the Daraz Bangladesh.

- **Digital Devices:** Digital devices include- smart phones, tablets, desktop computers. Through all these devices audiences or consumers experience brands while they interact with the website of the business and mobile apps. Daraz already has the mobile app which consumers/ audiences can easily download in their smart phone. By opening an account on the Daraz app they can easily interact with the business websites that are included in the Daraz app. Also, can have a clear idea about the seller who are selling their products through Daraz app. The app can be used both in smartphones and desktop if one has an account.
- **Digital Platforms:** Digital platforms facilitate commercial interactions between at least two different groups. As Daraz is a B2C business platform, so they have this two minimum parties to have the communication. Digital platform includes- feedback, instagram, youtube, twitter linkedIN. Daraz has its own facebook and instagram pages. Also, it maintains the Youtube, Twitter and LinkedIN account. Through these mediums Daraz posts and promotes any sort of update regarding their business to reach consumer at the shortest possible time. The Daraz app is also visible in this digital platform.
- **Digital Media:** Digital media are considered as the communications channels for reaching and engaging audiences. It can be in a paid form, owned and earned form. This includes- advertising, email, search engines and social networks. For Daraz, they follow the advertising form. It is either Print Media Commercial or Television Commercial. Whenever a TV commercial is published in a digital platform, it reaches audiences in three different ways. Like- Paid reaches, organic reach and post clicks. When a specific post is boosted by giving a specific amount of dollar money to the digital platform to increase the post reach, then it is called paid reach. After certain time period of any campaign, the paid reach strategy is implemented to reach more audiences. Organic reach refers to actual reach

of the post when it is being posted. And post clicks refer how many times the post is being clicked to get the full view. Company associated with Daraz those are called seller provide Daraz payment for search engine to get the most visibility on the Daraz app. Sometimes while operating other apps or watching video, Daraz ad is being popped up on the screen to get the consumer reach.

- **Digital Data:** Through digital data businesses collect information about their audience profiles and their interactions with the business. When an individual opens an account on Daraz as a buyer. Daraz save that information on their database and the interaction might be done through live chats, Facebook messaging or emails. The conversations are also saved for further details. These are absolutely confidential and maintained by law. Through this they identify the consumer's location and try to show their campaigns based on their location, taste and preferences.
- **Digital Technology:** Businesses use digital technology to create interactive experiences among the consumers and business. Daraz is no exception. By creating a community, Daraz provides consumer the chance to share their shopping experience with other customers of Daraz.

7.2 Digital Marketing Strategy that Daraz Optimizes

Today many organizations follow various digital marketing strategies depending on the nature of the organization. As Daraz is an online platform, they rely mostly on their digital marketing tools or strategies to reach the consumers. The digital marketing strategies that Daraz follows are discussed below:

- i) **SEO:** SEO stands for Search Engine Optimization. It is considered as a vital tool of digital marketing. By undertaking the strategy SEO, Daraz is able to make their website www.daraz.com.bd. More visible. Which means the opportunity to convert the prospect into customers increases. Also, by this Daraz can let people know about the brands they are selling. Also, in a continuous process they are positioning themselves as an authoritative and trust worthy expert in the field of e – commerce. Some of the crucial elements of SEO that Daraz takes into consideration are-
 - **Keywords:** Keywords are the words and phrases that the potential customers use to find online content. Also, the brands can connect with them who were searching for their products. As Daraz has so many branded products in its different category, so when any prospect search for the products by using keywords, the specific branded products appears in the app depending on the product category.
 - **Content:** Content in digital marketing by capturing more audiences in the form of negating audiences. Sometimes it is seen that Daraz is publishing interesting content

on digital marketing or any interesting campaign and many other. People like those and also share those. By this the audience engagement increases. Varieties of content that Daraz uses to reach their audience are-

- ✓ Web page content
- ✓ Videos
- ✓ Blogs

- **Visibility and Rankings:** Daraz uses visibility and ranking method in their SEO strategies. Visibility makes easier for prospects to find Daraz when they have anything to offer to the consumers. It is directly related to the ranking. The higher the ranking, the better the visibility.

- ii) **SEM:** Search engine marketing is a digital strategy of marketing which is used to increase the visibility of a website in search engine results pages (SERPS). It is also referred as paid search or pay per click (PPC). Online platform like Daraz where people buys product digitally, SEM plays a crucial marketing strategy to increase the reach of company. Daraz app which has an option of “search”. Majority of the consumers after installing the app they perform their any sort of query on a search engine. Through SEM Daraz can track that consumers are intended to buy something as they are trying to find information of a specific product. In SEM the results are shown very quickly. Under the SEM strategy, Daraz also uses the paid search advertising method, where there any sponsored ads appear at the top of and on the side of search engine results pages in order to gain more visibility than the organic results.
- iii) **Remarketing:** Remarketing is used when consumers don't response to the ad in first time. From Daraz app, they track this visitor's information through cookies and creating new ads on related sites.
- iv) **Video Marketing:** Video marketing is called the forward- facing marketing strategy. Daraz posts numerous videos day to day on different areas to engage consumers to their businesses. Through digital marketing; Daraz promotes brands, services or products. Through video they also educate consumers about how to place orders and all. Also, when there comes any special occasion or while launching campaign, they let people know through videos, they often do live streams to make the information more reliable.

Chapter 08 (Social Media Marketing Strategy of Daraz)

8.1) Social Media Marketing

8.2) Social Media Marketing Strategy that Daraz Undertakes

8.1 Social Media Marketing

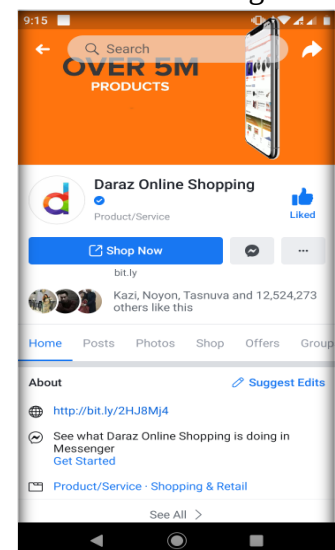
Social Media Marketing refers to the process of acquiring attention of the consumers through social media sites. A large portion of the marketing of Daraz Bd is done through the social media. By conducting this social media marketing, Daraz is able to identify the reach, engagement and sales of their products and thus their content. Social Media Marketing tools are often known as the Social Media Management. As people now days are much more social media centric, so by using the social media marketing techniques, Daraz targets the social network as well as spread brand awareness and promote their sellers' products. In recent days, social media marketing is considered as the effective tool for creating the brand awareness. Social Media Marketing Tools include- Facebook, YouTube, Twitter, Pinterest, LinkedIn, Instagram. Not every of these tools are used by Daraz Bd, few them they use.



8.2 Social Media Marketing Strategy that Daraz Undertakes

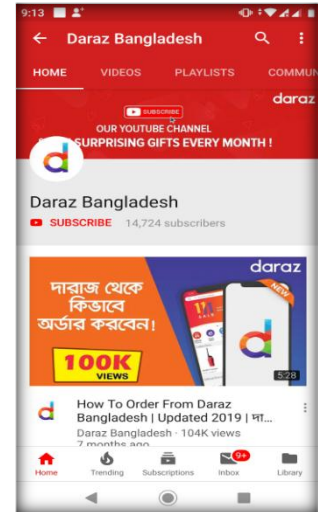
The tools or strategy that Daraz Bd optimizes for their Social Media Marketing is discussed below:

- i) **Facebook Marketing:** Facebook is the world's largest social network. Facebook business is referred as owning a Facebook page for own organization. We can see that, Daraz Bd has its official Facebook page through which they conduct the Facebook marketing. The Facebook page of Daraz is the medium of the communication between the company and the prospective customers. This helps to maintain the contacts of consumers and thus helps to attract new customers. Daraz Bd very actively posts content on their Facebook page. People following the page can see the post. Also, can give their feedback through reacting and commenting on the post. By this Daraz is able to calculate the reach for each post. Reach is determined by Paid reach, Organic reach and Post clicks. The communication that is done through the Facebook is consistent in nature. Daraz regularly posts new content in the page in a variety of different formats. People connected through it will see can share the post if they like it. The company's post is only visible to their fan's news

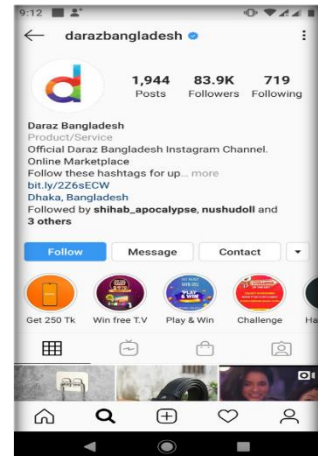


feed after some time of the posting. Even customers ask their any product related query through the Daraz Bd's Facebook page. Two-way communications are established here.

- ii) **YouTube Marketing:** YouTube is called the internet's second largest search engine. In order to develop the SEO and overall brand presence, YouTube helps the most. Every minute 300 hours of video are uploaded on YouTube. Daraz conducts their video marketing through YouTube. Daraz Bd is putting more dollars to YouTube to get their product brands mostly viewed. The most important part of YouTube marketing is creating valuable company channel, which is called the YouTube channel. Daraz Bangladesh's YouTube channel has up to 14,724 subscribers. When any new video is uploaded these subscribers, base get to know the update at the very first. Also, if they keep their notification turned on, then also they will be notified when any content will be uploaded. But one of the challenges that Daraz Bd YouTube channel faces that is reaching the engaging the core audience. Because the YouTube advertising fans aren't huge in number, so they need to post any content very carefully to raise awareness about the brand along with providing the entertainment which is the major part of YouTube; creating entertainment for the viewers.



- iii) **Instagram Marketing:** Instagram is the very recently launched social media platform. In general, almost 50% of the total Instagram users follow at least one business. Instagram is based on the followers. Daraz Bd operates in their Instagram account to post the correct content so that they can remain relevant to the current followers. The profile of the Daraz is the businesses profile. From this Daraz is able to create and publish Instagram ads without the help of using Facebook's advertising tools. Daraz takes into insight which provides the stats about the reach and the impression of the posts. Through insights Daraz is able to see statistics like impressions, engagement and other. The best part of Instagram marketing is to set an ad budget for creating the sponsored ads. After following the strategy of sponsored ads, Daraz is able to target their audience in a completely new way. In sponsored ads, multiple forms Daraz that uses are- photo, video, stories, dynamic ads and stories canvas. Stories ad is the newest form in Instagram which is seen at the top of the feed. Here, Daraz builds its community through Instagram hashtag which is the perfect way to engage the audience with the brand.



- iv) **Twitter Marketing:** Twitter makes the content to be distributed more easily, which helps to engage users and followers to increase the awareness of brands and boost conversions and all. Through Daraz Bd's twitter account they create, publish and distribute contents for its audience and the followers. This helps to increase the sales along with improving the brand recognition. The customers who use twitter account and follow Daraz Bd can quickly provide the feedback regarding the products or brands. The twitter account of Daraz is well recognized because they made their account customized with their logo, color and other memorable details.



- v) **Pinterest Marketing:** Pinterest is the fifth mostly used social media platform. Pinterest allows people or business to share the visual ideas on the social platform. It is the biggest search engines for visual content. Daraz actively shares their ideas and thoughts regarding online business in Pinterest to get more attention from the audience. In Pinterest the way of finding a product is different; the online platform like Daraz is on another level in Pinterest. Through Pinterest, Daraz gets an upper hand because it helps the potential to drive more sales. The Pinterest searches that occur on mobile devices is at almost 85% of the total users. Daraz shares many contents from authoritative sources to make the consumers aware of the industry and the company. But the challenge for Daraz that comes over is the users of Pinterest are less in Bangladesh in terms of other country. The consumer base is very low here. But those who are the users of Pinterest can influence others to use it or well. From which, the community can be increased and the sales will be increased as well for Daraz Bd.



Chapter 09 (Supply Chain Analysis of Daraz)

In online business supply chain is the process which is responsible from placing an order to fulfilling it. This process involves the manufacturer, retailer, and customer through a virtual platform

As an online retailer Daraz is managing their supply chain through their delivery process from manufacturer to the buyer by eliminating other intermediaries. Daraz is trying its best to be efficient in its delivery process by delivering the ordered products as soon as possible to the customers. Daraz also maintains stock by counting their inventory on the web and deals with the manufacturer with a certain quantity and save those in the server as inventory count as it has no products of its own.

Daraz help line is available 24x7 so that both seller and customers can contact if they have any query. Basically, Daraz supply chain gets activated when a customer makes an order. Sellers bring their products from either directly from manufacturer or from whole sellers, then those sellers give the product in Daraz when they get an order from Daraz portal. Daraz delivers the product to the customer in the shortest possible time.



Figure: Supply chain of Daraz.

Chapter 10 (Recommendation and Conclusion)

10.1) Recommendation

10.2) Conclusion

10.1 Recommendations

It is essential for businesses to outperform other businesses in this competitive market and also to set a standard that is not readily achieved by any new enterprises. The finding suggests that if a large and well-known business settles in Bangladesh, Daraz has a very slim chance of stopping sales fall. Daraz needs to build a loyal and happy client base in order to have a sustainable future. The factors that work as obstacles to the development and sustainability of Daraz and the suggested variables are:

- First, they have to guarantee the quality of their product. Even if they have fewer vendors, but the quality of the item is excellent client, they will shop longer and will not readily move to other ecommerce locations. They must therefore have excellent quality products that match their business objective.
- They struggle to deliver faster or emergency deliveries because they don't have their own shipping team. With moment, as this business has grown larger. It is high time a powerful private shipping team and better follow-up teams were created to guarantee timely deliveries. So, the timely delivery issue must be addressed properly.
- While selecting the pricing strategy, the firm must bear in mind that its price matches present market prices. Price must be sufficiently competitive to affect clients to buy Daraz product. If the cost is high, the argument should be valid. Like a good quality item, the cost may be greater. But then again, the product's quality must be guaranteed.
- Many clients have complained that client service³ is unsatisfied. That means they aren't available, follow-ups aren't done properly, replies aren't as prompt as expected, and they don't have enough product or process data to respond quickly. Every day, an enormous amount of calls and requests are obtained. Therefore, to ensure effective and prompt service from the department, the number of agents should be increased.
- Another way to support the client base is to offer distinctive products and offers. Offers have to be a kind of one. So that client will believe only about Daraz shopping as there is no option as such.
- While including any seller into the Daraz seller account, every seller should be verified to hold the standard. After reviewing the seller and selling prospects they should have the access to open a seller account and inactive seller should be removed from Daraz to hold the image of the organization and to main the organizational standard.
- Finally, saving its sales fall when large businesses begin operating in Bangladesh will result in excellent relations with their vendors and distribution channels (delivery partners) and brand reliability for clients. It is a must for them to ensure high-quality service.

10.2 Conclusion

Finally, we can conclude that Daraz currently has a lot of revenues as there are no better options. But there is a high likelihood that clients will change and their sales will reduce when there will be a better option. Many don't consider it worthy of reliability or trust. There are very few and insignificant reasons for shopping back from Daraz. It is therefore high time that Daraz improve its service offerings and created a loyal client base. So, if a large business, like Amazon, chooses to begin operating in Bangladesh, it will have its faithful client base. This industry is rapidly increasing and unpredictable in the mind of clients is always wiser to prepare for the long term and create a credible, powerful brand picture.

Appendix

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