

RTP111

An Overview of E-commerce Businesses in Developing Countries: A Comparative Study Between Uganda and Bangladesh.

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Abstract

E-commerce platforms are growing rapidly as a result of the spread of information technology all over the world, resulting in a significant impact on the business sector. This article compares Uganda and Bangladesh to provide an analysis of the state of e-commerce platforms in developing nations. It mainly describes various e-commerce platforms in both countries and how they have responded to the pre and post-Covid situations. E-commerce has greatly contributed in the development of both countries given its fewer requirements like buildings, storage space, insurance and many others. Using the literature review approach, this study concludes that there is a high demand for high-quality imported products mainly from the US and the UK as well as China, and the major consumers are middle-income earners as well as youths aged 18-30 years. However, the lack of thorough study that addresses topics outside situational imperatives limits our knowledge of what motivates e-Commerce among several other enterprises in emerging economies. This study, therefore, suggests that further research should be done to cover more aspects in line with e-commerce platforms mainly for developing countries.

Keywords: Bangladesh, Developing countries, E-commerce, Uganda.

Introduction

"E-commerce" or "electronic commerce" refers to any type of commercial or industrial transaction that entails the exchange of services on the internet. It's possibly one of the most important internet advancements right now (Mohiuddin, 2014). Essentially, it entails executing business online. It can be characterized as "carrying out transactions via the Internet," which encompasses the actions of advertising products or services for purchase, taking orders for services or goods electronically through the internet, such as through email or digital forms, and/or not always requiring online payment (Ibrahim Et al, 2019). It has swiftly expanded around the world to encompass developing nations in Africa and Asia that are characterized by technical laggards, rigidity, and conservatism, as well as widespread poverty, high levels of unemployment, and underemployment (Enotesworld, 2021). The B2B e-commerce market in emerging nations, which strives to increase the effectiveness of electronic business processes, reporting, T-systems, etc., is still being driven by social media. E-commerce is increasingly viewed as a distinct and lucrative business sector, and intermediate actors are modernizing their B2B business models while including social media elements. This quick growth is connected to a significant potential for the local and global trade and investment of LDCs like Bangladesh and Uganda (Mohiuddin, 2014).

Methodology

This research is based on a literature review methodology, in which secondary data from the internet has been used to achieve the study's main objective. It specifically poised and explored articles, journals, and different write-ups on e-commerce firms operating in developing countries, and it has examined how e-commerce businesses in Bangladesh and Uganda differ from one another in terms of conduct. It has also covered a wide range of topics relating to Bangladesh and Uganda.

Literature review analyzing the e-commerce businesses in both Uganda and Bangladesh

- **Uganda**

Currently, Uganda and its neighbors in East Africa, especially Kenya and Tanzania, have a greater understanding of the necessity of trading

as one large village. This has inspired fresh ideas and curiosity that have led to increased resource extraction with the goal of giving each country more to offer in its commerce with other nations (Kakooza, 2008). Among other documents, the National Development Plan 2040, National ICT Policy, and Strategic Investment Plan for ICT 2015 all outline the nation's commitment to the expansion of the ICT industry in the midst of an economic transition (ict.go.ug, 2021). The Ugandan government is fully aware that using communication and information technologies, like e-commerce, offers a way to advance the growth of the nation and, especially, the assets to generate revenue. Ugandan e-commerce companies include; (i) Jumia Uganda: It was founded in 2012 with the goal to become an all-in-one retail destination for Africa with the introduction of the most competitive prices respectively on- and offline with commodity markets ranging from individual to personal attributes, a 24/7 call center, after-sales services, and other features. It is the largest e-commerce store in Uganda, (ii) Masikini: When it comes to offering satisfying eCommerce services, this beats out all the competition. With the quickest payment methods including MTN and Airtel money, plus VISA, it allows users to access items from anywhere in the globe, such as the USA and the UK. Customers who want to import things that are unavailable in Uganda tend to prefer it, (iii) Kikuu: This is known further as Hangzhou Jiku Information Technology Company Limited, a renowned business with unmatched expertise in the broadest range of high-quality items from China and other Chinese producers. Among others include (iv) Jumia food which makes it easier for customers to get their food delivered on time, (v) Dondolo market which delivers cell phones and gadgets from a brick-and-mortar store in Kampala, (vi) Eyetrade which is the oldest, with a focus on helping individuals purchase and sell anything they wish, including property investment, agribusiness, mobiles and equipment, and other items. Others include Jiji Uganda, Pape Rayn, Safeboda, and UGAKart (Ashaba, 2021). The International Trade Administration (2022) concludes that, although "mobile money" is widely used and mobile phone usage is increasing quickly in Uganda, eCommerce is still unregulated and casual with just 19 million checking accounts and 32 million mobile payment accounts. According to UNCTAD, 2020, the Ugandan government, as part of its response to the economic repercussions of the pandemic, has operated with mobile phone companies to cut digital service charges and supply free of charge internet data bundles to clients. Digital media is also being used to spread health information and combat misleading info.

Moreover, the authority is boosting public-private sector cooperation to expand the provision of technical services and improve corporate operations in links as per UNCTAD's recommendations. The government of Uganda is encouraging entrepreneurship through encouraging new ideas and start-up-driven initiatives. By expanding infrastructure, the nation has also increased internet connection by enabling businesses to reduce the cost of providing services. Uganda is also enhancing electronic transfer confidence. To further the safety of these transactions, a data protection and privacy law were passed in 2020. To equalize the playing field for suppliers, the nation's government recently enacted an e-payments law that is anticipated to go into force shortly. Additionally, with assistance from the United Nations Development (UNDP), Uganda intends to create a nationwide e-commerce program (UNDP Uganda, 2020). Despite being a relatively recent phenomenon in Uganda, online shopping is rapidly spreading because of the country's burgeoning middle class of young people (18 to 30 years old) who are developing a preference for imported consumer goods.

- **Bangladesh**

Bangladesh has excellent e-commerce prospects, thanks to the rising trust, e-commerce infrastructure, security, public awareness, and the shift from conventional to online buying. Online purchasing is popular because it is convenient, secure, and time-saving. (Hossin, et al, 2020). Bangladesh's low adoption rate has prevented it from fully using the merits and perks of e-commerce, notwithstanding its continuous expansion in a wide range of online services (Azam, 2021). In order for Bangladesh to be capable of coping with a large e-commerce industry, it is necessary for India to adopt policies that link it with the Bangladeshi people and transcend party politics driven by regime objectives while participating in a mutually beneficial partnership with its neighbors (Pattanaik, 2011). The major e-commerce platforms in Bangladesh include, (i) Daraz.com.bd, one of the top online retailers at the moment, it began operating in 2015 with a range of consumer goods including décor, apparel, and cosmetic items, among others, (ii) Rokimari, a website that sells books online together with additional services and products, such as DVDs, video lessons, sports equipment, calculators, watches, Pen Drives, computer equipment, and much more. Other platforms include Bagdoom, Othoba, ClickBD, Priyoshop, and Shwapno extra (Maria, 2022). According to The Financial Express report (2023), in order to ease and maintain transparency in online

retail operational processes, the government of Bangladesh is getting ready to implement Unique Business Identification (UBID), which will be necessary for all e-commerce operating enterprises within the country. This initiative aims to maintain restraint in the online sales sector. Additionally, by utilizing ICT platforms, e-commerce companies will be able to win back clients' confidence and improve the legitimacy and transparency of online trade.

The Bangladeshi government also employs other support measures, including (i) A coordinated attempt to unify vendors, payment processors, and delivery companies under one platform are the central logistical tracking platform. (ii) the National Consumer Rights Protection Directorate and the Central Complaint Management Method, a centralized system for handling complaints (iii) Binimoy, the collaborative digital exchange (The Daily Star, 2023).

Discussion and comparative analysis

Based on the available literature, both countries have experienced e-commerce inception since the early 2000s. Despite having unfavorable facilities, internet incapabilities, and unfavorable government policies, it was more well-liked by customers. Both countries have support from their government in form of regulations and support in terms of reduced fees, and internet access among others. The bracket of consumers also does not differ between both countries whereby the demand is high with middle-income earners as well as the youths aged between 18-30 years who are mostly in favor of imported products from Europe and Western countries. However, Bangladesh's e-commerce platforms have less support from their neighboring countries due to security reasons for example with India, unlike Uganda with Kenya and Tanzania (Enotes World, 2021).

Conclusion and scope for future research

In conclusion, e-commerce developing countries are comparatively on the same pace in terms of coverage, customer behavior and beliefs, and government support (response). However, further research should be done to cover more aspects in line with e-commerce platforms mainly for developing countries. This will provide rigorous data that covers issues beyond contextual imperatives.

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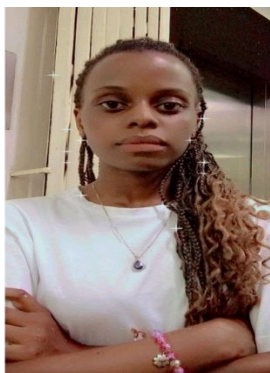
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Authors' Biography:

Mukwaya Kasimu is a tremendously inventive, practical global scholar, student leader, Human Rights advocate, Mental Health activist, and community philanthropist. He was born and raised in Uganda, pursuing his first degree at Brac university. Kasimu stands to empower vulnerable marginalized groups of people not only through fostering mental stability but also through capacity building and economic empowerment. His goal is to help marginalized people gain mental peace and stability and equip them with skills that guarantee their financial



freedom. areas of research interest include Leadership, Investment law, and Market growth and sustainability. He hopes to collaborate with different organizations with shared goals and incorporate his innovativeness to altogether create a “Community for All.”



Sylvia is a researcher and an undergraduate student pursuing at Brac University, Dhaka, Bangladesh. She is a Ugandan and is pursuing a bachelor's degree in Business Administration. Sylvia is interested in showing a need for community issues to be addressed purposely concerning unemployment, violence, democracy, pandemics and business continuity. Her desire is to serve others through research, especially in developing economies, and to set a positive example for those who will come after her.