



Inspiring Excellence

# Internship Report

**Submitted To**

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Lecturer

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**Internship report on  
Daraz Bangladesh as an E-commerce site and the  
activities of its key account management**

## **Letter of Transmittal**

Date: 07.12.2017

Adiba Naoshin  
Lecturer  
BRAC University

Subject: Submission of Internship Report.

Dear Madam,

It was a privilege and great pleasure for me to submit my internship report titled “Daraz Bangladesh as an E-commerce site and the activities of its key account management” that has been prepared as an essential part of my degree requirement.

As you know, I had completed my internship in Dhanmondi Hub of Daraz Bangladesh which I got the chance to prepare my internship report on the above topic. While preparing this report I went through company’s various report and discussed with my office supervisor. Surely ahead of any doubt it improves my understanding and also builds up my learning skill.

I hope to meet your expectation from this report. I would be obliged to receive your propositions and remarks regarding this.

Sincerely Yours

**Irfan Noor Chowdhury**

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Department: BBS

# Acknowledgement

First of all I would like to express my gratitude and gratefulness to the almighty Allah for giving me the sound health and mind to complete this report. Then, I would like to appreciate and express my kindness to my beloved parents who was always there to inspire me throughout my academic life. I am grateful to BRAC University for the academic life of BBA that I have passed and enjoyed here entirely.

And most importantly I am deeply honored and indebted to my internship supervisor, Ms. Adiba Naoshin, Lecturer, BRAC Business School, BRAC University for her precious guidance and supervision. Her suggestions and comments were very helpful for me to make report a complete one. It would not be possible to complete the report without her supervision and guidance.

I am also expressing my cordial thanks from the core of my heart to others faculties of BBS for their continuous support, assistance and inspiration throughout my academic life.

I am privileged to get the opportunity to complete my internship program at Daraz Bangladesh Dhanmondi branch. I am also very grateful and indebted to my office supervisor, manager and other officers for their great support.

Last but not the least, I would like to give special thanks and greetings to my fellows for giving me some required information, valuable advices and suggestions to complete the report in a comprehensive manner. I deeply appreciate their assistance and thank them all from the core of my heart.

# Executive Summary

We are living in the era of globalization and E-commerce advancement. Our day to day lives and livings heavily rely on internet. In this report I have tried to discuss about the overall e-commerce industry of Bangladesh and the impact of its key account management. Daraz Bangladesh started its journey in Bangladesh in September 2013, within a very short period of time it grabs people attraction and popularity thus it became the number one online retailer of Bangladesh. World's largest internet incubator Rocket internet is the venture of Daraz. It follows the model which name is E-bay. In E-bay model the website works as a bridge between the buyers and sellers. Daraz is mainly an online marketplace where there are different online shops and multiple sellers. People visit Daraz's website just like an actual marketplace to choose their desired item. Daraz follows the commission model on each and every sales. People from all over country can enjoy the easiest payment facilities of payment via cash on delivery. All customer have to do is to place the order on Daraz's website, the delivery service man will bring the product to their mentioned address. From early days to till now Daraz's has some issue regarding their delivery system. Soon the issue will resolve as the company is very much well aware of their customers satisfaction as well as their service. Gradually, the delivery system is getting really smooth and customer complaint has decreased in good numbers. Daraz also provide opportunities to their seller regarding promoting their product via social media, Google search engine optimization (SEO) and newsletters. By 2016, Daraz Bangladesh is collecting good amount of commission from their seller. The idea is to reach the break-even point. Though the idea of online business and the journey of Daraz is new in Bangladesh but they actually established their name in peoples mind. It became possible because Daraz spend a lot of money initially on their marketing campaign therefore they attracts huge amount of seller within a very short period of time. The buyer can find almost everything on Daraz. The verities of product categories also increasing day by day. Recently they are planning to add Motor bike and recondition car in their product categories. A huge number of customer visits the site every day. Another interesting strategy of Daraz is that, they do not want to give the sell to only to the selected sellers, they want all their sellers to get the sell. That is why there is no option of direct promotion through money, all the sellers have to climb up the stairs to get the desired promotion, and they just cannot get it right away. Daraz Bangladesh actually change and set their plans in weekly basis like combo offers, discounts, double taka offer, coupon offer etc. Therefore customer always found something new here.

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# Chapter 1: INTRODUCTION

## Background of the report

The report has been written as the degree requirements of Bachelor of Business Administration at BRAC University. A minimum 12 week internship is part of the BRAC University curriculum for the above degree and is worth 4 weeks. I have been chosen by Daraz.com for my internship program and I have written this report on the key activities of this organization.

## Objective of the Report:

The objective is to give a clear view about the key activities of the company and the story from the beginning to till now. There are two basic objectives of the report-

- a. Primary Objective: The primary objective is to use and practice the learnings about the key concept and the theoretical knowledge which I got from my 4 years academic study from BRAC BUSINESS SCHOOL.
- b. Secondary Objective:
  - I. To learn and understand the clear picture of Daraz's business model and its operations.
  - II. To have the better understanding about how the company runs and how its activities relates to the marketing theory.
  - III. To understand the future prospect and potentiality of Darazbu concerning its competitors position.

## Methodology:

The report has been made on the basis of the experience which I get by working in this company. And I have collected data from different sources.

Sources of data: Sources of data were collected through two segments.

1. Primary Data: Primary sources of data were :
  - Practical Work



- Conversation with the office supervisor
- Conversation with the customers
- Personal experience gathered by working in various segments of the company.

## 2. Secondary Sources of Data:

- Rocket Internet Website
- Daraz.com.bd
- Publications from different libraries and Internet.

### **Limitation**

Introduction of E-business industry is new in Bangladesh, there were difficulties in gathering data about the E-business industry. Business model of Daraz is way more different than other E-commerce based retailer's organization. Most of the E-business firms classifieds, or they directly collect products from the sellers and sell directly from their offices. In Daraz Bangladesh office, everything is very transparent; I managed to get a detailed knowledge regarding how it works throughout my internship period. Still, there were some problems.

While preparing the report I faced some problems and those problems were:

- Constrains of time, three months is not enough to knows the in and out of an organization.
- As I was intern there I did not get the chance to make decision there. The key managers are always make the decision of critical situation there.
- Sometimes communication with the central team is difficult.
- I had the access of their operation and system software but it is restricted to disclose the internal information on report.
- As it is a very competitive industry the company does not want to disclose any financial factors for some reasons.

## Chapter 2: Company Overview

Bangladesh is a developing nation and so its economy is also developing consistently. Bangladesh has cheap labor, easy communication facilities and exposure to other countries of the world through port facilities, rail and street; it is a heaven to invest in. Bangladesh is also going with the flow of development and globalization.

Now-a-days communication has become super-fast due to the huge improvement of internet, for that business is getting more competitive through it. The entire current business sector is being benefited by it. And because of the huge improvement and scope that the internet provides a new sector has emerged, “e-commerce”. Though E-commerce or Electronic commerce is a new concept but it has been around for over a decade. But back then it was at a new stage and was only available in the western countries. But now it has grew up and with the help of globalization and widespread internet access it has entered into Bangladesh as well.

Daraz Bangladesh is one of those few online companies. Daraz is an online shopping market place where an individual can shop different things online such as electronics, fashion, home appliances, kid’s items and many more. Free returns and various payment options including cash on delivery are provided by Daraz. With affordable prices and huge products, Daraz allows us to enjoy an awesome shopping experience with their order sent directly to their doorstep. Daraz is rapidly expanding their product line to include the latest gadgets, fashion styles and new categories.

Bangladesh has a huge population which pulls in a great deal of advertisers to offer their products.

But because of absence of creativity, Bangladeshi customers still need many latest facilities the modern world offers. A Big portion of the our population don't have the knowledge about the proper use of internet apart from use it only for social media and that is turning into a challenge for the online companies. Our Government is trying to provide internet all through the country, which will help the development of e-commerce sector of nation.

Daraz started its run in Bangladesh in September 2013 and currently it turns into the main online shopping facility provider for Bangladeshi customers. Previously in Bangladesh, people just had idea about Amazon’s online business. Now Daraz is showing us what actually online business is. Daraz is one of the many sister

concern companies of Rocket Internet GmbH in Bangladesh. Daraz Bangladesh Limited is currently providing B2C sort on offering which no other E-Commerce company does in Bangladesh.

### **Parent Company:**

Rocket Internet is the parent company of Daraz Bangladesh. It's a German Internet company headquartered in Berlin. The company manufactures online startup companies and claims shareholdings in different models of internet retail businesses. The business model of rocket internet is known as a startup studio or a venture developer. Rocket internet intends to work outside the US and China. Rocket Internet has more than 30,000 employees over the world and has comprises of more than 100 entities in 110 nations. Rocket Internet was founded in Berlin in 2007 by three brothers: Marc, Oliver and Alexander Samwer. On July 1, 2014, Rocket Internet changed its legal form from a GmbH (private limited company) to an AG (Public limited company)

### **ROCKET INTERNET**

- Started in 2004<sup>1</sup> by serial entrepreneurs Alexander, Marc & Oliver Samwer
- Incubated more than 100 fast growing online companies all over the world since inception
- Currently 30+ international branch offices on all 5 continents from Africa to South East Asia
- Operated by a highly talented team of Business Development, Operations, IT and Online experts
- Currently 20,000+ employee in more than 60+ start-ups around the world



**FIGURE : SUCCESSFUL BUSINESS MODELS OF ROCKET INTERNET AROUND THE WORLD**

### DARAZ.COM: THE LEADING ONLINE MARKETPLACE

Daraz Bangladesh Ltd started its business in Bangladesh in October 2013 launching on November 2013. Daraz is the leading online marketplace for new markets. It deals with everything from books, to mobiles & tablets, fashion wear and accessories, electronics, jewelry, home and living products, kid's products and many more. It is the fastest growing E-business shopping site for the emerging markets, with over million customers.

Here products are generally sold at fixed prices. The option of selling at auctioned prices is also provided here. When a customer's sees what s/he likes, they place an online order, they buy it, pay for it and wait for it to be delivered at their doors! If they live in Dhaka, they generally get home deliveries and many sellers provide cash on delivery even outside Dhaka.

Customers can pay for an item on Daraz using a different methods such as cash on delivery (this is available only in few cities at the seller's discretion), bank deposit, bKash or other mobile banking methods, etc. Till now the online payment system has not yet been installed yet and so customers can not make online payments to buy

products from Daraz and so it's difficult for people outside Bangladesh to buy products. Once anybody registers (for free) with Daraz, he/she can access all of their Daraz buying and selling activities in a single location called "My Accounts"

### **The Buying Process:**

In order to order something, one must have an account in Daraz. He/She just needs to register by providing some basic information (name, address, birth date, phone number etc.). With that account they can put orders on Daraz. Once a buyer likes something, he/she puts an order online by clicking on 'buy now'. After this, a text message/email is sent with a code to validate the purchase.

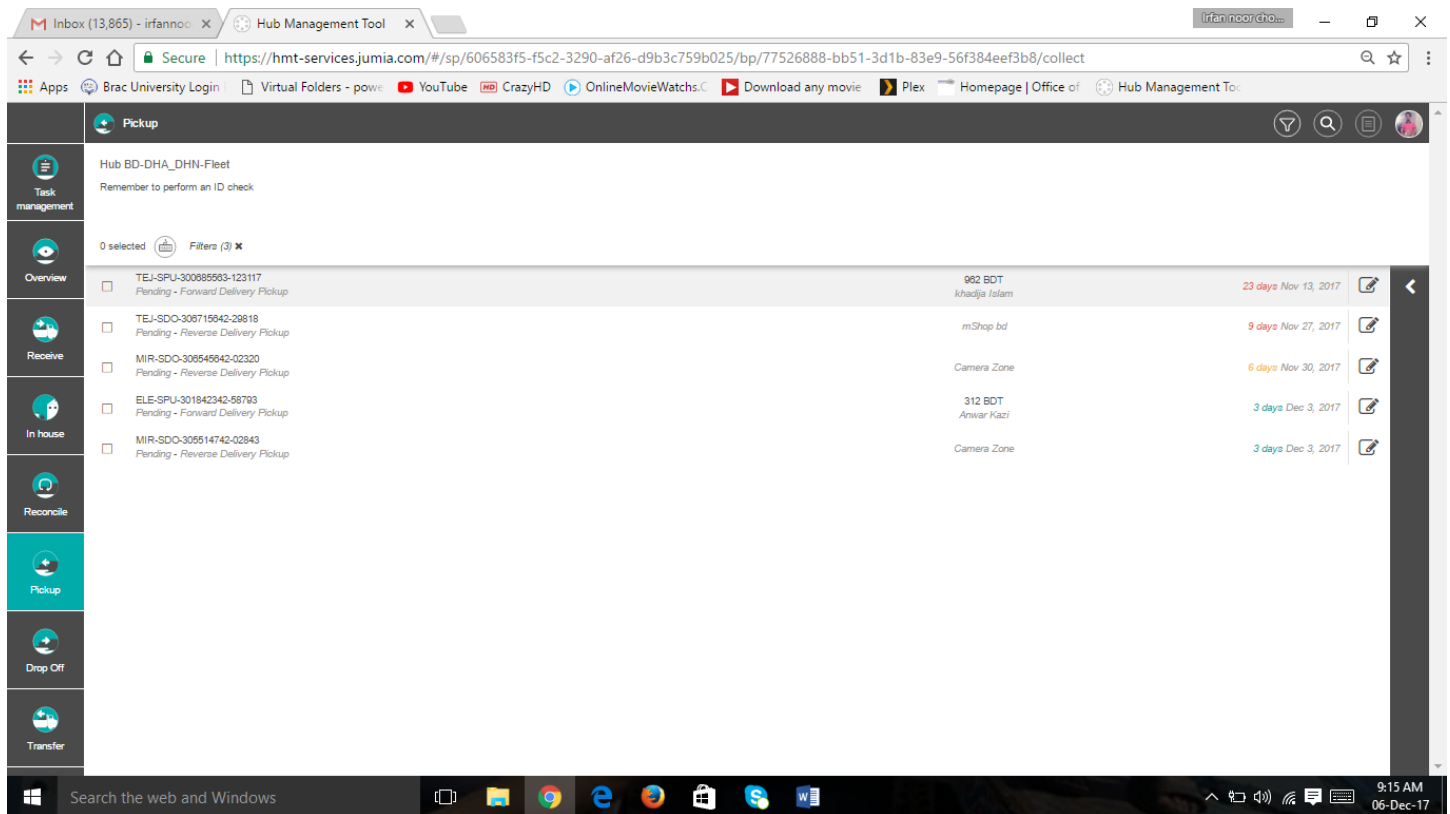
The screenshot shows the product page for a Samsung 24" H4003 LED TV. The main product image is a Samsung LED TV displaying a landscape scene. To the left of the main image are four smaller thumbnail images showing different views of the TV. Below the main image are icons for 'LED', 'HDMI', and 'USB'. To the right of the image, the product title is 'Samsung 24" H4003 LED TV - Black'. Below the title, it says 'By Samsung' and shows a 5-star rating with '(1) Write a Review >'. There are social media icons for Facebook and Twitter. Below the rating, it says 'Key Features' and lists: '> Product Type : LED TV', '> Model : H4003', '> Display Size (Inch) : 24', and '> Display Type : LED'. There is a 'See Details' link. Below the key features, the price is shown as 'T 17,900.00' with a crossed-out price of 'T 25,900.00' and a '-31%' discount tag. A prominent orange 'BUY NOW' button is present, along with a 'Save for later' option. On the right side, there is a panel with icons and text: 'Pay cash on delivery', '7 days free return under certain conditions', and 'Genuine product'. Below this, it says 'Sold by DRM', 'Delivery', 'Delivery Within: 2 - 4 business days. Conditions Apply', 'Warranty', and '5 Years Service Warranty Without Parts'. At the top of the page, there is a search bar with the text 'Search for products, brands and categories' and a 'SEARCH' button. To the right of the search bar are links for 'Need Help?', 'Your Account', and a shopping cart icon. The breadcrumb navigation at the top reads: 'Home > TVs, Audio & Cameras > TV & Video > Televisions > LED TVs > Samsung 24" H4003 LED TV - Black'.

If the buyer validates it, the seller can see it when they log in to their account and then the seller is responsible for calling up the buyer, confirming the order, answering to any important queries, and deliver the product. If the buyer is unable to validate the order, a customer service agent from Daraz calls the buyer up and validates the order. And then the seller process begins as it described before. This process normally takes about 2-4 working days and the buyer generally gets it by then unless there are other problems. Most of the time, pre-payment is needed and then the delivery time becomes higher as the seller might not dispatch the product

without the buyer paying first. Most sellers provide cash on delivery to buyers residing in Dhaka, meaning the buyers can pay after they get the product. Some sellers provide cash on delivery facility outside Dhaka as well, but not all the sellers. Hence, most customers outside Dhaka have to prepay via bank account or mobile banking.

### **The Selling Process:**

One needs to have an account as well to sell through Daraz. When an order is placed it is displayed in the account where information of the buyer is given with the product details (the one that the buyer has chosen).



### **Internal software of seller acquisition**

It's the responsibility of the seller is to contact the buyer, confirm the order, answer queries of the buyer and deliver the product. The seller pays Daraz a percentage commission on the final sale amount. The commission payment is done twice a month. The advantages sellers get are the fact that the products stay with them so they are not stuck with stock that hasn't sold. Also, they get free marketing via Daraz.

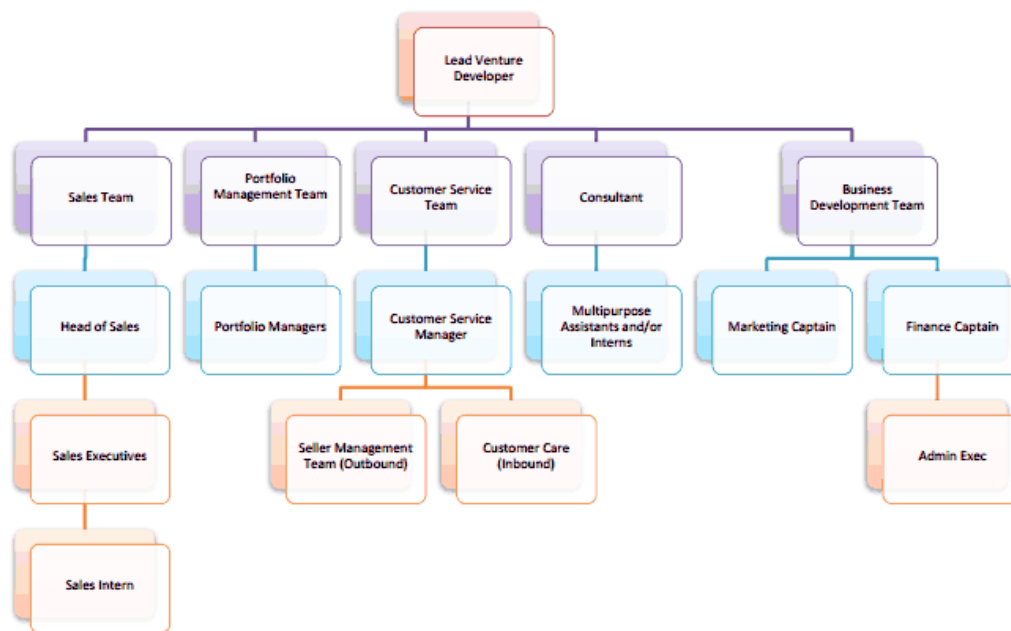
To get started with Daraz as a seller, one needs to go through some process such as sign a contract paper that enlists them as a Daraz seller. After that, they need to send their product lists and also product information and pictures so that it can be uploaded in their site. Sellers can upload from the front end as well by logging into their accounts.

**Vision of Daraz:**

“To be the most reliable marketplace and offering the best services to our customers: Consumers and sellers”

**ORGANIZATIONAL STRUCTURE**

**Organizational Chart of Daraz Bangladesh Ltd**



**FIGURE: ORGANOGRAM OF DARAZ**

# Chapter 3: Internship procedure

## **Description/Nature of the job:**

Daraz Bangladesh hired as an intern in their office. This is a post created for assisting the Key Operation Management department. As this is the most pressurized department of Daraz they did appoint very less interns in this department. I was quiet lucky to be working in this department as an Intern. It is mostly a desk job but sometimes I had to go out to meet with the deliver riders. Though I was initially appointed as a general intern but later I started working with other departments also like the Marketing Department and Reviving department. The interesting fact is every department in Daraz is connected or dependent to other departments, so in this way I had the opportunity to work with all the departments.

## **Specific Responsibilities:**

I had some specific daily responsibilities to do. They are described below:

### **Daily Responsibilities**

25 delivery riders were directly assigned to me. The top manager of each branch is called the hub manager. They are the main person to handle the delivery management of Daraz. I had to take care of those particular Zone and riders. Moreover I was assigned the in charge of office pick up where I had to deal and communicate with the customer.

For improving their delivery amount, I had to perform certain activities:

- ✓ Take the riders attendance and had over the product to delivery.
- ✓ Keep daily updates about their delivery.
- ✓ Ask them to for delivery update in every 2 hours.
- ✓ Create delivery run and dispatched them on time.
- ✓ Schedule meeting my office supervisor and the riders.
- ✓ Communicate with the customer about the delivery update and the convenient time to pick the product.



- ✓ Creating various report like aging report, hub report, delivery report which I have to show to my office supervisor.
- ✓ Resolving various issue regarding damaged and expired products.
- ✓ Solving the buyer complaints regarding product or service of the seller.
- ✓ Closing the run sheet at the end of the day.

### **Different Aspect of the Job Performance**

I was responsible to handle the delivery man who had to report me on daily basis. Moreover I had to communicate with the customer regarding various issue like cancel order, damaged product, refund procedure etc. I also had to prepare various report and show it to my supervisor. Selecting the appropriate zone for appropriate rider was another task. Moreover I was responsible to dispatch all the riders on time.

### **Critical Observation and Recommendation**

I had a wonderful experience at Daraz Bangladesh. All the team members never let me feel that I was an intern; they behaved me as one of them. This helped me to get a real corporate experience. I had access to almost every tool, software's and other important data's which really helped me to understand business process of Daraz. I was impressed with the environment of Daraz, even though I was working with the delivery management team I could get a brief idea about the whole industry and workflow. I came up with some recommendation which I would like to include. Here they are:

- They could provide some more training program for the employees so that they can become more efficient.
- The rider and delivery team should be more punctual and trained by which they could give better output.
- Scope of promotion is quite low in this firm, they have to improve it to keep their employees motivated and reduce turnover.
- They should spend more money on advertising and promotion, currently they are only focusing on online marketing, and they should to go beyond that to get the maximum exposure.

- There is no specific place for recreation in this office; they should consider this issue as the work is sometimes very stressful.
- There is no reception or receptionist in the office, they should allocate a place for it and appoint a receptionist.

### **Assignments:**

Keeping aside those daily activities, I had to perform few other activities too. Specific responsibilities were given to me. I learned a lot through this process, it truly helped me to get a brief idea about their activities.

**VAS:** VAS stands for Value Added Service. Actually, Daraz wanted to test run this idea of VAS. So, I was given the duty to find out why the orders are being canceled. For getting rid of this problem I was given a list of buyers who purchase frequently through Daraz. They had some cancelled order as well. So, I made a survey questionnaire to run an online survey on those buyers. The main theme was to sort out why the orders were being canceled. Here, I also asked the buyers' thoughts about Daraz's service and how they can do improve it. The questionnaire is given on the later part of the report.

I surveyed 55 buyers online and was able to sort out that issue; the main reason behind order cancellation is delayed response from the sellers. If a buyer put an order, normally they want the product to be delivered within 1 day. But in most of the cases, the seller responded late, in the meantime the buyer changed his mind about purchasing the product. So what I found out is that if the buyer can be contacted right after placing the order, there is a high chance that we can close the order. So at this point, value added service comes into consideration. We listed some sellers who had high cancellation rate, we offered them value added service for free right that moment, to find out whether it works or not. Normally, the order processing is done by the sellers. But under this service, we offered them to maintain and process their orders. The outcomes were outstanding. Our Customer Service contacted the buyer right after order placement, and that lowered down the cancellation of order. So this test run of VAS was a successful assignment which was conducted by my team.

**Wholesale Buyer Acquisition:** Recently, Daraz Bangladesh came up with a new category which is known as wholesale. This concept is totally new in Bangladesh. Now people can buy products in huge amounts by using

Daraz. It can help the wholesale buyer to save their valuable time. The buyer also does not have to face any problem if they use this method.

## **Chapter 4: Internship Project**

### **Summary**

At the end of the 2013 DARAZ started its journey in Bangladesh and now it's representing the most qualified product outlines for the customers in this country.

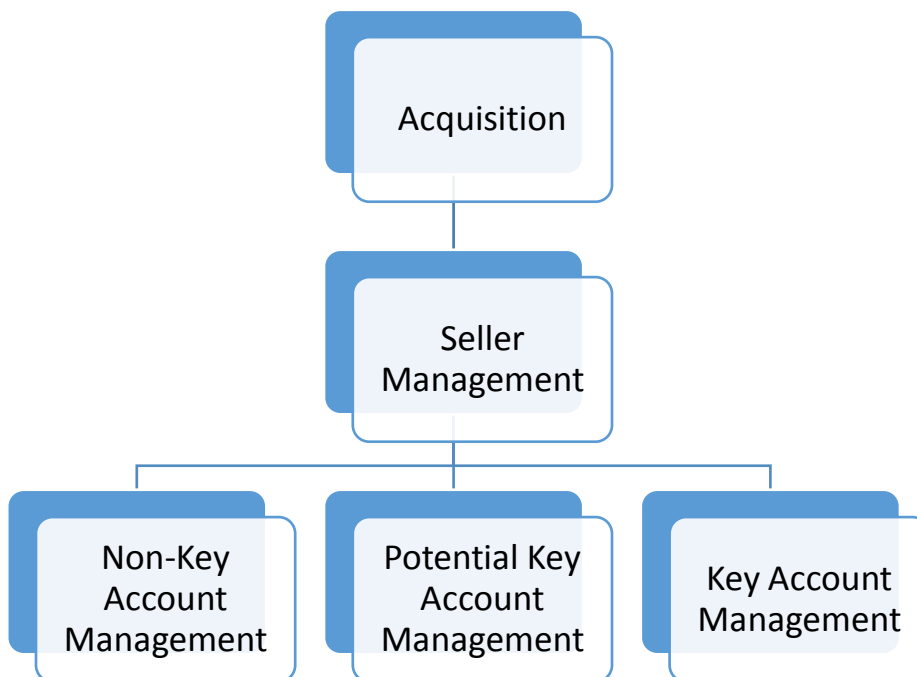
The aim is to generating an ultimate online shopping experience which make your sense of shopping in another level. In this limited time period, Daraz could manage itself as the number one online retailer of Bangladesh.

There are 4000 qualified active sellers in Daraz at this moment. Come through seller amount is also insanely high. Here, I have tried to go through the delivery Management activities and seller acquisition activities of Daraz, which is playing a vital role behind its success. I have to explain the whole process of Daraz to describe the activities of delivery management service and seller acquisition process, otherwise it will be very difficult to understand. All the departments are working really hard to take Daraz for high level. Group active is very much present in Daraz, every member complement each other in a very good way. A department is somehow dependent on the other department, so they have to perform as a team to get the desired success. Daraz is also a leading marketplace in the emerging countries and has over million customers. It operates an online marketplace which enables a person or a business to buy or sell anything online. Online business is growing rapidly in Bangladesh, now a huge number of people use smart phones, so it is very easy for them to get access to internet. So, the potential of e-commerce is very high in Bangladesh.

### **Description of Daraz's Workflow**

At least 50 new sellers everyday added to Daraz Bangladesh. In this lead trend this activity of acquisition starts, where potential sellers are sorted out. Then the sales executives call those potential sellers or meet them inperson to offer them a business proposal to sell on Daraz. They have to convince the potential sellers to do business with Daraz, where they mention what sort of facilities they might get by registering on Daraz. It is not a very easy job to acquire sellers, as Daraz works on commission based model. People are very eager to sell online but not ready to pay commission, the sales executives have to make them understand why they should pay the commission and what good can it cause them. Daraz charges commission on every closed order, which

means if a seller gets an order and delivers it to the customer and receives the money, he has to pay a certain amount to Daraz. After acquiring the seller it is categorized as a Non-key Account or a Key Account. Most of the new seller accounts are categorized as Non-Key Accounts. This sort of account has less number of product variety and quantity. These accounts are nurtured by Non-Key account managers, these seller managers provide them with appropriate guidance and information to make them more efficient so that they can get more orders. If a seller can sell quality products and provide good customer service, they are going to get good ratings and feedbacks from customers, these good ratings will help their online store make more reliable, the customer satisfaction rate will increase which could lead them to promotion. If they can keep up the good work their seller account would be promoted to Potential Key Account Management. And then gradually then can promote themselves to Key Account Management, which could give them the maximum exposure as a seller, and bring them a lot of orders. Key accounts are considered to be the most important seller accounts of Daraz as they are the best sellers, in terms of sales volumes and customer service. About 30 key accounts are assigned to a Key Account Managers portfolio. That particular manager has the responsibility to manage those 30 key accounts.



**Role of a Key Account Manager:** Key Account Management is a role which is not practiced in every organization. This sort of position or department is generally seen where the business is dependent on their clients. Daraz is an online marketplace. Basically, the clients of Daraz are their sellers. There are different kinds of sellers. These sellers are categorized on the basis of their performance and product variety. For example, the sellers who are selling the most are generally termed as Key Accounts and the accounts that have the potential to be a key account in the near future are termed as Potential Key Accounts. Generally, the key account managers are entitled to manage all the key accounts of the business. As the key accounts are the main source of revenue of Daraz, key account managers have to play a very vital role for the organization. A key account manager performs different roles, they are described below:

- Key accounts managing and supervising it.
- To get the maximum output from sellers Daraz guide them thoroughly.
- Maintaining and updating the stock is another important role.
- For increasing the sell Daraz prepare combo plans for seller.
- As per the sourcing guidelines Daraz ask seller to source product.
- Updating the seller about latest trend which actually provide the information to the seller about what type of products they have to supply in near future.
- Another role is to create promo plan in weekly basic.
- Provide guideline about what sort of product needs for boosting.
- Choose product categories for the 'Deals of the day'.
- Select product for the campaign of the week.
- Provide information about the product of the best deal.
- Suggest appropriate name for the Daraz featured seller.
- Managing and collecting commission from the seller.
- Customer service management provide instant information about customer taste, preference and complain.
- Issue resolution (IR) department takes the customer complaints and provide instant solution.

A brief description of all the activities of Key Account Management is given below:

- 1. Managing Key Accounts:** As I have explained in the earlier part of the report that, Key Accounts are the best seller accounts of Daraz. They are the main source of revenue of this organization. They collect a huge number of commissions from those seller accounts. They have to manage those specific accounts with extra attention. They are managed with extra bit of attention, with different approach. The managers have to maintain a very good interpersonal relation with all the sellers as collecting commission is a big challenge. The sellers will not cooperate in the best possible way if the key account managers are not up to the mark. Sometimes the managers ask the sellers to reduce the product price or source new products; it is a very hard job to convince them to do accordingly.
- 2. Guiding the sellers:** If the sellers can sell more, it is going to benefit the organization in the long run. The more they can sell, they can collect more commissions. So, the Key Account Managers work really hard to guide the sellers in the best possible way. They ask them upgrade their product quality so that they can get good reviews from the buyers. If a buyer is not satisfied with a particular product, he would not come back to shop from Daraz. The idea is to make the buyers come back for repeat purchase. The seller accounts have virtual shops on Daraz, so if a buyer like a particular product from a seller, he would visit the site again and search for that particular shop by typing their shop name on the search menu.

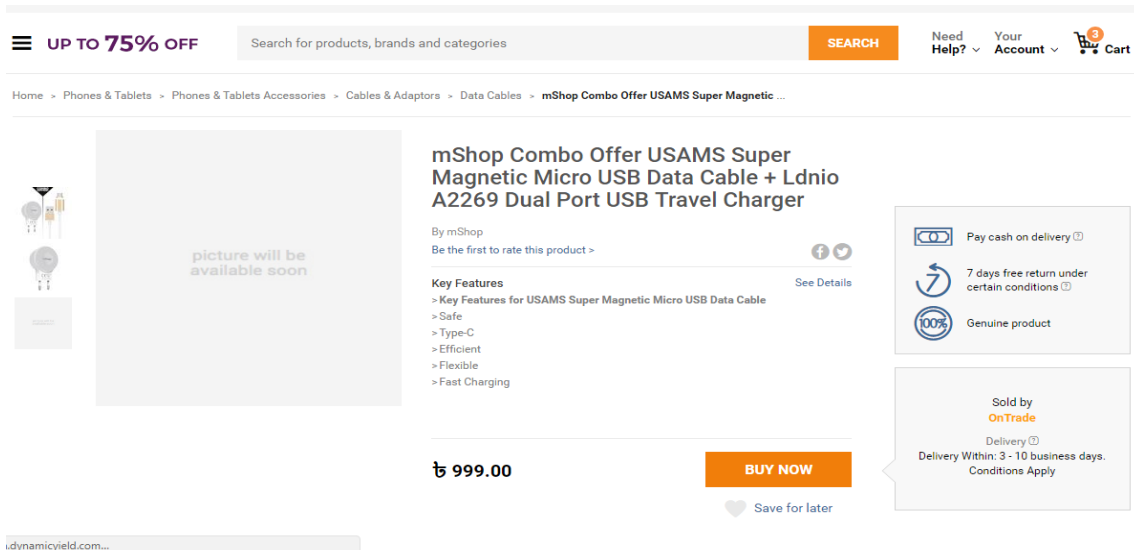
The screenshot shows the Fatafati website interface. At the top, there is a search bar with the text "Search for products, brands and categories" and a "SEARCH" button. To the right, there are links for "Need Help?", "Your Account", and a "Cart" icon. A navigation menu on the left lists categories: MEN'S FASHION, WOMEN'S FASHION, PHONES & TABLETS, TVS, AUDIO & CAMERAS, COMPUTING & GAMING, APPLIANCES, HOME & LIVING, SPORTS & TRAVEL, BEAUTY & HEALTH, BABY, KIDS & TOYS, GROCER'S SHOP, and OTHER CATEGORIES. The main banner features a woman in a red dress and various products, with the text "FATAFATI BAZAR Up to 80% off 1<sup>ST</sup> DECEMBER, 12:00AM" and a "SHOP NOW" button. Below the banner, there are sections for "MEGA DEALS" (Up to 75% off), "BRANDS OF THE WEEK" (Dettol, Pureit, Bengal), "FASHION BRANDS" (Durex, HARPIC, FOSSIL), "ELECTRONICS BRANDS" (SONY, SAMSUNG, blu), "MOBILE BRANDS" (GARNIER, TRESemmé, Shaver Shop), and "FATAFATI DEALS" (FLAT 50% OFF 1<sup>ST</sup> DECEMBER, 12:00AM). The page also highlights "FREE DELIVERY COUNTRY-WIDE" and "PAYMENT ON DELIVERY".

**3. Updating stocks:** Once the Key Account Manager selects a particular product for promotion or boosting he has to make sure that the product is available. He contacts the seller and make sure the product is available because generally, when a product is being promoted it gets a lot of orders. So they do not want those orders to be canceled because of insufficient stocks. For example, in the beginning of the English Premier League season, they ask the sellers to source sufficient sports jerseys and other accessories because the demand is pretty high in that particular time.

A screenshot of the Daraz e-commerce platform search results for "tottenham jersey 2017/18". The page features a top navigation bar with a search bar, "SEARCH" button, and links for "Need Help?", "Your Account", and "Cart". On the left, there is a sidebar with a category menu (All Categories, beauty & health, Women's Fashion, Sports & Travel, Computing & Gaming, Men's Fashion, Appliances, Home & Living, TVs, Audio & Cameras, Baby, Kids & Toys, Lifestyle Accessories, Automotive & Motorcycl...) and filter options for "Free Premium Services" (daraz, express), "Shipped from" (Bangladesh), "Rating" (5 stars to 1 star), "Brand", "Price", "Discount", and "Size". The main content area displays eight product listings in a grid. Each listing includes a product image, a title, a price, and a "Rod Jersey" label. The products shown are: 1. Navy Blue Mesh Cotton Paris Saint-Germain Club Home Jersey (₹ 850.00), 2. Black Mesh Cotton Real Madrid Half Sleeve Away Jersey (₹ 799.00, 5 stars), 3. Yellow Mesh Cotton Barcelona Club Full Sleeve Home Jersey (₹ 849.00), 4. Yellow Mesh Cotton Barcelona Club Full Sleeve Home Jersey (₹ 799.00), 5. Black Mesh Cotton Arsenal Club Full Sleeve Third Jersey (₹ 849.00), 6. Grey Polyester Chelsea Club Half Sleeve Third Jersey (₹ 799.00), 7. Red Mesh Cotton Arsenal Club Half Sleeve Home Jersey (₹ 799.00), and 8. Red Mesh Cotton Arsenal Club Half Sleeve Home Jersey (₹ 799.00).

**4. Prepare Combo Plans:** In Daraz all the key account managers are provided by a sourcing guideline. There are also provided Top 50 bestselling products combo plans from all around the country. The managers analyze those stats and make combo plans for the sellers. This is a very great idea to increase sales, as the buyers can have the privilege to experience discount by purchasing a combo. Here, both the sellers and buyers get benefited.





5. **Following sourcing guidelines:** The central of Daraz analyze the current trends of the market. By analyzing these trends and buying behavior they prepare a sourcing guideline to give the Account Managers the idea that what sort product would possibly be wanted or demanded by the customers in the near future. A sourcing guideline is provided every week. The Key Account Managers try to follow the sourcing guideline and ask the sellers to source accordingly, sometimes they use their own experience and judgments too.
  
6. **Keep the sellers updated:** Key account managers always maintain a sound communication with the sellers. They keep them updated about their product stocks and everything else. Sometimes they ask the sellers provide better pictures of the products so that the buyers can have a better view. Then again, they keep the sellers updated about the latest fashion trends and upcoming trends. The sellers are ask to source the product before the demand is too high. For example, they started sourcing their winter collection from September.
  
7. **Promo plans:** All the key account managers are asked to fill out a form every Tuesday to give products for promotion in the upcoming week. There are certain things that they consider before choosing a product for promotion. These products are seen in the first page of the website so, this products have the maximum exposure. The selected products will be promoted throughout the upcoming week. They chose these products by analyzing the VTN and VCR. Sometimes they have to use their judgments as well. For example, before the Eid-ul-Adha, one of the KAM promoted and boosted meat grinder which managed to generate a lot of orders.

### Sponsored Products!



8. **Deals of the day:** The Key Account Managers can select a single product from a category for 'Deals of the day'. They consider latest trends, top selling products, VTN and VCR in this case as well. Only the key account managers can suggest products for this segment.

### Deals of the day!



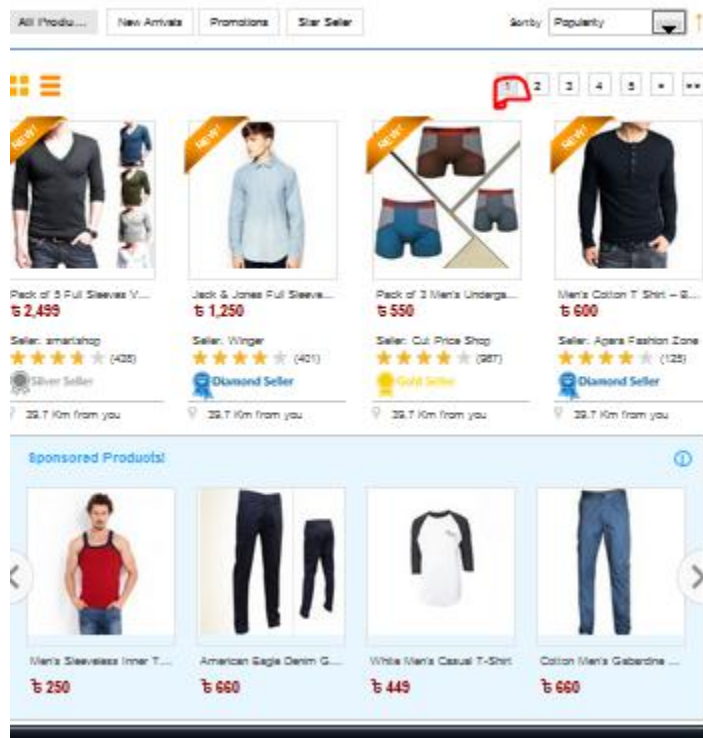
9. **Campaign of the week:** Head of Key account management is selected for this sector. Every week, by analyzing the valid conversion rate and valid to net stat and page views he selects a particular category for this section. After selecting the category, he asks the particular Key Account Manager who is in charge of that category to provide him some product listings from that category. Then the head of key account management selects few products from those for promotion. This is a category based promotion.

### Campaign of the week!



10. **Boosting:** In the first page of a particular category which would be seen in this case the KAM's select particular products. They are asked to give a list of products by the assortment analyst and head of

operations, among those products a few would be selected for level 3 promotions. They consider the VTN, VCR and the ratings of the sellers before choosing it for boosting. Some of the products are automatically boosted by the central team because of good VTN and VCR, so the KAM's have to choose those product which would not be promoted by the central team, otherwise that slot will be wasted.



**11. Best Deals:** They suggest products that has discounted price in this segment. For this section it is a pre requisite. Only the discounted and affordable products can be boosted in this section.

**Mobile Best Deals**



**12. Daraz Featured Sellers:** In this section, the sellers or seller accounts are merchandised. A key account manager can suggest 5 shops for the advertisement. Then the central team examines on the statistics of those shops and selects few of them for merchandising.

**13. Commission Collection:** Daraz works on a commission based model. They charge commission for every closed order which has been collected after a month. The Key Account Managers are in charge of collecting the commissions from their reserved sellers. Collecting commissions from the sellers is a tough job which turns into a challenging one as they have to collect it within the due date otherwise, the central team automatically deactivates that account.

**14. Update from Customer Service Department:** The key account managers are accountable for solving any sort of customer complaints. If there is any issue regarding this, the CS team has to notify the particular Key Account Manager, and then the manager will communicate with the seller to solve the issue. For example, if a buyer complains that the seller has delivered him/her a product which has a fault or different from the display picture beside this refuses to change it, then the manager will contact instantly with the seller and take the necessary steps to solve the problem.

**Boosting/Promotion Prerequisites:** If a key account manager selects or suggests any product/seller for promotion or boosting they consider explicit features. Generally the selection or suggestion depends on the statistics and for a particular products or sellers they had to concern on their decision but sellers cannot be boosted promptly they have to come up through a process. For this there are some requirements like the sellers

have to have good ratings which will be given by the buyers according to their products and services. But if any sellers have poor ratings no matter how much units they are selling they would not be considered for promoting or boosting.

Central team of Daraz provided the following statistics of the sellers which is also considered by the Key Account Managers:

***Valid conversion rate = valid order/page views***

***Valid to net = no. of net orders/no. of valid orders × 100***

***Cancellation rate = no. of canceled order/valid orders × 100***

Valid conversion rate defines how many orders they are getting in terms of page views. The more the conversion rate is, the better it is.

Valid to net defines how many orders they are actually catching. That means the sellers are converting the valid orders into net orders. If their VTN is low they would not be considered for promotion or boosting. All the key account managers targets to keep the sellers VTN high. They guide and support those accounts to keep them in the key accounts. If their VTN, VCR and Customer Satisfaction Score are decreasing continuously, those accounts would be downgraded to PKAM. No seller wants to get downgraded because all the key accounts get the maximum exposure for promotion and boosting.

**Boosting/ Promotion mediums:**

1. *Daraz.com.bd homepage*
2. *Daraz Bangladesh Facebook Page*
3. *Google Suggestions*
4. *Youtube Advertisements*
5. *Gmail Newsletters*
6. *Pop-up windows*
7. *Targeted website advertisements*
8. *Facebook advertisements*
9. *Facebook posts*
10. *Google+*

**Marketing Strategy:**

Bangladesh is a country where there is plentiful opportunity of the growth of E-commerce. Here, a lot of young people coming up as businesspersons. Daraz gave opportunities to the young businesspersons/entrepreneur a perfect platform to execute their talent. Daraz has a large customer base which enables the young online sellers to show their products to a massive number of people. Daraz spends a huge amount of money on online promotions but does not charge anything from the sellers. They spend most of their assigned money for online marketing. The marketing strategies are given on the next page:

1. **Online Advertisements:**Daraz spends a massive amount of money on this sector. The mediums are Facebook, Google, You-tube, Yahoo etc.
2. **Blogs and write-ups:**Daraz uses blogs and write-ups as intermediate of marketing by posting several blogs on its own website and other sources.
3. **Celebrity Endorsements:**Daraz signed contracts with the 3 National Cricket Players of Bangladesh Team in the recent preceding and they are Tamim Iqbal, Soumya Sarkar and MominulHaque. According to the contract, they will use Daraz's sticker on their cricket bats during the international matches. They also endorse actress NusratFaria for the biggest event called Fatafati Friday.
4. **Corporate Partnerships:**Daraz Bangladesh succeeded to build corporate partnerships with some big names in the recent past which really helped them to get a lot of exposure all over the country.
  - **Grameenphone:**Daraz launched a service called 'GPeid' where the GP subscribers could get discounts from Daraz.



- **Bkash:** Now the buyers can pay by using Bkash. As Bkash is highly widespread all around in Bangladesh, it must draw some attention.

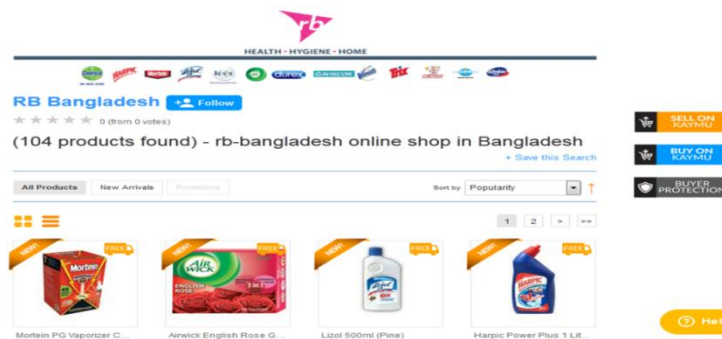


- **Ucash:** Daraz is the first online marketplace in Bangladesh which is selling the international tickets like, the cricket lover's was buying the tickets of all matches of the last ODI series between Bangladesh vs Zimbabwe from Daraz. All they, the customers just had to do place an order. Overall, it was a great success and achievement for Daraz.





- **Reckitt-Benckiser:** In recent times, Daraz Bangladesh contracts with Reckitt-Benckiser that, they would sell on Daraz. And they will represent the name of Daraz in all of their TV advertisements, by writing up “Order now at Kaymu.com.bd.” which is a great accomplishment.



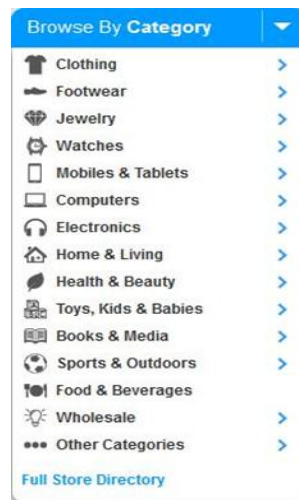
**5. Marketing Campaigns:** Daraz Bangladesh organizes marketing campaigns on a regular basis. They organize and take parts in various events.

- **University Campaigns:** In different universities Daraz organizes campaigns. For example- In recent times they have organized a Daraz Campus Connect programs in Brac University and Independent University, where one of them was an internship recruitment program and seminar on E-commerce even some game shows.
- **Festivals:** Daraz participates in the Lit Fest which was celebrated in Dhaka University moreover they are going to participate in the Hay Festival.
- **Organize and sponsor:** Daraz often organizes and sponsors various events in different places. For example- They have organized a Football tournament with Jaago Foundation which was named as ‘Play for Hope’. And they have also participated in the Sci-fi con with some extraordinary products in recently times.

## DARAZ FUNCTIONS

### **Daraz Basics:**

Daraz is the first and leading online marketplace in Bangladesh. It has been organized so nicely and in easier way that one can browse through categories like Clothing, Footwear, Jewelry, Watches, Mobiles & Accessories, Jewelry, Books & Media, Electronics, Computers, Home & Living, Health & Beauty, Toys, Kids & Babies, Sports & Outdoors and various other categories. When something attracts customers, they click on the product and view the details where it includes pictures, descriptions, payment options and shipping information etc.



If the customers have a pretty much good knowledge about what they are looking for then they can search it by using the keywords more specifically such as 'I-Phone X' which helps to narrow the results. And moreover they can search it with item location, brand and price range to be more precise.

### **The Buying Process:**

To progress the process of purchasing anything, the customers must have an account in Daraz. By providing some basic information they can register, like (name, address, birth date, phone number etc.). With that account

they can place orders on Daraz, just by clicking on “Buy Now” after that, a text/mail will be send with a verification code to validate the purchase.

After validating by the buyers, the sellers are responsible for the next procedures which are calling up the buyers, confirming the order, dealing with any necessary queries and delivering the products. If the buyers are unable to validate the order, a customer service agent from Daraz calls up the buyers and validates the orders then the necessary steps had been done as been said above. All over the proceedings process takes about 3-5 working days unless there are other issues. Most of the cases pre-payment are necessary or else, the sellers would not dispatch the product on the given delivery time and some of them provides cash on delivery to the buyers residing in Dhaka. As few of them provide cash on delivery facility for the buyers outside Dhaka thus, most of the customers outside Dhaka need to pre-pay via bank account or mobile banking.

### **The Selling Process:**

To sell their products the sellers also must have an account in Daraz. Once an order is placed by the buyers, the details of the buyers with the products they have selected been shown in the sellers account. Then the work of the sellers starts which are to contact with the buyers, confirming the orders, answering if there are any necessary queries by the buyers and delivering the products. The sellers had to pay a percentage commission to Daraz on the final sale amount and the payment has been made twice a month. The advantages sellers get are that they get free marketing via Daraz and they do not have any limited stocks because the products stays with them thus they are not fixed with stock even the products which are not sold. To get in progress with Daraz as a seller, one needs to sign a contract paper which will enlisted them as a Daraz seller. Subsequently, they need to send their product items and its lists along with product details and images so that it can be uploaded in their e-store. Sellers can upload from the front end as well by logging into their accounts.

## **Chapter 5: Analysis**

In this part, I analyze Daraz Bangladesh’s opportunity and competitors in terms of rivalry and other challenges. Financial analysis is not entirely given in this sector because of private issues.

### **E-commerce industry in Bangladesh:**

After the disclosure of Smart phones, there has been a revolutionary change in this sector. Nowadays people can easily buy the smart phones as it's price is reasonable. The using of internet is increasing day by day. Though most of our internet users enclose themselves only on Facebook, this is a very good medium. Through Facebook the small entrepreneurs can get a huge scope to explore themselves. As people are very much busy about their daily life they have not enough time to go for shopping in that note they would like to do shopping through internet. So, many entrepreneurs now spend their money on on-line advertisement. Specially, this generation too much spending their time on internet rather than watching TV. On that note, entrepreneurs are not getting the desired result by only making TV advertisements. So, this e-commerce industry now create an opportunity for new comer to start their own business and last 2/3 years it had been taking a great place in Bangladesh.

### **Big Guns of E-commerce:**

Daraz is an on-line shop where people can buy their product through internet. Customers don't need to go to the shop they can order their desire product through internet and fulfill all the procedures to buy their product. Now many on-line shops come into the market so Daraz has lots of competitors like-Bikroy, Akhoni,OLX,ClickBD,Rokomari these are also a very popular website in e-commerce business.

In Daraz website, people can visit different e-stores for different products with a click of the mouse. Daraz is trying their best to take a strong position around these huge competitors.

**Ekhanei** is arranged a free online promotion site. Ekhanei is endeavor of Grameenphone Limited which is giving a portable based web purchasing and offering stage. Through advertisement streaming they are creating income.

**OLX** is an Indian online website, which are also working in Bangladesh since mid-2013. Through web and versatile applications OLX site can be utilized. Clients can post free ads to offer their items which are permitted by OLX.

**Bikroy** is another online which is additionally giving a stage to the Bangladeshi individuals to offer and purchase items for free. This is now the most important among all the e-commerce sites.

**Ajkerdealis** an enterprise of BDjobs, it follows the business model of Daraz and now they doing good in terms of sales.

**ClickBD** is the first e-commerce website in Bangladesh which started its business in 2005. ClickBD is mainly used as a selling website of second hand products. It has 25 online stores which are providing its customers a wide range of product choice.

### **Comparison:**

It is tough to compare Daraz with the other E-commerce business sites as Daraz follows a different business model than the other sites. Daraz follows the E-bay model which is very new in Bangladesh. On the other hand, most of its competitors are classifieds, so we cannot directly compare Daraz with the other sites. If a buyer visits a product of a seller, from that very page they can see all the products from that seller.

## **SWOT ANALYSIS:**

<p style="text-align: center;"><b><u>STRENGTH</u></b></p> <p>International funding is strong</p> <p>Brand Name is big</p> <p>Low cost</p> <p>Marketing budget is big</p> <p>Intelligent and dedicated team</p> <p>Enough market knowledge</p>	<p style="text-align: center;"><b><u>WEAKNESSES</u></b></p> <p>There is no integrated delivery channel</p> <p>Stock depends on their seller</p> <p>Sellers are not that much responsive</p>
<p style="text-align: center;"><b><u>OPPORTUNITIES</u></b></p> <p>Grabbing physical market</p> <p>No/ minimum tax</p> <p>Big market size comparing to others</p> <p>Local competitors not that much capable</p>	<p style="text-align: center;"><b><u>THREATS</u></b></p> <p>Other ecommerce entry</p> <p>Government regulation ex: Tax for ecommerce business</p>

## **Chapter 6: Results and Discussions**

As an effective multinational organization, Daraz Bangladesh has been recognizing some included point of interest over its rivals and additionally facing a few difficulties in working their organization in Bangladesh. The central team from France set the objectives and targets which create major problem. As Bangladesh has unique relation to a ton of nations, sometimes it turns out to be remarkably difficulties for the Bangladeshi workers to achieve their objectives. An additionally Daraz is facing difficulties to deliver their orders. The buyers need to sit tight for the delivery of their items when their orders are huge.

The supply of the items depend on dealers if any item is finish from the stock by the sellers then there is no restock system in Daraz without anyone else input. They do not have any storehouse to list the products of the sellers of their website.

The corporate strategy for Daraz.com.bd is to focus on the development of marketing and generating new seller. That is why they have a unique product at cheap/ lowest price of customer convenience and also have a team which is vibrant sales team are able to source seller. Through training and presentation they are able to make their sellers more creative and proficient. Fund Manager focused on existing sellers to make them understand how they effectively use this platform to boost their sales.

Daraz also pursue to create strategic partnership with the sustaining functional area they are working on. In that note Daraz has connection with some third party delivery service like – Aramex, Road Runner, Delex Logistics, so they can assign this logistics service to their existing business for simple delivery operation in low cost. Trying to grab some big brand by Daraz is under their umbrella. Already have some renowned local brand like – Fujifilm, Smartex by Daraz and also some renowned online brand as their individual seller.

## **Chapter 07: Recommendation and Conclusion**

### **Recommendation**

Daraz is a very well systemized company but still I have observed some problems in their strategies during my internship period. The central team of Daraz is taken most of the decisions which is located in Paris, France. Sometimes, their decisions or strategy are not justified as the market of Bangladesh is very different; so from the head office it is not possible for them to take the good decisions always. So I think the power of some decisions should be allocated to the local team so that they can modify immediately. As, the business is spreading rapidly all over Bangladesh, I think they should setting up offices in the divisional cities like Sylhet and Chittagong, that would be very efficient for them. They make too many changes within the department which is another problem in Daraz Bangladesh, and I have seen a lot of changes during my three months in Daraz Bangladesh which really makes the situation unsteady. Another major problem is, they have so many sellers which is quiet impossible for their employees manage all the sellers appropriately. They should recruit more people in their organization if they want to make it more efficient. There is some issue regarding the delivery service of Daraz as well. Daraz delivery partner is AIGX which is also a venture of Rocket Internet. AIGX is still not that much good, they have some troubles in delivering the products outside the Dhaka, they should take care of that problem as a hug orders are being placed from outside Dhaka. So, to make Daraz more loyal to its buyers they have to make the delivery system better. I have conducted a survey on the buyers of Daraz, I have heard a lot of complaint about the customer service department that they do not pick up the calls, I won't blame the people of Customer Service as they have to take unbelievable amounts of calls every day, so what they should do is, they should recruit more people in this department because it is a very important part of the business, if the customers do not get the service on their satisfaction level , they would switch to other marketplace, so they should take care of that immediately.

### **Conclusion**

Daraz Bangladesh has seen inherent prospect in the Bangladeshi e-commerce market. This is the high time to tap into the market and establish itself as a key player in this market. There are some challenges like the delivery system and these will be sorted out soon. Daraz preparing themselves to expand their activities outside Dhaka as well. Now they are mainly focused on capital city Dhaka. But gradually they are launching their new braches outside Dhaka. Which will actually improve the rural thinking about marketing and technology as well.

Moreover people in rural area will get the idea about online shopping which will actually improve their skills regarding online browsing and digital marketing. Thus they will get one step forward of the vision “Digital Bangladesh” initiated by our honorable Prime minister. One important thing is, at this time it is not only Daraz who is tapping into the market. A lot of other businesses are as well. So in the future, we hope to see better growth of the e-commerce sector with better infrastructure and other businesses catering to this sector.

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## Appendix:

1. Have you ever buy something from online before?
  - Yes
  - No
  
2. Do you ever purchase from Daraz before?
  - Yes
  - No
  
3. Have you ever purchased product from other online side?
  - Yes
  - No
  
4. What made you to cancel the order?
  - Seller response time
  - Missed vendor promise
  - Damaged product
  - Other
  
5. What is your expectation regarding Daraz's service?
  - Cheap rate
  - High quality product
  - Quick delivery
  - Other
  
6. Are you informed about Daraz's return policy?
  - Yes
  - No
  
7. Would you buy on Daraz again?
  - Definitely yes
  - Probably yes
  - Definitely no



- Probably no

8. What else can we offer to make your shopping experience better?

- Quicker response time
- Better customer service
- quality products
- more user friendly website
- others

9. What kind of payment method you prefer most?

- Cash on delivery (COD)
- Pre-paid system (NO COD)
- Credit card on delivery (SOD)
- Other

10. How would you rate the Daraz's service? (on a scale of 1 to 5)