





Internship report on “Understanding Online Shoppers (e-commerce)”

Company Focus: Unilever Bangladesh Limited

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Subject: Submission of the internship report on Understanding online Shoppers for Unilever Bangladesh Ltd.

Dear Sayla Miss,

I'm glad to submit the internship report on Understanding Online Shoppers for Unilever Bangladesh Ltd; prepared in accordance to the guidelines provided by you. In this report, I have outlined overviews of the company, E-Commerce terminology, discussed E-Commerce sites within the nation and explored E-Commerce in one developed and one developing country. I have also analyzed customer perceptions and included guidelines and recommendations on building an online store.

Throughout the report, I have been fascinated to explore the awe-inspiring world of E-Commerce and online shopping and came out wiser. I am therefore, very grateful to you for initiating the journey. With the survey limitations in consideration, I hope the report fulfills your expectations.

Yours sincerely,

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Acknowledgement

In preparing the report on, “Understanding Online Shoppers” for Unilever Bangladesh Ltd, firstly I express my gratitude to my academic supervisor Ms. Sayla Sowat Siddiqui Madam, without her kind direction and proper guidance this study would have been a failure.

I also want to thank my line manager at Unilever Bangladesh Limited, Mr. Parvez Sarwar, Head of Consumer and Market Insight, Bangladesh and Sri Lanka, who provided me with all the necessary information that I required. In every phase, from topic selection to data collection and data analysis, his supervision has shaped this research paper.

I am also thankful to my fellow colleagues of Unilever Bangladesh Limited such as Sindhia Alam Tanni, Arafa Ferdous and Nabila Rahman who gave me their valuable time and enough information to successfully make this report.

Last but not the least, I thank my friends Suzana Zaman and Bashira Harun for their time and support in completing this report as a fruitful one.



Unilever

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Executive Summary

As known to all, Unilever Bangladesh Limited is one of the leading multinational business firms in the world of FMCG industry. Over the last four decades Unilever Bangladesh Limited (UBL) has been relentlessly bringing new, innovative and world-class products to make the lives of Bangladeshis easier. Over 90% of the country's households use one or more of UBL products. Unilever currently offers nineteen variety brands in spread across four different categories-Food and Drink, Home care, Personal Care, Water Purifier.

To identify how to make these brands popular amongst the people of Bangladesh is the core objective of the "Consumer and Market Insight department" or in short CMI. (a proactive segment of the Brand Building department of Unilever Bangladesh Limited).

CMI is the department where the study of the different marketing mix is done to analyze its effectivity and efficiency. This phase typically comes before the planning phase during which managers do study on different perspectives and analyze the feasibility of different methods. During my tenure I along with the guidance of my line manager researched on the most popular buzzing topic of the time i.e. internet shopping. As the world is moving with a very fast pace with the help of internet, it's time that Unilever as a global giant also hit this system to accelerate their growth.

In addition, I have carried out a small-scale research to find out how to penetrate this path and grab success through it. I critically analyzed the pros and cons of online shopping and tried to gather as much real life information as possible by reaching mass people. I have scrutinized different other online shops and thus came out with possible recommendation to make it feasible for Unilever Bangladesh Ltd.

Chapter 1: Introduction

The world is moving at a very fast pace with the rapid growth of internet population and increasing dependency on ICT in different sectors. Internet has caused restructuring in the communication pattern which has created huge potentials for the development of trade and commerce. Due to the efficiency, effectiveness and very low operating cost, it has become highly booming and fasted adopted technology till date. The use of internet in business has marked incredible response since its inception. Be it a solo start-up or the government or any MNC, internet marketing or what in business terminology we call e-commerce, is increasingly viewed as a key business modality of the future.

This paper is all about different e-marketing strategies adopted by different companies, how they expand their market, how they reach to their customers and how are they building a better relationship with the customers. This is the high time when we as such a big name in the business world attempt to grab the potentials of this channel where effective promotion of the business can be done by reaching maximum customers with the minimum operating cost.

Consumers started depending on online shopping once they got assured with the secured usage of their credit cards in e-business. Now consumers can buy anything and everything just with a click sitting comfortably in a couch at home. Companies also can reach customers all over the world. Not only for buying and selling, internet is increasingly used as a source of advertisements. Companies have created innovative advertising programs. Internet is truly changing the way we do business, the way we market, sell, service, distribute, communicate etc.

The world trade organization and different round discussions on the trade related issues have opened up a new arena of global competition. Developing country's technological fitness is must in searching new market and making buyer-seller relationship to achieve the competitiveness in the global market. The World Wide Web (WWW) can be considered as the right way which provides the opportunity to overcome the barrier of time and place in building buyer-seller relationship. Thus, E-Commerce should be adopted as the effective media for marketing and selling of a product or services through the internet.

Background:

E-commerce has become a catchphrase of present technology days. E-commerce consists of all internet users of the world. The members of the community can interact with each other at any time without considering the distance gap. Time, place and national boundary do not make any obstacle to build and maintain the relationship. It refers to the process of conducting any kind of business through digital communication. Due to several environmental barriers like economic depression, changing market trends, unpredictable financial markets and political instabilities; organizations have become harried to come up with strong backups to survive and succeed. E-commerce is such a survival weapon which not only makes the management easy but also offsets operation costs. Considering the ongoing threats and opportunities we should also comply with the advancement like other booming online markets. Now a day's internet services are available in Bangladesh. Slowly these services are holding a strong position in every part of our life. This paper will be aiming at examining how we can use this service as a tool of communication and distribution like any other online marketers are doing. There will be focus on the philosophy of the e-commerce and how different online marketers are implementing it in reality. I will also critically analyze the customer's perception about online shopping, their expectations because our prime concern is our customers. Their ease and comfort has to be taken under consideration if we want to garb the market. Then this paper will suggest measures that must be taken to go online.

Literature review:

An expansion of the literature and an analysis of various kinds of text books, articles, journal and common related website in the field of customer service in e-commerce are reviewed in this study.

Buffam (2012) depicted that companies that build the better e-business solutions will outperform their competitors. Companies that build the very best e-business solutions will transform themselves into zero-latency enterprises. Companies that choose not to embrace e-business, or do so ineffectively, will underperform or be driven out of business.

Turban et al. (2012) argued that following points of managerial issues are very important: Focus of Electronic commerce management; Sales promotion; Purchase process

reengineering; Just-in –Time delivery; new electronic intermediary business; Provision of solutions; Business ethics.

Hoq, Kamal and Chowdhury (2012) argued that a key reason why ecommerce, especially the business-to-business segment, is growing so quickly is its significant impact on costs associated with inventories, sales execution, procurement, intangibles like banking, and distribution costs.

Bellman, Lohse and Johnson (1999) examine the relationship among demographics, personal characteristics, and attitudes towards online shopping. These authors find that people who have a more “wired lifestyle” and who are more time- constrained tend to buy online more frequently, i.e., those who use the Internet as a routine tool and/or those who are more time starved prefer shopping on the Internet.

Bhatnagar, Misra and Rao (2000) measure how demographics, vender/service/ product characteristics, and website quality influence the consumer’s attitude towards online shopping and consequently their online buying behavior. They report that the convenience the Internet affords and the risk perceived by the consumers are related to the two dependent variables (attitudes and behavior) positively and negatively, respectively.

Jarvenpaa, Tractinsky, and Vitale (2000) investigate how consumers perceived store size and reputation influence their trust in the store, risk perception, attitudes, and willingness to buy at the specific store. They discover that there is a positive relationship between consumer trust in Internet stores and the store’s perceived reputation and size.

From the aforesaid literature review, it is evident that on line banking can act as a complementary towards e-business. With the help of e-business a company can create opportunities as this will help both producers and customers.

ORIGIN OF THE REPORT

As a part of BBA program, internship report or project paper has to be submitted by each and every students of BRAC Business School. Such report is helpful for the students to gain practical knowledge, experience and adaption with the situation. My supervisor Ms. Sayla Sowat Siddiqui assigned me the topic. I have tried my level best to make it as an excellent one. I used all the latest data and information. I have been serving this company as an intern under Consumer and Market Insight Department for two months. My job responsibility was to do a research on customer’s behavior towards online shopping. So, I got the opportunity to get very close to the customer as well as retailers. I have the idea why customer choose, the reason to leave and the reason of using Unilever products over

internet. My supervisor Mr. Parvez Sarwar, Head of Consumer & Market Insight, Bangladesh & Sri Lanka, guided me time to time to make this report fruitful.

Research objective:

The aim of doing this research is to find out the possible opportunities and threats of e-commerce execution in Bangladesh so that we can build the capability to seize the future of this channel. For more precise understanding the objective can be broken into following sub-objectives:

- Analyzing consumer understanding about online shopping.
- Examine the growth pattern of e-commerce in Bangladesh
- Finding out the probable challenges and threats and solutions to those threats
- Finding out the opportunities and discover how to utilize and maximize those opportunities
- Examine the operations of online marketing.

The sub-objectives are detailed below:

- **Analyzing consumer understanding about online shopping:**

Our prime concern is our consumers. So it is very important to know consumer's perspective about online shopping to create an effective and efficient channel through it. What are the consumer's expectations, the problems they are facing now, the items they buy, when and how much they buy; all these are very important information for us to know.

- **Examine the growth pattern of e-commerce in Bangladesh:**

It has been a while since the internet has been used widely. And the e-commerce sites are also on the way to boom in our country. In a developing country like Bangladesh it is very important to study the growth pattern of a business because that indicates the effects of different economic, political and environmental barriers on the business. So we will study the growth pattern of e-commerce.

- **Finding out probable challenges and threats and solutions to it:**

By examining the growth pattern we will be able to identify the pros and cons of implementing e-commerce in Bangladesh. Studying critically the pattern will help us find

out the challenges that other online businesses are facing and also the way they defended the challenges. So we can have the idea of the threats and by that we can help ensure the feasibility of the business.

- **Finding out the opportunities and ways to utilize those opportunities:**

As much the study of challenges is important, the study of opportunities is also equally important. By knowing about the opportunities we could be identify the possibilities of expanding business through utilizing those opportunities and also find out how to maximize these opportunities.

- **Examine the operations of e-commerce:**

Understanding the operation process of e-commerce is very necessary. What are the different departments for e-commerce, functionalities of different departments how the different departments communicate and how to balance between different departments?

Scope of the research

The study would focus on the following areas: operations of online shopping sites, analysis of competing organization's e-stores, online shoppers buying and selling habit, key categories purchased, amount of purchase, amount of time spent, their sources of awareness, level of satisfaction, features affecting their behavior towards online shopping etc. Each of the above areas would be critically analyzed in order to build factors to ensure the efficiency and effectiveness of the e-store that we want to create.

Limitation of the research:

The report was made with maximum effort to make it a successful outcome. But still I suffered from few unavoidable limitations that obstructed on the way of building it. The major one's are:

- **Secrecy of management:** The authority of the organizations that I surveyed did not disclose much information for keeping the organization confidential. So, some data could not been collected for confidentiality or secrecy of management.

- **Busy working environment:** The officials had some times been unable to provide information because of their huge routine work. So, I could not gather vast knowledge about the critical issues. It is really difficult to gather data from the place where people do not know me for a long time.
- **Lack of information:** In the website, information of e-commerce practice in several companies was limited.

Methodology

The report strategy provided a framework for designing a systemic study that would address the study's goals, objectives, and questions. This section summarizes the overall study design and reflects the logical flow from the preliminary activities that initiated the study and the development of the preliminary conceptual model through the data collection and analysis and the refinement of the conceptual model.

i. Primary sources of data collection

Primary sources are documents written or created during the time of study. Primary sources came in the form of direct interview of 9 respondents, interview over phone of 13 respondents and online questionnaire fill up 78 respondents. In total there were 100 respondents. Data collected were summarized in MS Excel format and analyzed in it.

Questionnaire design

The questionnaire developed had two parts. The first part of the questionnaire had questions on demographic details of the potential respondents including gender, age group, education level, number of hours of internet use in a day etc,. The second part of the questionnaire had 28 questions, both close ended and open ended.

ii. Secondary sources of data collection

The search for secondary sources was carried out to refine our objective and gather enough information to support our research. Specifically the desk research phase gathered information about different online shopping sites, scrutinize those sites, articles and journal reviews, information gathered over magazines, internet etc. also we analyzed some statistical report about number of internet users from the secondary sources.

Data management and preparation

Data collection resulted in the accumulation of a large amount of data, mostly qualitative and partly quantitative. All the data were sorted and recorded in MS Excel and analyzed through it.

Analysis and Interpretation

The data was collected from various sources and the only data management tool used is MS Excel. As most part of the study was descriptive in nature so the study's design evolved over the course of the research, there was not a clearly defined line between data collection, data analysis and preliminary write-up of findings. For example, simply in choosing primary source documentary evidence involved analysis and determination of relevance.

Final report Preparation

The final report is prepared on the basis of analysis and interpretation of data.



Unilever

Chapter 2: Overview of the Company

Unilever Global:

Unilever is an Anglo-Dutch company, with a history of colonial exploitation, on which it has gradually built its capital. Today it owns more than 400 of the world's consumer product brands in food, beverages, cleaning agents and personal care products. Unilever employs more than 174,000 people and had worldwide revenue of €49.800 billion in 2013. Unilever has two parent companies: Unilever NV in Rotterdam, Netherlands, and Unilever PLC in London, United Kingdom. This arrangement is similar to that of Reed Elsevier, and that of Royal Dutch Shell prior to their unified structure. Both Unilever companies have the same directors and effectively operate as a single business. The current non-executive Chairman of Unilever N.V. and PLC is Michael Treschow (May 2007) while Paul Polman (January 2009) is Chief Executive Officer. Unilever's major competitors include Nestlé and Procter & Gamble.

History of Unilever:

William Hesketh Lever founded Lever Brothers in 1885. Lever established soap factories around the world. In 1917, he began to diversify into foods, acquiring fish, ice cream and canned foods businesses. In the Thirties, Unilever introduced improved technology to the business. The business grew and new ventures were launched in Latin America. The entrepreneurial spirit of the founders and their caring approach to their employees and their communities remain at the heart of Unilever's business today.

Unilever was formed in 1930 when the Dutch margarine company Margarine Unie merged with British soap maker Lever Brothers. Companies were competing for the same raw materials, both were involved in large-scale marketing of household products and both used similar distribution channels. Between them, they had operations in over 40 countries. Margarine Unie grew through mergers with other margarine companies in the 1920s.

In a history that now crosses three centuries, Unilever's success has been influenced by the major events of the day –economic boom, depression, world wars, changing consumer lifestyles and advances in technology. And throughout they've created products that help people get more out of life—cutting the time spent on household chores, improving nutrition, enabling people to enjoy food and take care of their homes, their clothes and

themselves. Through this timeline you'll see how UBL brand portfolio has evolved. At the beginning of the 21st century, path to Growth strategy focused us on global high-potential brands and Vitality mission is taking us into a new phase of development. More than ever, how brands are helping people 'feel good, look good and get more out of life' – a sentiment close to Lord Lever Hulme's heart over a hundred years ago.

Timeline

19th century: Although Unilever wasn't formed until 1930, the companies that joined forces to create the business we know today were already well established before the start of the 20th century.

1900s: Unilever's founding companies produced products made of oils and fats, principally soap and margarine. At the beginning of the 20th century their expansion nearly outstrips the supply of raw materials.

1910s: Tough economic conditions and the First World War make trading difficult for everyone, so many businesses form trade associations to protect their shared interests.

1920s: With businesses expanding fast, companies set up negotiations intending to stop others producing the same types of products. But instead they agree to merge and so Unilever is created.

1930s: Unilever's first decade is no easy ride: it starts with the Great Depression and ends with the Second World War. But while the business rationalizes operations, it also continues to diversify.

1940s: Unilever's operations around the world begin to fragment, but the business continues to expand further into the foods market and increase investment in research and development.

1950s: Business booms as new technology and the European Economic Community lead to rising standards of living in the West, while new markets open up in emerging economies around the globe.

1960s: As the world economy expands so does Unilever and it sets about developing new products, entering new markets and running a highly ambitious acquisition program.

1970s: Hard economic conditions and high inflation make the 70s a tough time for everyone, but things are particularly difficult in the fast-moving consumer goods (FMCG) sector as the big retailers start to flex their muscles.

1980s: The business expands into Central and Eastern Europe and further sharpens its focus on fewer product categories, leading to the sale or withdrawal of two-thirds of its brands.

1990s: The business expands into Central and Eastern Europe and further sharpens its focus on fewer product categories, leading to the sale or withdrawal of two thirds of its brands.

The 21st Centuries: The decade starts with the launch of Path to Growth, a five-year strategic plan, and in 2004 further sharpens its focus on the needs of 21st Century consumers with its Vitality mission.

Unilever Design and History:

In 2005, Unilever decided to change their logo to represent their new theme of vitality. The new logo was also planned to coincide with the 75th anniversary of the company. The new logo tells the story of Unilever and vitality. It brings together 24 different icons representing Unilever and its brands, the idea of vitality and the benefits Unilever brings to consumers. Below was the new logo launched:



The icons are represented below.



Sun: The primary natural resource. All life begins with the sun, the ultimate symbol vitality. It evokes Unilever's origin in port of sunlight & can represent a number of Unilever brands.



DNA: The double helix. The generic blueprint of life and a symbol of bioscience, it is a key to healthy life. The sun is the biggest ingredient of life and DNA is the smallest.



Bee: Represent creation, pollination, hard works and bio diversity. Bees symbolize both environmental challenges and opportunities.



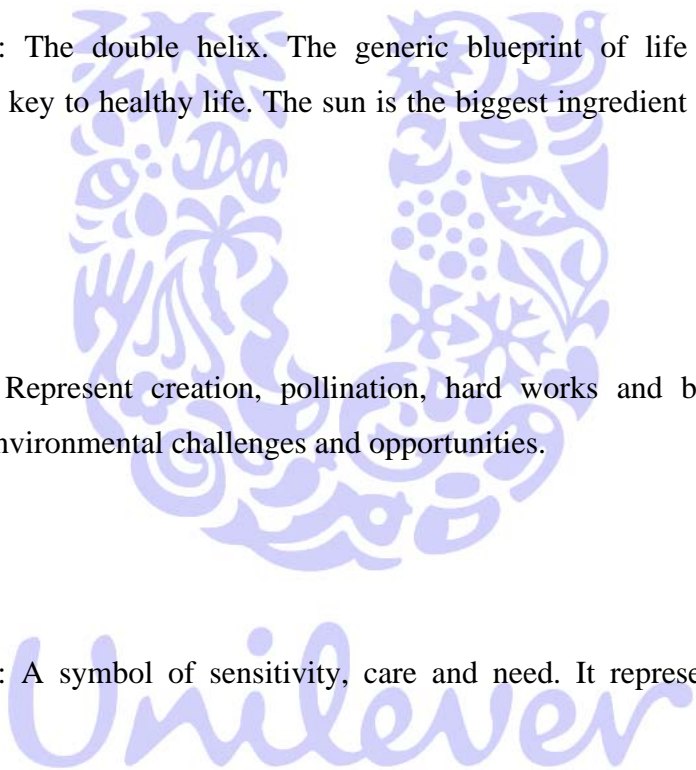
Hand: A symbol of sensitivity, care and need. It represents both skin and touch.



Flower: Represent fragrance, when seen with the hand, it represents moisturizing cream.



Hair: A symbol of beauty and looking good. Placed next to the flower, it evokes cleanliness and fragrances; placed near the hand it suggests softness.





Palm tree: A natural resource, it produces palm oil as well as many fruits. Coconut and dates are also symbolize paralyze.



Spoon: A symbol of nutrition, tasting and cooking.



Bowl: A bowl of delicious smelling food. It can also represent a ready meal, hot drinks or soup.



Spice & Flavors: Represent chili or fresh ingredients.



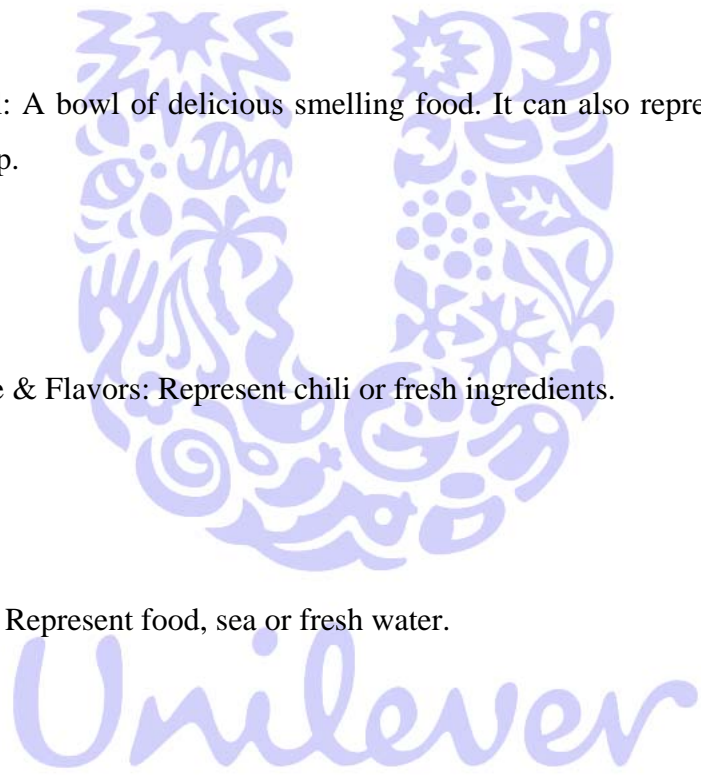
Fish: Represent food, sea or fresh water.



Sparkle: Clean, healthy and sparking with energy.



Bird: A symbol of freedom. It suggests relief from daily chores, getting more out of life.





Recycle: Part of commitment to sustainability.



Lips: Represent beauty, looking good & taste



Ice-cream: A treat, pleasure or enjoyment.



Tea: A plant or an extract of a plant, such as tea, also a symbol of growing and farming



Particles: A reference to science bubbles and fizz.



Frozen: The plant is a symbol of freshness, the snowflake represent freezing, a transformational symbol.



Wave: Symbolize cleanliness, freshness and vigorous icon. (With the clothes icon)

The Unilever logo, featuring a large, stylized 'U' composed of various icons and the word 'Unilever' in a cursive font below it.



Liquid: A reference to clean water and purity.



Container: Symbolizes packaging-a pot of cream associated with personal care.



Clothes: Represent fresh laundry and looking good.



Heart: A symbol of love, care and health



Sauce or Spread: Represent mixing of stirring. It suggests blending in flavors & adding taste.



Unilever Bangladesh LTD:

The history Unilever Bangladesh Ltd is one of the world's most successful fast moving consumer goods manufacturing companies with local manufacturing facilities, reporting to regional business groups for innovation and business results.

Lever Brothers Bangladesh Ltd. as a subsidiary of Unilever is leading the home care, personal care and food product market of Bangladesh. On 25th February 1964 the eastern plant of Lever Brothers Pakistan Ltd. was inaugurated at Kalurghat, Chittagong with a soap production capacity of approximately 485 metric tons. It was a private limited company with 55% share held by Unilever and the rest by the Government of Pakistan. After independence the eastern plant was declared abandoned. But on 5th July 1973 it was registered under the name of Lever Brothers Bangladesh Ltd. as a joint venture company

of Unilever PLC and the Govt. of Bangladesh with a share arrangement of 60.75% to Unilever and 39.25% to the Bangladesh Govt.

Unilever today:

Unilever brands are trusted everywhere and, by listening to the people who buy them, they've grown into one of the world's most successful consumer goods companies. In fact, 200 million times a day, someone somewhere chooses a Unilever product.

Unilever have a portfolio of brands that are popular across the globe - as well as regional products and local varieties of famous-name goods. This diversity comes from two of their key strengths:

- Strong roots in local markets and first-hand knowledge of the local culture.
- World class business expertise applied internationally to serve consumers everywhere.

Unilever at a Glance:

- Type of business: Fast Moving Consumer Goods Company with local manufacturing facilities, reporting to regional business groups for innovation and business results.
- Operations: Home and Personal Care, Foods
- Constitution: Unilever - 60.75% shares, Government of Bangladesh - 39.25%
- Product categories: Household Care, Fabric Cleaning, Skin Cleansing, Skin Care, Oral Care, Hair Care, Personal Grooming, Tea based Beverages.
- Brands: Wheel, Lux, Lifebuoy, Fair & Lovely, Pond's, Close Up, Sunsilk, Taaza, Pepsodent, Clear, Vim, Surf Excel, Rexona, Dove, Vaseline.

Manufacturing

- **Facilities:** The Company has a Soap Manufacturing factory and a Personal Products Factory located in Chittagong. Besides these, there is a tea packaging operation in Chittagong and three manufacturing units in Dhaka, which are owned and run by third parties exclusively dedicated to Unilever Bangladesh.
- **Employees:** Unilever Operations in Bangladesh provide employment to over 10,000 people directly and through its dedicated suppliers, distributors and service providers. 99.5% of UBL employees are locals and they have equal number of Bangladeshis working abroad in other Unilever companies as expatriates

Mission:

Unilever's mission is to add Vitality to life. They meet everyday needs for nutrition; hygiene and personal care with brands that help people feel good, look good and get more out of life.

Vision:

To make cleanliness a commonplace; to lessen work for women; to foster health and contribute to personal attractiveness, in order that life may be more enjoyable and rewarding for the people who use the products.

Goals:

The goals of UBL are:

- To manufacture high-standard products.
- Promoting products to the highest extent
- Producing large volume to achieve production cost economies.
- Enabling quality products to be sold out at obtainable prices.

Unilever's Contribution:

Unilever Making a positive contribution to society through their brands, the commercial operations and relationships, their voluntary contributions to the community and through their wider engagement with Bangladeshi society. 72% of the company's value addition is

distributed to the Government of Bangladesh. UBL operations provide employment to over 10000 people.

Unilever Brands:

Unilever has a portfolio of about 400 brands globally. However many of these are local that can only be found in certain countries, e.g. Fair & Lovely. In Bangladesh the number of UBL's existing brands is 18 which are categorized in different sections. The brands fall almost entirely in two categories:

- Food and beverages
- Home and personal care brands

In Bangladesh the company operates in four distinct product categories. These are:

1. Fabric Wash
2. Household care
3. Personal care
4. Foods

Fabric Wash

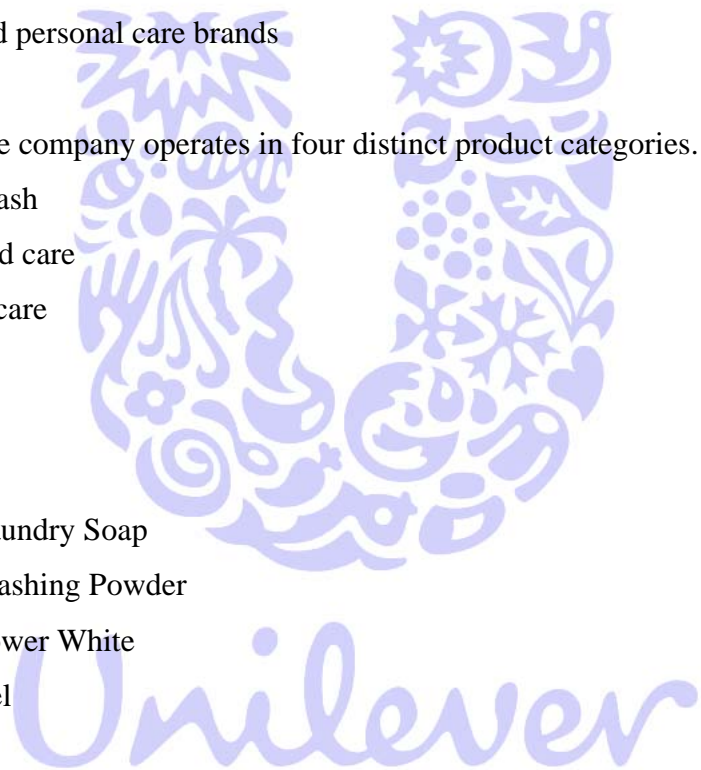
- Wheel Laundry Soap
- Wheel Washing Powder
- Wheel Power White
- Surf Excel

Household Care

- Vim Powder
- Vim Bar
- Vim Liquid

Personal Care

- International Lux
- Lifebuoy Total
- Dove bar



- Lifebuoy Liquid soap

Skin Care

- Fair & Lovely Multivitamins
- Fair & Lovely Body Fairness Milk
- Fair & Lovely Ayurvedic
- Fair & Lovely Menz Active
- Pond's Age Miracle range
- Pond's Daily Face Wash range
- Pond's Cold Cream
- Pond's Perfect result Cream
- Ponds Dream Flower Talc
- Pond's flawless white range
- Pond's White Beauty Range
- Pond's Body Lotion
- Dove skin care products
- Vaseline skin care product

Hair Care

- Sun Silk Shampoo
- All Clear Shampoo
- Lifebuoy Shampoo
- Dove shampoo
- All Clear Hair Shampoo

Oral Care

- Close-up Toothpaste
- Pepsodent Toothpaste
- Pepsodent Toothpowder
- Pepsodent Tooth brush

Deodorant

- Rexona
- Axe



Foods

- Lipton Taaza Danadar
- Lipton Taaza strong
- Lipton Taaza Teabag.

Strategies followed by the company

1) Functional Level Strategies:

Unilever Bangladesh Ltd follows different functional level strategies to gain competitive advantages and sustain it in the long run in the matured industries.

- ❖ They increase their efficiency through exploiting economies of scale and learning effects. For example, 808,720 bars of soaps, 1,023,810 packets of detergent powders, 154, 430 toothpaste tubes and sachets, 329, 530 bottles and sachets of shampoo, 156, 910 tubes, jars, bottles and sachets of creams and lotions, and 35,000 packets of tea are produced in one day in Bangladesh by Unilever.
- ❖ They adopt flexible manufacturing technologies, upgrade the skills of employees through training and perform research and development function to design products that are easy to manufacture.
- ❖ They have higher customer responsiveness rate. They carry out extensive research to innovate new products and modify the existing products to better satisfy the consumers.
- ❖ They continuously innovate products, promotional activities, packaging and distribution. This way they can respond quickly to customer demands.

2) Business-Level Strategies:

Unilever's strategic managers adopt different business level strategies to use the company's resources and distinctive competencies to gain competitive advantage over its rivals. These are:

- ❖ They follow cost-leadership strategy as they have intermittent over capacity and the ability to gain economies of scale. This way they can produce cost effective products and yet be profitable.
- ❖ They also follow differentiation strategy for some products to meet the needs of the consumers in a unique way.
- ❖ They also target different market segments with different products to have broad product line. By product proliferation they reduce the threat of entry and expand the range of products they make to fill a wide variety of niches.

3) Strategy in the Global Environment:

Unilever Bangladesh Ltd. is registered under Unilever. As a part of a global company it follows some generalized strategies and principals of Unilever. However, they also modify different strategies based on the national conditions. The different strategies that they follow in the global environment are stated below:

- ❖ As a worldwide famous company and comprising internationally renowned brands gives them unique strengths that allow a company to achieve superior efficiency, quality, innovation, or customer responsiveness. The different policies and strategies Unilever follows and their experience is transferred to Unilever Bangladesh Ltd.
- ❖ They import the raw materials from the places where it is less costly, thus achieve location economy.

- ❖ They are locally responsive. They are always ready to improve and modify their products to meet the needs of the local customers.
- ❖ UBL follows a multi domestic strategy where the companies extensively customize both their product offering and marketing strategy to different national conditions.

4) Corporate strategy:

UBL carries out the following corporate level strategies:

- ❖ They involve in short term contracts and competitive bidding for the supply of raw materials.
- ❖ They have a diversified business. UBL has both related and unrelated diversification. They compete in nine different industries with various products from home care, personal care and even food products. They have economies of scope as most of the products can share the same manufacturing facilities, inputs and specially the distribution channels.

Unilever's Growth

Although Unilever has been around since pre-liberation days, the real impetus for growth started from 1999. Since then the sales growth has consistently been in double digits and at more than double the GDP rate of growth. In 2003 UBL was the fastest growing business for Unilever Asia delivering profitable growth of 17%. They have also strengthened the fundamentals of the business and have been able to double the rate of gross margins, which has provided us the necessary fuel for growth. During the last few years the profit after tax has increased more than 8 times and this has resulted in exponential growth in shareholder's fund now being one of the highest in corporate in Bangladesh.

Organizational Structure

In terms of Unilever, they have two chairmen leading the company worldwide. They have seven top directors leading seven different departments. They have divided their

worldwide business into different region and have different business groups to manage them.

Unilever Bangladesh limited falls under the Southeast Asian region. On a more micro scale, Unilever Bangladesh ltd is monitored by Hindustan lever Ltd. which oversees operation in Bangladesh, India, Pakistan and Sri Lanka. The chairman of Unilever Bangladesh Limited is known as the managing director. The management staff of the company consists of six layers, starting from junior manager (who are local managers) to manager grade 5 (who are Unilever managers). Apart from this the company also hires many non-management staff as well as operatives to work in the factories.

Unilever Bangladesh Limited structured in the following manner:

Unilever Bangladesh Limited has five departments to carry out all the organizational functions. Respective director's head are head of all departments. These departments are:

- 1) Customer Development Department Headed by Customer Development Director (CDD)
- 2) Brands & Development Department headed by the Brands and Development Director (B&DD)
- 3) Supply Chain Department headed by the Supply Chain Director (SCD)
- 4) Finance Department headed by Finance Director (FD)
- 5) Human Resources Department headed by the Human Resources Director (HRD)

1. Brands and Development Department:

The Brands Team has been expanded to Brands and Development, thus providing opportunity of increased coordination between the marketing and Development Team.

Insight into consumer needs and aspirations is critical if new market opportunities are to be identified. New market opportunities must be identified if they are looking for sustainable profitable growth, keeping them miles ahead of their competitors. However it is also crucial to exploit technology and developments to translate the found insight into tangible products catering to the needs and aspirations of the consumers with speed. A deep understanding of both consumers and technologies provides an essential foundation for successful innovation. To ensure a successful innovation process at Unilever, Brands and Development have been bought together. This will help their development team to have closer contact with the consumer world, following the leads and cues of their

aspirations and thus innovating products tailored accordingly at a faster pace. Brands and Development Department is further divided into six major areas. They include:

- ✓ Home care
- ✓ Personal care
- ✓ Dental Service
- ✓ Food
- ✓ Tea export
- ✓ Marketing research

2. Supply Chain Department:

The Supply Chain Director (SCD) who is in charge of planning, buying, manufacturing and distributing heads Supply Chain Department. The supply chain process constitutes a series of important activities ensuring smooth delivery to the consumers. Supply chain process led to joining planning and buying with manufacturing. Joining distribution to the chain, thus integrating both backward and forward linkages, further extends this chain. An integrated supply chain will give them the advantage of acting with speed, enabling them to keep up with pace of the ever changing business scenario. At present, it is divided into the following functions:

- ✓ Manufacturing
- ✓ Engineering
- ✓ Company Buying
- ✓ Distribution
- ✓ Quality Assurance
- ✓ Planning

3. Finance and IT Department:

The Finance and IT departments are jointly headed by one Director. The main objectives of this department are to serve all the division and departments of the companies, to secure and safeguard company assets and interest, to ensure proper internal control within the company and above all, to be cost effective in order to get optimum benefit for the company while operating. At present the major sub departments are:

- ✓ Business system
- ✓ Finance
- ✓ Legal.

4. Human Resources Department:

The Human Resources Director (HRD) currently heads this department. The major functions of this department are:

- ✓ Factory Personnel functions or Industrial Relations
- ✓ Recruitment, Training and developments, labor welfare
- ✓ Personnel Services and Security.

All these major personnel functions are integrated in the best possible way in Unilever Bangladesh Limited which results in its higher productivity. Industrial relations or the factory personnel functions are looked after by factory personnel manager, training and development activities are supervised by Manager Human Resource Development, Employee Welfare activities are monitored by Assistant Manager labor welfare, personnel services are looked after by the FPM along with the office services manager and finally security officer is responsible for all the security services At present, the total number of personnel in Unilever Bangladesh Limited are 720 which includes 159 in management & 543 unionized permanent workers.

5. Customer Development Department:

Managing customers i.e. retailers, wholesalers, and distributors, is becoming critical day by day. With the evolution of modern trade and aggressive local and international competition, role of Customer Management has also been gradually shifting from traditional “Sales: to “Trade Marketing”. Category Management, Space Management and In-store merchandising are becoming more and more important. Exploring and developing new channels are becoming critical to drive their business forward. With more and more sophistication, the role of Customer Management will evolve further and the whole game will be turned into “Relationship Marketing”. The customer management director (CMD) heads the Customer Management Department. Reporting to him are the Sales Operation Manager, Regional Sales Managers and Area Sales Managers. Company organized media is under the Sales Operation Manager. Assistant Area managers report to the Regional Sales Managers. Territory Managers report to the Assistant Area sales managers, Area Sales Managers and Regional Sales Managers, which differ in different sales areas. The Customer Management Department, early called ‘Sales Department’, is responsible for all company goods and maintains the following customer management strategy:

- Strong distribution network

- ✓ Widest distribution with seasonal operation in cost effective areas.
- ✓ Effective and focused company sales force
- ✓ Major thrust in rural market

Unilever's Social Responsibility:

The company feels that they have some duties towards the environment and the society.

Hence they carry out the following actions:

- ❖ Eco-efficiency – Unilever Bangladesh Limited always tries to reduce the impacts of company operations by efficient manufacturing equipments and proper waste management system.
- ❖ Eco-innovation –Unilever Bangladesh Limited also aim to mitigate the impacts of Unilever Bangladesh Limited products by using recyclable packages and safe ingredients.
- ❖ Sustainability programs in fish, agriculture and water.
- ❖ Unilever Bangladesh Limited Code of Business Principles.
- ❖ Fair Business Practice.
- ❖ Supporting local communities



Unilever

CHAPTER 3: About e-commerce

E-commerce Concept

E-Commerce is trading products or services over computer networks, and the most popular of all such networks is the Internet. It could be thought of as the modern version of the mail-order purchase by catalogue, and can be conducted by both individuals and firms and almost any good or service can be offered, from books and toys to plane tickets and medical services. It allows 24/7 shopping and many choices for consumers, but limits customer contact and verification by checking the actual goods.

Types of E-Commerce

1) By Licensing Type

On- Premise E-Commerce-On-premise E-commerce software usually requires initial one time purchase investment in terms of licensing fees. Also, it implies extra costs related to hardware and installation and also data migration, and periodical maintenance fees that are commonly charged on a yearly basis for software updates and support.

Advantages:

- Easily customizable;
- High Data security;
- High performance;

Disadvantages:

- Large initial investment;
- Self-maintenance;
- Difficult to scale

Software as-a-Service (SaaS) E-Commerce- Software as a Service (SaaS)- is a cloud based delivery model in which apps are hosted and managed in a service provider's datacenter, paid by the business owner on a subscription basis and accessed via a browser over an internet connection.

Advantages:

- Low-cost solution;
- Hosted/upgraded by E-commerce provider;
- Easily scalable

Disadvantages:

- Limited integration with receiving-end systems;
- Lack of data security;
- Limited control over the system- most of it lie with the service provider

2) By Sales Type

Business-to-Consumer (B2C)-In a Business-to-Consumer E-commerce environment, companies sell their online goods to consumers who are the end users of their products or services. Usually, B2C E-commerce web shops have an open access for any visitor, meaning that there is no need for a potential customer to login in order to make any product related inquiry. Example- Amazon.com

Business-to-Business (B2B)-In a Business-to-Business environment, companies sell their online goods to other companies without being engaged in sales to consumers. In most B2B E-commerce environments, entering web shops will require a log in. B2B web shop usually contains customer-specific pricing, customer-specific offering types and customer-specific discounts. Example- Alibaba.com.

Consumer-to-Business (C2B) -In a Consumer-to-Business environment, consumers usually post their products or services online on which companies can post their bids. A consumer reviews the bids and selects the company that meets his price.

Consumer-to-Consumer (C2C)-In a Consumer-to-Consumer environment, consumers sell their online goods to other consumers. Example: Ebay.com, Bikroy.com.

E-commerce Practice in Bangladesh

E-commerce in Bangladesh actually started in the year of 1999 based in USA with some non-resident Bangladeshis. These people opened some Bangladeshi sites focused on providing local news and some transactional things like sending gift items to Bangladesh. The first ever e-commerce site in Bangladesh is www.munshigi.com.

List of different e-commerce-type web sites

- www.bikroy.com
- www.olx.com
- www.kaymu.com
- www.cellbazar.com
- www.clickbd.com
- www.chorka.com
- www.chaldal.com
- www.hutbazar.com
- www.bdjobs.com
- www.shoppingcart.com
- www.upohar.com
- www.ushop.com
- www.hungrynaki.com
- www.foodpanda.com
- www.kroybikroy.com
- www.kholabazar.com
- www.bestway.com
- www.sonalibangla.com
- www.e-bangla.com
- www.bangladeshinfo.com
- www.bdbazar.com
- www.quickezine.com
- www.Webbangladesh.com
- www.deshigift.com
- www.bangla2000.com
- www.banglabaskets.com



Statistics of Bangladesh

The World Bank indicates that 6.5% of our population was internet users in 2013. 111 Internet service providers (ISP) serve the nation with an extra 84 in the central zone. 3 companies provide WiMax and an unknown number of LAN service providers (LSP) serve so called “broadband” internet (which has much faster speeds than the theoretical definition of broadband).



CHAPTER 4: Top 5 e-commerce sites in Bangladesh

Kaymu.com.bd

History:

Founded in December 2012, Kaymu.com.bd is a venture of Rocket Internet AG, one of the world's largest startup incubators. Since then, growth has been phenomenal and now the site enjoys nearly 500,000 visitors per month. Kaymu.com is also operational in around 40 other countries of the world.

Goal:

The goal of Kaymu.com is to provide a smooth online shopping experience for Bangladeshi customers, as well as providing convenient methods for payment such as the popular cash on delivery, KaymuSafepay and Advance payments. It aims to achieve this goal by bringing reliable sellers and buyers together in a solid B2C platform.

Operation:

Both buyers and shoppers have to register at kaymu.bd, and then shop and post goods: the “and” is here because a registered visitor can buy and sell from the same Kaymu account, if he/she chooses to. Kaymu is also intent on being convenient to the seller, by ensuring that payments are properly made. In keeping with their easygoing vibe, registration for sellers is totally free, but of course, Kaymu receives commissions for the sales made. Finally, the site also ensures that transactions actually took place by contacting the buyer and seller by phone and email.

Strength- Convenient measures.

Weakness- Apparently none: and this is the reason for the rapid rise in popularity.

Opportunity- Including product suggestions, providing discounts to existing customers

Threats- Existing Competition- akhoni, ekhanei, bikroy etc.



Akhoni.com.bd

Very similar to Kaymu, Akhoni offers all a decent B2C platform should offer, but it also emphasizes reasonable prices. It operates in a similar way to kaymu, with its welcoming attitude to cash on delivery. Akhoni is also a flexible whiz with different modes of payment- their options range from credit card, the maverick bKash service and even paying directly to the Akhoni.com office.

Interestingly, Akhoni also acts as a B2B site sometimes- it sells to wholesalers in bulk. This is a business model worth a try- combining B2C with B2B.

Strengths- Diverse payment modes, B2C+B2B modes

Weakness: Lack of comprehensive marketing compared to top players

Opportunities: Advertising renowned brand products being available (actually are)

Threats: Big players like Kaymu.bd



Biponee.com.bd

Goal:

Biponee's goal is to provide a comfortable shopping experience for its buyers, and hence, a buyer does not require registration in order to shop.

Operations:

Biponee aims to provide 24/7 shopping and is a brainchild of Brainstation-23, a Bangladeshi software company. Once again, the site works identically to the previous two.

Strengths- No registration for buyers

Weakness- Small and relatively unknown.

Opportunities- Social network advertising

Threats- Many competitors of similar size exist



Bikroy.com

Operatios:

This is one of the more popular C2C platforms in Bangladesh, where they claim you can “buy or sell almost anything.” They have made their ad posting process extremely streamlined: even unregistered persons can post an ad within 2 minutes. Ads are reviewed for compliance with site rules. Unlike B2C sites, this C2C platform encourages buyers and sellers to meet and verify goods in person. This is chiefly because the site encourages safety above all, and also warns customers to keep off suspicious offers and to utilize common sense.

Strengths- Extensive TV, billboard and internet advertising, reliable brand image.

Weakness: Apparently none.

Opportunities: Integration of B2C into the site

Threats: C2C competition e.g. ekhanei.com, Olx.bd



Rokomari.com

History:

Rokomari is one of the first online bookstores of Bangladesh, started as a web venture of Onnorokom Group in January 19, 2012.

Operations:

Since then it has diversified into selling music and movies as well as goods. They sell their own inventory to the customers without the inclusion of third party sellers. The books, movies and music are all in Bengali, so it can be agreed that Rokomari has chosen to serve a niche of the online FMCG market, and went down an unconventional path. Aside from these unique attributes, Rokomari offers all the good things we have come to expect from a Bangladesh online store, such as COD, credit card payment.

Goal:

They want to make shopping easy and fun for consumers but also desire to make the shopping informed. And yet again, they want customers to have a hassle free experience while shopping but also to get the best value for money.



Unilever

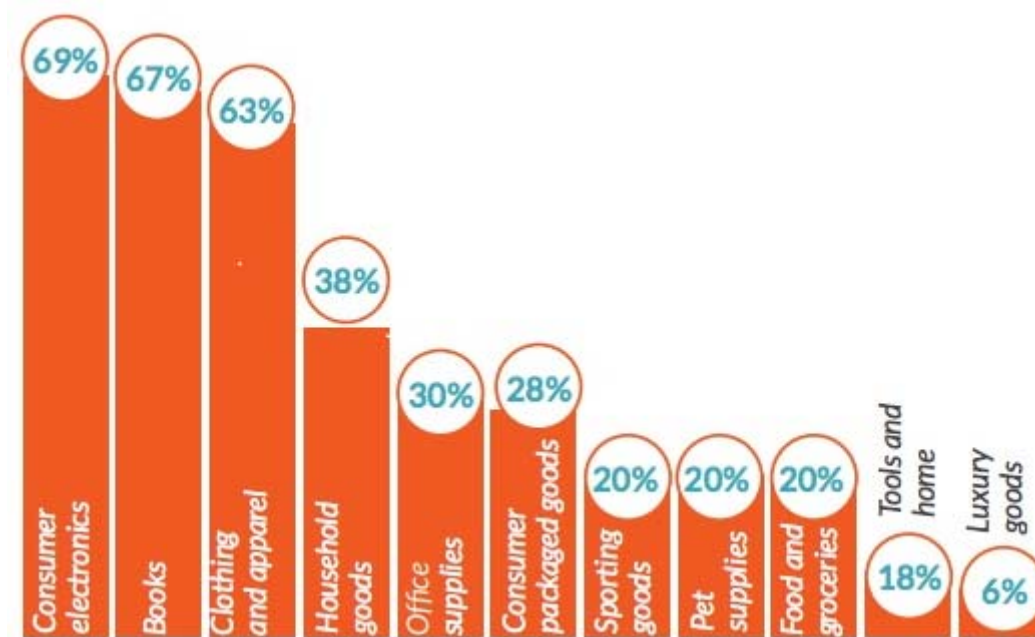
Chapter 5: Comparison of E-Commerce Scenarios

Developed Country Example

United States of America

81% of US citizens use the internet; the country houses some of the biggest ISPs in the whole world, with unrivaled speeds. This is the environment in which E-Commerce giants such as Amazon and Ebay have flourished, and others continue to flourish.

A 2013 study by Walker Sands reveals that nearly 2/3rd of surveyed Americans shop online for at least once per month, thus revealing widespread popularity of online shopping. So what products do American consumers buy online the most? The Top 5 are Consumer Electronics (68%), Books (67%), Clothing and Apparel (63%), Household goods (38%) and Office Supplies at 30%.



What drives such popularity? 80% of consumers would buy if free shipping is provided, and a still-impressive 66% is willing to buy with one-day shipping. 64% of consumers will make a purchase if free returns and lucrative exchange offers are in place.

The same Walker Sands Study tells us that 30% of the surveyed group will spend more than \$1000 (77,600 Tk) on an online purchase if it has free shipping and returns, and only 10% will buy a product priced above \$1000 online without free shipping and returns. It

can be seen that free shipping is deemed very convenient and may facilitate purchases of costlier goods.

Amazon.com

When it comes to USA, it would not do justice to go along without mentioning Amazon.com, one of the most popular online stores on the planet; it was found by an American, Jeff Bezos in Seattle, Washington, America. In the study, it is seen that a whopping 95% of the surveyed sample have bought something from Amazon in the last year, and 40% are willing to buy absolutely any product from Amazon.

37% of the sample disclosed that they would be hesitant to purchase food and groceries from Amazon, and 29% would hesitate to purchase luxury goods. In both of these cases, the majority would still consent to buying these goods from Amazon, as well as all the other categories.

E-Commerce through mobile devices is highly prevalent- 64% of consumers use theirs to research products before buying them. 52% would buy products if the retailer offers in-store navigation with a mobile device, and 59% would be willing if the store had checkout via mobile.

Forrester has forecasted that US online retail sales would grow by 57% by 2018; from \$263 billion in 2013 to \$414 billion in 2014, which shows a whopping annual growth rate of 9.5% compounded. Consumers aged 25-33 years spend the most of all age groups on online shopping in the US-an average of \$563 for the last 3 months.

Fast growth creates its own challenges- retailers must ensure smoother and faster checkout, and that too from mobile devices, which from the aforementioned statistics, prove to be the rising means of store access for US online shoppers.

Developing Country Example

Pakistan

In 2013, 10.5% of the population were internet users, and new e-commerce sites keep emerging. Pakistan's E-Commerce has been valued at Pakistani Rupee 4.5 Billion per year, as of 2013.

In Pakistan, there are 31 million Internet users. 15 million of them browse through mobile devices, according to the Pakistan Telecom Authority. Pakistan's 125 million active

mobile device users, out of population of 190 million, give it the fifth-largest number of mobile phone users in Asia. The market size and large online population lay a strong foundation for Internet retailing.

Internet retailing in Pakistan started in late 1997 with brands such as Liberty Books and Gift Express, with the first payment gateway provided by Citibank and e-store powered by The Cyber Bridge. Since then, several stores have been set up in various categories, including gifts, books, music, movies, consumer electronics, computers, clothing and footwear. Classified sites, such as OLX, DealsToday and Kaymu provide platforms for online trading.

There is no formal estimate on online retail sales in Pakistan, due to cash on delivery being popular and in-case of selling to expatriate Pakistanis, other third-party arrangements are used.

U.S.-based Amazon.com Inc. ships items to Pakistan. Also, U.S. retailers like Macy's Inc. and J.C. Penny Co. Inc. let customers choose Pakistan as the country of delivery and price items in Pakistani rupees.

Unlike in the USA, where most online consumers pay with credit and debit cards, Pakistani consumers prefer to pay through online banking or through cash on delivery. There is only one domestic gateway maintained by UBL (United Bank Ltd), which processes Visa and MasterCard transactions.

In Pakistan, online shopping is also not as massively widespread as in USA. Perceptions are therefore on a different rung on the ladder. A 2012 report claims that 43.7% of consumers buy online due to the convenience it provides, 23% buy due to lower prices online, and 18% make purchases resulting from positive reviews from friends and family. Speaking of reviews, another study from 2012 reveals that 60% of the sample discourages online shopping. The same study shows that 70% found online shopping to save time and 49% found it convenient. Opinions of prices being higher, lower or the same as real-world market price was mixed, and 58% of respondents felt secure about making purchases online. The attitudes reflect that of a developing E-Commerce, but overall show a gradually developing positive bent towards online-shopping.

Chapter 6: Customer Perception (Data Analysis)

Shopper Profile

In total there were 100 respondents. Their profiles are given below:

Gender Classification	Numbers	Percentage
Male	63	63%
Female	37	37%
total	100	100%

Age Classification	Numbers	Percentage
16-19	9	9%
20-24	38	38%
25-29	10	10%
30-34	18	18%
35-39	13	13%
40-45+	12	12%
Total	100	100%

SEC Classification	Numbers	Percentage
SEC A	83	83%
SEC B	13	13%
SEC C	2	2%
SEC D	2	2%
Total	100	100%

Durables Ownership	Numbers	Percentage
Desktop	3	3%
Laptop	7	7%
Smartphone	8	8%
Tablet	2	2%
Desktop+Laptop	2	2%

Desktop+Laptop+Smartphone	5	5%
Desktop+Laptop+Smartphone+Tablet	6	6%
Desktop+Smartphone	11	11%
Desktop+Tablet+Smartphone	1	1%
Laptop+Smartphone	31	31%
Laptop+Tablet+Smartphone	24	24%
Total	100	100%

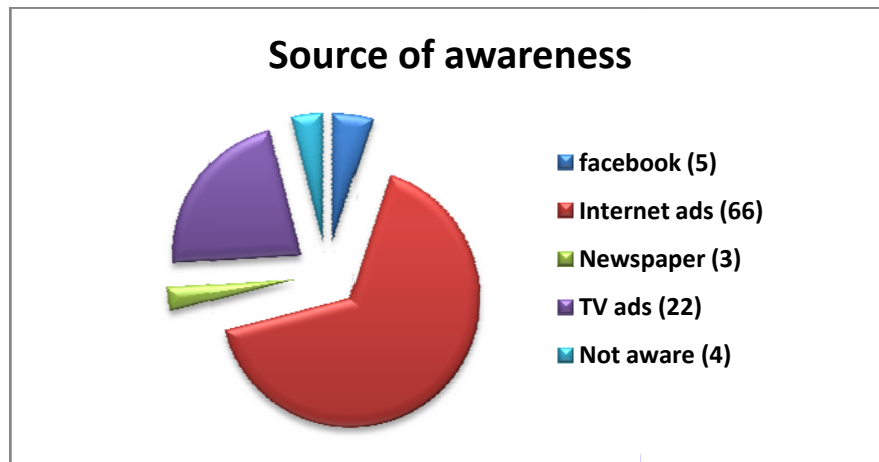
Frequency of internet access	Numbers	Percentage
More than 3 times per day	51	51%
1-2 times per day	39	39%
2-4 days per week	10	10%
1 day per week	0	0%
Total	100	100%

Duration of internet Access	Numbers	Percentage
1 hour or less	33	33%
1-3 hours	38	38%
3-5 hours	17	17%
More than 5 hours	12	12%
Total	100	100%

Ever Shopped Online	Numbers	Percentage
Yes	52	52%
No, But knows how to	33	33%
No, because don't know how to	11	11%
No, because don't need to	3	3%
Hates online shopping	1	1%
Total	100	100%

Data Analysis and findings:

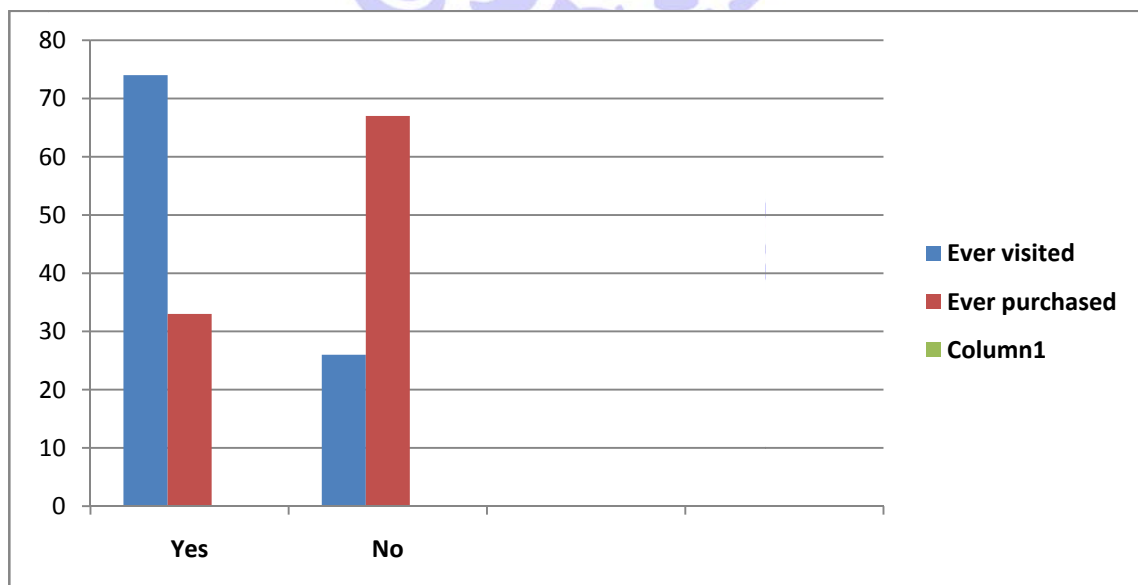
Sources of awareness:



66% came to know about online shopping sites through internet banner ads, and 22% through TV and rest through word of mouth and others.

- So that indicates that people mostly get to know about the online sites from the web pages. Different internet ads have made them look into different sites. So the internet ads should be focused more for better breakthrough.

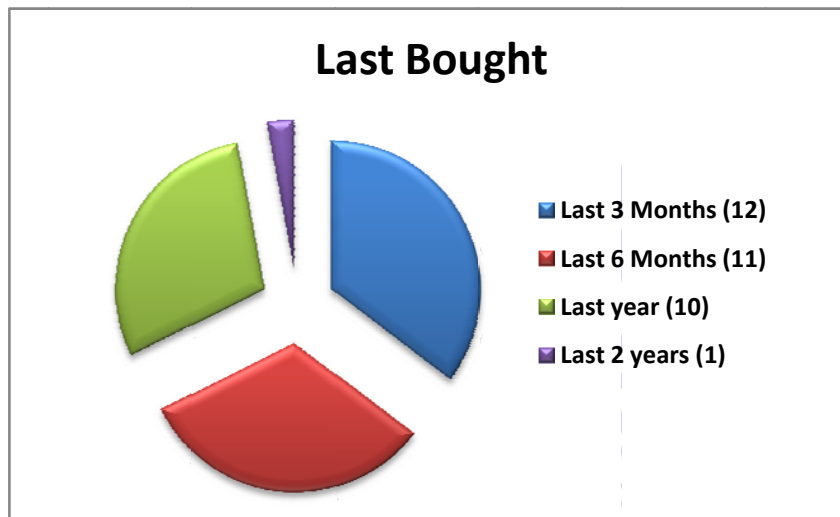
How many visited and purchased?



From the graph we can see that 74 persons have browsed through different online stores but only 33 of them bought something from those stores. 67 persons have never bought anything from online and of them 26 have not even visited any online websites or browsed through it.

- So from here we find that online audience is 74% but still online shopping penetration is only 33%. So here we have a huge opportunity for us to grab rest of the 41% online shoppers as well as motivate the rest 26% towards online shopping by providing excellent service. Because of these 67% people who are not buying online mostly because still they are not trusting online portals as safe channel of shopping. So winning their trust will open a broad arena of customer base over web for us.

When did they last buy online?



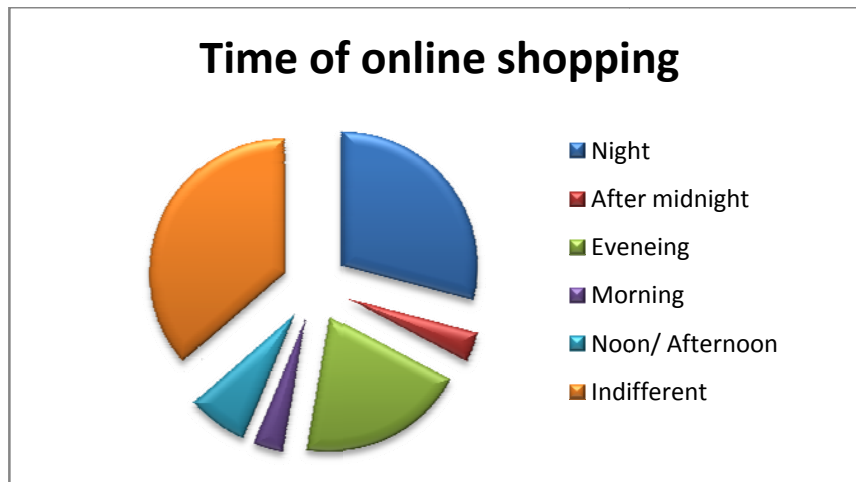
Of those 33 persons who have purchased online we see 12 of them have bought in last 3 months and 11 of them have bought in last 6 months and the rest 11 bought within last 2 years. Though almost 97% said their last shopping was from physical store.

- We can see that online shopping penetration is growing with the days passing by. Number of product bought in last 3 months is comparatively higher than number of products bought in last 6 months and so on. So this indicates our opportunities are increasing day by day.

Frequency of e-shopping

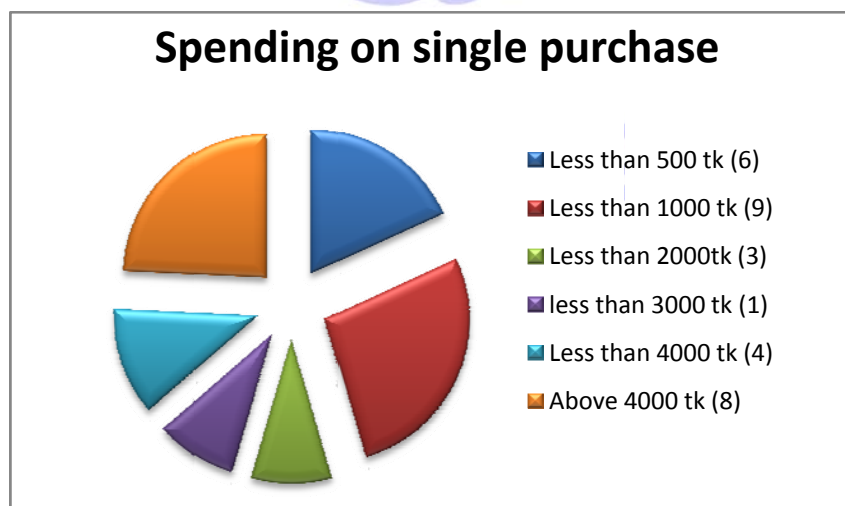
97% of the respondents stated that their most recent shopping was in a physical store. Only 3% of the respondents have shopped from online in the recent past. Of all the online shoppers, 26 respondents took less than 1 hour to shop online and only 7 respondents spent 1-2 hours for shopping online.

Of all the respondents non online shoppers were indifferent about the time of online shopping. But more than 27 respondents out of 33 online shoppers prefer shopping online in the dark hours from evening to midnight. And the rest 6 respondents prefer doing online shopping during the daytime.

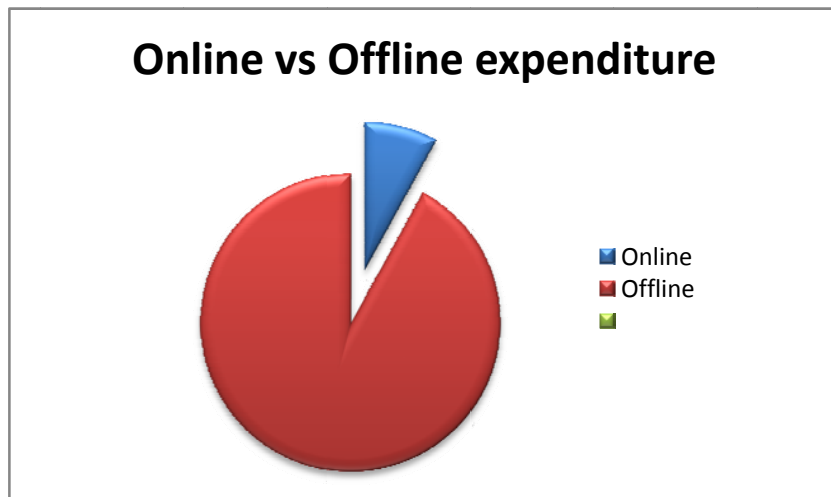


- So from the above calculations we can find that people are more active over web from evening till night. So when going online it is important that people get to know about our online portal and our products. For us the dark hours would be very important for promoting our product and portal. Because maximum people are active online during this time. And it is also to be noted that most people take less than one hour to shop online. So during these hours the promotional stuffs should be very much visible over different online sites. Not to forget that in the daytime also we have customers and that should not be out from our focus too.

From the research we also found out people's spending intention on a single purchase. And that is quite interesting because we could bring out a huge opportunity for us from that.



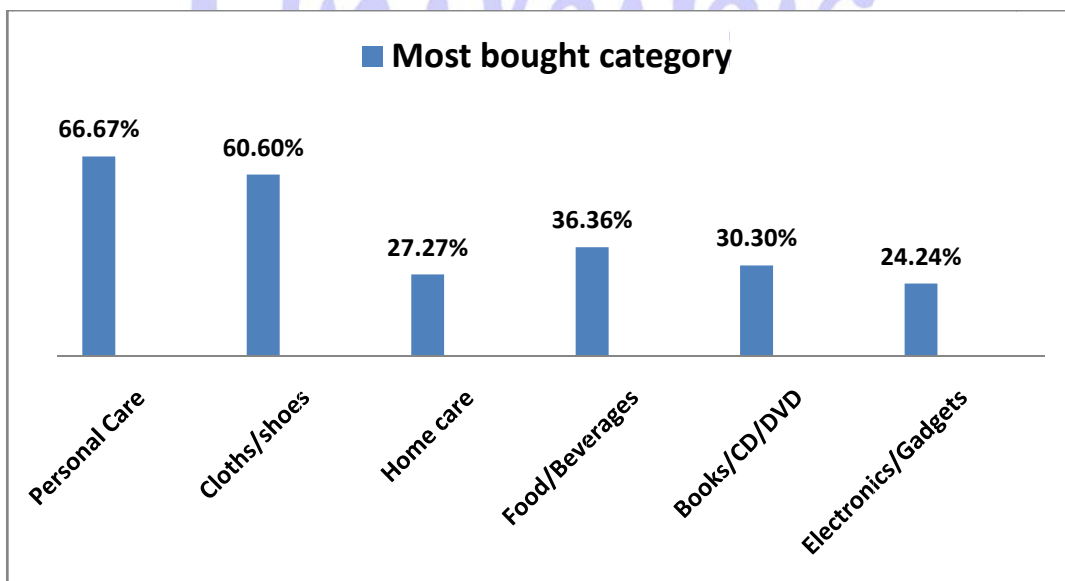
Online vs Offline Expenditure:



From the graph we see that of all the online shoppers, people are spending only 8% of their income over online on average and 92% of the expenditure is spent on offline or physical shopping.

- So it is quite obvious that people are not yet comfortable and used to with shopping online although internet penetration has increased a lot. Another reason here is people are not finding suitable online stores who can deliver all the necessary items unlike American countries where they can buy anything and everything just sitting in a couch at home. Our delivery system is not that fast yet. So emergence of online grocery stores and improving the delivery system would help increase online shoppers. Though very recently few have evolved but they are still on the way of development like Chaldal.com

Most Bought Category:



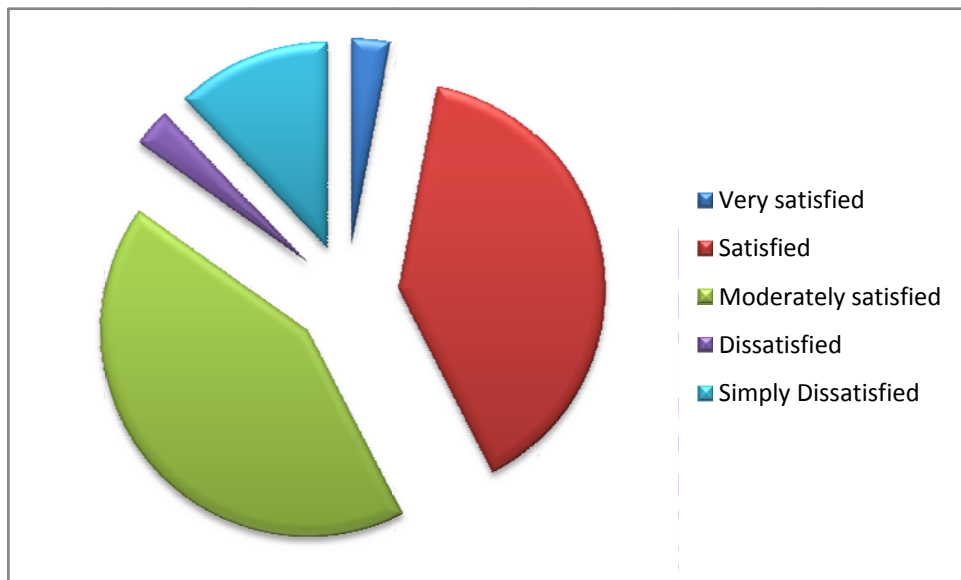
From the graph we can find that the highest product category bought from online is personal care items and that is 66.67% of total online shoppers. 2nd highest item purchased is clothes/shoes and that is approximately 60.6%. Home care products are bought 27.27%, food/beverages bought by 36.36%. and the rests buy electronics/gadgets and books/CD/DVD's.

- This is a very surprising finding that online shoppers buy most products that fall under our product category. So here lies a very big opportunity where we can maximize our sales. Here we saw that highest percentage of product sold falls under the personal care items; food/beverages and home care items are also sold at a very high rate. And our Unilever products also fall under this category. But people are not buying our product from online sites. They prefer buying products that are not available in local shops or products that are price sensitive and imported. Like products from Victoria's Secret, Revlon, L'Oreal, Marks & Spencer, . In fact people are buying imported Unilever products like Dove shampoo and conditioner, Vaseline of Unilever UAE; Ponds White Beauty, Ponds Age Miracle, Fair & Lovely of Hindustan Unilever etc. So we see we have Unilever customer over online but not Unilever Bangladesh customer. And the major reason behind this is availability. Local products are available in the market in almost each and every departmental store. So people don't prefer buying these products online which will take days to get delivered. These are products that people has very easy access to. So they don't prefer waiting for it and giving some delivery charge for it which is available right next to their hand. Another fact is fake products. People are not getting the original products everywhere and they are losing trust from local products.

Overall satisfaction level:

Out of the online shoppers 1% respondent is very satisfied, 13% were satisfied and 14% were moderately satisfied. According to them the most influential factor that made them satisfied about online shopping is that it's convenient and time saving. They can also find variety of products from online. Few of them also mentioned that delivery ease is also important factor here. They found the delivery was on time and delivered product was very well packaged and arrived in good condition. Only 1% said that they are very dissatisfied while shopping online and rest 4% were simply dissatisfied. They were

complaining because they were trapped in fraud cases. Also people are insecure to shop online because of trust issues regarding payment, well packaged delivery, and quality of product. People also don't prefer online shopping because in this way they don't get to have a direct buyer-seller contact. Browsing ease is also a matter of concern here. Almost 60% people stated that for them it is very essential for online shopping to have an easily accessible and user friendly website for a smoother online shopping experience.



Expected pricing, delivery and payment method:

Out of all the respondents only 11% prefer an online credit card payment and rest all 89% prefer cash on delivery service. According to them cash on delivery is a risk free, easy and convenient process and doesn't involve any hassle. They also mentioned that delivery should be faster because in many cases the online shoppers faced a late delivery and was dissatisfied with that.

For pricing 17% expect in online shops the price should be lower than market price which is not possible in our case as we are a FMCG company and have a fixed retail price for each and every case. 11% people are willing to buy an FMCG good online even for a slight increase of price provided that the delivery be free. 72% people said that they will be buying groceries online with the same retail price as market with an on time free home delivery system.

Triggers:

- **Time saving**

The most important factor that triggers online shopping is that it is time saving as stated by the respondents. This is the easiest way of shopping where they can buy products just

sitting in their couch. In a congested city like ours where jammed traffic kills almost majority of our time, online shopping is the best possible way of saving time.

- **Variety:**

Over online people are getting products from around the world. This is also a very important factor. Because many products are not available locally. Different online shops are bringing different products from around the world. So people are getting variety.

- **Convenient:**

The online shops currently operating have created a very convenient way of buying and selling products through e-channel. All they have to do is just click and the products arrive at the door within certain time.

- **Browsing ease:**

The online shops have created a very smooth and user friendly websites where finding products is very easy. People responded that an user friendly website where products are showed with full specifications, limited but attractive ads catch their attention and trigger shopping behavior.

Barriers

- **Chances of Fraud**

Those who are not shopping online have repeatedly mentioned about the fact that there is a high chance of being trapped in online shops. Many social online sites are there who have been victim of fraud. So they don't trust this channel for shopping.

- **Insecurity:**

People are insecure of ordering product online because of chances of getting lower grade products or fake products. They say that when they are ordering online they are not sure of what quality products they will be receiving.

- **Payment issue:**

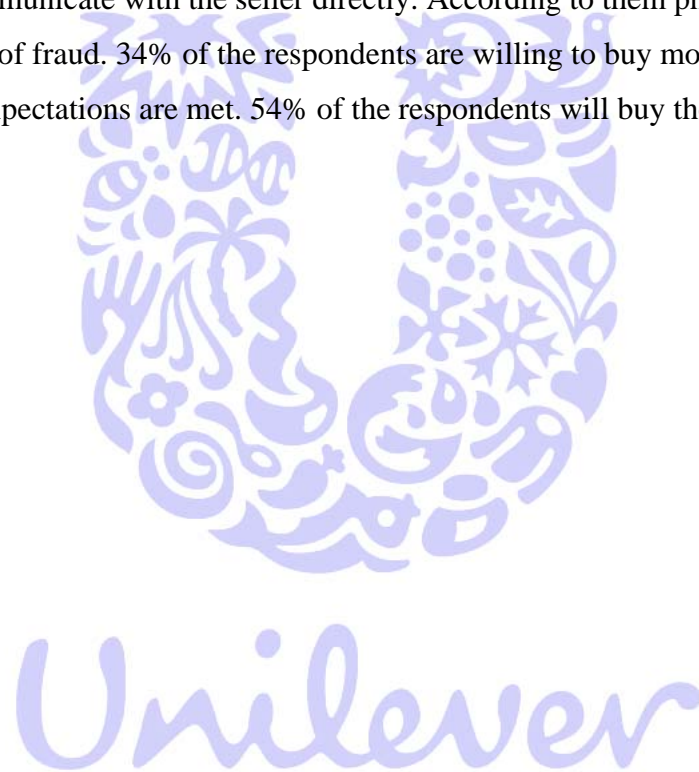
Though most of the websites have cash on delivery system of payment. But still there are many sites who demand a certain percentage of money in advance through Bkash or online payment. People say this process involves risks of being victimized of fraud, insecurity of losing credit card information.

- **Less disclosure about product:**

Another issue that creates obstruction for people to shop online is that during shopping online people don't get to see detailed specification of the product. And they also don't get to ask the sales person about it. So there is no direct communication. So many customers don't prefer going for online shopping because of it.

Future Buying behavior:

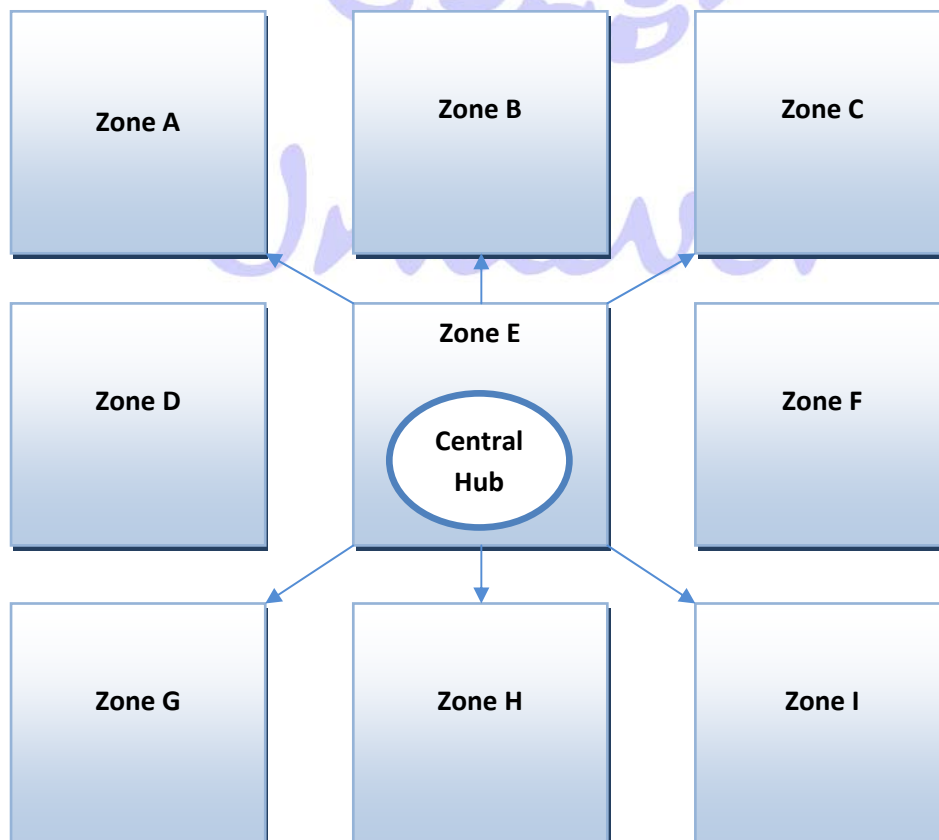
12% of the respondents are not ready to buy from online in future because they do not trust this channel. They prefer a physical shopping where they can physically see the product and communicate with the seller directly. According to them physical shopping reduces chances of fraud. 34% of the respondents are willing to buy more in future provided their expectations are met. 54% of the respondents will buy the same in future.



CHAPTER 7: Recommendation

The products we make are the basic necessities of any household. We are a FMCG company and our products moves faster than anything. So for such a very fast moving product it is very important to have a super fast accessibility to customers when we are planning to go online. Our products are readily available in the nearest shops of any person. So for us to seize the e-channel, we have to build a very speedy and fastest delivery system. In a very densely populated country like ours, where human traffic and transport traffic both is at the peak, ensuring fastest delivery is very difficult. So for that I have few recommendations

- To create a central warehouse hub and at least 1 touch point within maximum 4 sq. km. area. The city will be divided into several zones and each zone will have one touch point. Each touch point will take orders from the zonal websites whose data will be centrally coordinated by the central hub. The central database will keep record of the products in the touch points and ensure all time availability by alarming the employee when number of product goes down under certain number. The plan can be portrayed in the following way:



- To provide post purchase service to the customers so that we can hear to their complains and they don't feel that they are not able to come in contact with the seller. In this way they will be ensured that they are not being betrayed with fake products and will not feel insecure.



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