

The loop of dissatisfactory customer experience for E-commerce businesses, Especially towards Daraz

By Nishat Farhat

ID: 18104183

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the
degree of
Bachelor's of Business Administration

BRAC Business School (BBS)

BRAC University

September (2023)

© 2023. Brac University

All rights reserved.

Declaration

It is hereby declared that:

1. The internship report submitted is my/our own original work while completing my degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted or submitted for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Nishat Farhat

Student ID: 18104183

Supervisor's Full Name & Signature:

Supervisor Mr. Shamim Ahmed

Deputy Registrar,

Office of the Registrar, Brac Business School

BRAC University

Letter of Transmittal

Supervisor

Mr. Shamim Ahmed

Deputy Registrar,

Office of the Registrar, Brac Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on the topic “The loop of dissatisfactory customer experience for E-commerce businesses, Especially towards Daraz.”

Dear Sir,

Respectfully, as required by the BBA Programme at BRAC University, I am submitting my internship report on Daraz Bangladesh Ltd. With your support and following the BRAC Business School's rules, I put together a report in which I briefly highlighted my experiences working as an intern with Daraz Bangladesh Ltd. and its Human Resource Management Department.

In order to conclude the report in the most meaningful, compact, and thorough way possible, I have done my best to include the pertinent information and suggested recommendations. Therefore, I sincerely hope and pray that you approve my internship report.

Sincerely,

Nishat Farhat
ID: 18104183
BRAC Business School
BRAC University
Date: Oct 12, 2023

Non-Disclosure Agreement

I hereby declare that the internship work entitled “The loop of dissatisfactory customer experience for E-commerce businesses, Especially towards Daraz as a report” is an original work done by me under the guidance of Mr. Shamim Ahmed, Deputy Registrar, Office of the Registrar, BRAC Business School BRAC University. This project work is submitted in partial fulfillment of the requirements. This report has not been submitted to any other university or institute for any other award of any degree.

Nishat Farhat
ID: 18104183
Major: Finance
Brac Business school
BRAC University

Acknowledgment

I would like to take this opportunity to thank Mr. Shamim Ahmed, Deputy Registrar, BRAC Business School, BRAC University, Dhaka, for his persistent mentoring and engagement throughout my internship. His great recommendations and encouragement were the most helpful in developing this report.

I also like to thank my beloved friends for providing me with moral support and assistance in conducting research. Finally, thank my humble team members at Daraz for their inspiration and support throughout the internship.

Executive Summary

We are now living in an era of rapid growth in digitizing all kinds of services around the world. Our Developing country is also very accepting of providing exceptional digital goods and services to the general public. Thus, as the expansion of e-commerce websites is booming everywhere, the drawbacks of bad service and customer complaints rise alongside. We are well aware that during the pandemic, the e-commerce industry has had its greatest growth even though, later on, some of them could not properly maintain their growth rate. According to the collected information, it is observed that the core reason behind the ups and downs of proliferation is customer dissatisfaction.

Keywords: Customer Dissatisfaction, Negative Review, Daraz Bangladesh Limited, Commercial Department, SWOT analysis, 7ps of Marketing, Management, Porter's, Review.

Table of Contents

Chapter 1	6
Overview of Internship	6
Student Information:	6
Internship Information:	7
Period of the Internship:	7
Company name: Daraz Bangladesh Limited.	7
Department:	7
Internship company Supervisor's information:	7
Job Scope & Responsibilities:	7
Internship Outcomes:	8
My contribution to the company:	8
Benefits to the students:	8
Problems/ difficulties (faced during the internship period):	9
Recommendation:	10
Chapter 2	10
Organization Part	10
Introduction:	10
Overview of Daraz Bangladesh:	10
Management Practices	14
Leadership Style:	14
Recruitment and Selection Process:	15
Compensation and Benefits:	15
Performance appraisal system:	16
Review of Attendees for the MD Committee:	17
Marketing Approach:	17
Marketing Practice and Strategies:	18
7p's of Daraz Bangladesh Limited:	18
Financial Performance and Accounting Practices	20
Financial Practices:	20
Accounts Practices:	20
Operations Management and Information System Practices:	21
Operation Management:	21
Information System Practice:	22
Industry and Competitive Analysis	22
SWOT Analysis:	23
Porter's Five Forces Analysis of Daraz in Bangladesh	24
Conclusions:	25
Recommendations:	26

Chapter 3	26
Introduction	26
Background/Literature Review:	27
E-Commerce and the acceptance of it to the public in Bangladesh	27
Objective(s):	28
Significance of the study:	29
The core of a distrustful exchange	29
The impact of repeated history	30
Effects of Untrustworthy Exchanges:	30
Methodology	31
Findings and Analysis	32
Recommendations/Implications	38
Recommendation and implementation of regulations against fraudulent activity	38
Suggestions for future ideas that can be implemented for a better service	39
Mentionable issue with customer dissatisfaction:	40
References:	40

List of Figures

Figure 1: Regional Operations of Daraz	11
Figure 2: Values of Daraz	12
Figure 3: The promises Daraz makes	12
Figure 4: Daraz Organogram 2023	14
Figure 5: Recruitment Process of Daraz 2023	17
Figure 6: 7p's Marketing Strategy	20
Figure 7: SWOT Analysis of Daraz 2023	25
Figure 8: Recommendation Scale of Existing Customers	33
Figure 9: Buyers' Choices	34
Figure 10 Use of Return Policy of Daraz	35
Figure 11: Percentage of Negative Reviewers of Daraz	35
Figure 12: Percentage of different actions taken by the dissatisfied Customers	37
Figure 13: Percentage of users shopping for Discounts	38
Figure 14: Specific Negative Reviews from customers	39

List of Acronyms

BASIS= Association of Software and Information Services

11/11= Sales Campaign of Daraz

IR= Issue Resolution

IT= Information & Technology

SEO= Search Engine Optimization

Dmall= Daraz Mall

Dmart= Daraz Mart (for groceries Shopping)

dLIVE: Daraz Live

DAS= Daraz Advertisements Solution

BEP= Break Even Point

Chapter 1

Overview of Internship

Student Information:

I joined BRAC University in the spring of 2018, majoring in finance. I completed my internship at the commercial department of Daraz Bangladesh in 2022. I was under the supervision of Adeeba Ibnat (Category Manager of the Fashion vertical --commercial department). I was in Daraz as a Fashion intern. Right now, I am working as a Key Account Associate at the same time. I aim to continue working in the fashion vertical under the commercial team to learn more about the operations of Daraz and have interpersonal growth through my job.

Internship Information:

Period of the Internship:

I joined Daraz during the 11/11 campaign in the year 2022 and was assigned to the fashion team under the commercial department as an intern.

Company name: Daraz Bangladesh Limited.

Department:

The commercial department of Daraz is responsible for all the operational levels of tasks.

Internship company Supervisor's information:

My Supervisor was Ms. Adeeba Ibnat, who is the category manager of women's fashion. I have learned a lot working under her, and she directed me skillfully to have better growth in the tasks I was assigned.

Job Scope & Responsibilities:

In the beginning, I was introduced to the operational structure of the fashion vertical. All of the vertices under the commercial team have a similar workflow, and their tasks are also similar. I was very first given to point out the miscategorization through which I got into deeper learning of the website interface, seller's performance and product activity, different segmentation of the fashion category, and how they are utilized to generate uninterrupted insights from daily sales.

Besides understanding the tasks mentioned above, there are opportunities to understand how website algorithms work, how SEO-based knowledge can make significant changes in generation sales, and how to keep better track of it. Trend based product identification, collection and ensuring visibility, tracking product journey, communication skill improvement, improving the skill of convincing people of all kinds, professional mannerism and many more practical and interpersonal quality can be improved from the environment at Daraz.

Internship Outcomes:

My contribution to the company:

Initially, I started working on correctly categorizing the products and documenting the miscategorization. From then on, I realized how a very small mistake on the e-commerce website could impact customer experience, sellers' daily sales, website algorithm, customer satisfaction, and many more. This is when I started to see the possible issues to work on, how my colleagues in different positions have greater contributions to the team, and so many factors to improve on.

As mentioned previously, I joined Daraz during the 11/11 campaign, which is the biggest yearly campaign held in November. The whole system was in a rush.

There are 5 vertices under the commercial department that initially work with establishing B2B relationships along with many other functions, and they are Fashion, Health and beauty, Electronics, Home appliances and Lifestyle, and Daraz Mall. So, working under one of these vertices was very insightful about the hierarchy of different forms of tasks to be completed each day. This also includes handling campaigns, direct communication of sellers and brands, convincing them, and handling brands and their loyal customers for gradual growth for the sellers and also for the vertical as a whole.

I was also responsible for making reports and analyzing specific market conditions of fashion products, which resulted in a better understanding of all my colleagues in the fashion team. For example, I made a thorough report on the kids' fashion industry in our country, which later proved to be insightful.

Besides all the other operations tasks, each vertical had a sales target for each day, which was mandatory to fulfill. Through this process, nurturing the sellers and providing better service to the customers was crucial. These vertices were not directly required to engage in handling customers' complaints or issues, but sometimes, direct communications were made due to customer's convenience. Daraz believes "customers are always right," and so we, as employees of the organization, try to live up to it.

Benefits to the students:

Daraz, being a multinational company, has helped me enough to gain an in-depth knowledge of organizational norms. My skill sets were significantly improved, and this internship also increased my sense of self-worth and assurance of confidence. This affected me in many different ways and caused significant changes in my life. I have gained useful work experience as a Daraz Bangladesh intern that would help me in my future corporate

position. At Daraz, I have improved my technical expertise, people management capabilities, and overall development. Direct involvement in a number of categories and sales-based tasks and activities have been eye-opening by applying my bookish knowledge in practical life.

Working directly under the vertical of Fashion, which mostly generates the most sales revenue, has helped me learn a lot about the process and handling of balancing sales revenue, potential sales generative products, and assisting sellers to be better aware of their best products and trend-based income. Moreover, I have gained the idea of category and seller-based performance sheets, performance-based outcomes, tracking orders and deliveries, sellers' participation in marketing campaigns, alignment, and ensuring visibility of fashion products on the advertisement and on the website itself. These will help me in the long run when I have to organize such corporate events, how B2B online platforms function, track sellers' performance, personal task trackers, how the hierarchy of tasks in different departments works, organizing product-based visual advertisements, the necessity of maintaining close relationships with sellers.

Furthermore, working at Daraz has given me the opportunity to learn and use MS Excel in a practical field, and I am no longer afraid to work with thousands of data. Apart from Microsoft Office, I got the opportunity to work with Alibaba's own software, such as Sellers Store, Ding Talk, Alimail, and Alilang, which has improved my technological development.

Problems/ difficulties (faced during the internship period):

Even though this is my academic internship, I have had the opportunity to work for three different organizations before this internship. Being aware of how companies work, I did not face any difficulties. In fact, from the beginning of my internship, I felt the excitement of working at an MNC and the scope of learning.

My colleagues and my supervisor have been of great help to me to understand my tasks better, and I mostly received proper guidelines when any new task was given to me. I had the opportunity to be educated by my colleagues who have been working there for a longer time, and none of them ever showed any concern when it came to learning more about our day-to-day tasks. Along with this, I was always encouraged to ask for assistance whenever I may need it.

Recommendation:

The experience of working at Daraz Bangladesh Limited was amazing. Daraz Bangladesh Limited provides students with a fantastic opportunity to learn from them; however, there are a few areas where the whole internship program might be improved. A scheduled work schedule can be advantageous for interns and substantially help line managers in their role as mentors. Even so, I tried my level best to learn as much as possible from my supervisor, and she has also been equally benevolent toward me during my internship period.

From my personal experience, I do not have any recommendations for the company for future internships because, according to me, people have been very cordial and cooperative throughout my internship period.

Chapter 2

Organization Part

Introduction:

A firm called Daraz was started exclusively with foreign money. Pakistan, Nepal, Sri Lanka, Burma, and Bangladesh are the main geographic areas where the organization operates its online marketplace. Daraz Bangladesh is the pioneer of the e-commerce sector, reshaping Bangladeshi consumer behavior and setting a new standard for online retail platforms. They are an innovative e-commerce platform that brings the newest local and international goods right to customers' doorsteps. They provide a wide selection of products from well-known Bangladeshi firms while ensuring a speedy, safe, and easy online buying journey.

Overview of Daraz Bangladesh:

The Rocket Internet Group established the company Daraz Bangladesh, which is situated in Dhaka. The first nation where it began functioning in 2015 and advanced the e-commerce path was Bangladesh. Daraz, a company from Rocket Internet Group, is still operating in Bangladesh using the business-to-consumer (B2C) model. It was the first time a business in Bangladesh developed a concept that resembled Amazon, a well-known global e-commerce platform. Daraz's sales may be divided into three categories: B2B, B2C, and even C2C. The word "Daraz" is derived from the word "Drawer" in Urdu, which signifies online marketplace. Daraz, the top e-commerce site in Bangladesh and a subsidiary of the Alibaba Group, gives clients access to almost every kind of goods that can be purchased online.



Figure 1: Regional Operations of Daraz

Business Inspection said that Bangladesh Bank and BASIS, the Bangladesh Association of Software and Information Services, helped commemorate E-Commerce Week in 2013. In the same year, "Daraz" started operating and has since grown to be Bangladesh's most well-known and successful e-commerce site. Islamic law, March 19, 2022 [2] Due to the availability of both domestic and international vendors on their platform, they are able to supply any kind of cross-border goods directly to the client without having to deal with any additional complications.

Daraz also supports individual's solo businesses by assisting them in gaining more clients and insightful product reviews. Anyone may use Daraz's services whether they are in an urban region, are local, or are possibly from a rural area; therefore, anyone can sell their items on the web platform regardless of where they are located or without the need for a financial investment or marketing efforts. No matter how large or small the transaction, customers receive the same level of service.



Figure 2: Values of Daraz

The organization is not only delivering a retail solution with the maximum amount of ease, but it is also spearheading disruptive change in the region's technology. A marketplace where consumers can easily find suppliers and choose from a wide selection of goods.

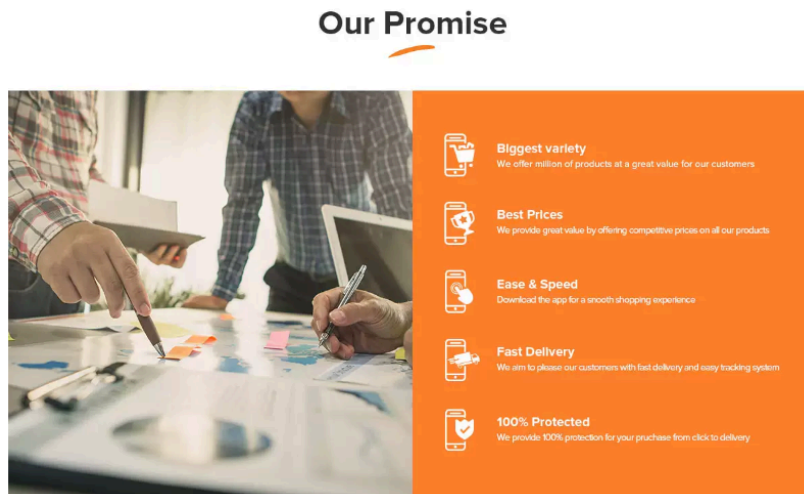


Figure 3: The promises Daraz makes

Daraz guarantees that its customers will pay the lowest price possible. Additionally, Daraz often offers a wide variety of promotional bargains on a weekly basis, as well as on special occasions and within the framework of current campaigns. Customers are encouraged to buy items from Daraz via these incentives. Daraz has its own shipping facilities, making it possible for it to reach its customers faster than any other Bangladeshi online retailer. As a consequence, things are delivered faster. Daraz Bangladesh Ltd. has partnered with several foreign businesses to make it easier for Bangladeshi consumers to buy high-quality goods from overseas without having to leave the country.

Daraz offers a 7–14-day return policy, allowing consumers to enjoy their purchases. From its website and mobile app, through which Daraz runs its services. Their mobile app is designed so that users can quickly and conveniently discover what they need and contact customer service. They have implemented an AI-based live chat system, which has enhanced productivity for Support to the customers and reduced the time it takes to escalate and finish a support case through text messages.

Daraz always provides fantastic deals to its clients through continuing discounts and promotional discount promotions. The e-commerce sector is evolving quickly towards live commerce. It is a notion in which business people relocate where they interact with clients and sell goods. "dLIVE" was a product that Daraz created that helped the app's active user base grow.

Besides these, Daraz has promotional-based solutions made through the program called “DAS” or Daraz Advertisement Solutions, which solely work with brands under the DMall tag for advertisements. This ensures effective visibility of brands to the online customers through website algorithms, meaning the brands who take this program can see the data of the progress their products are making on Daraz’s app website.

Mission & Vision:

Vision: For Daraz Bangladesh, the vision is- “To provide internet commerce more inclusive and user-friendly for clients.”

Mission: The mission of Daraz is to create experiences that promote uniqueness among people through memorable and personalized services.

Company Organogram:

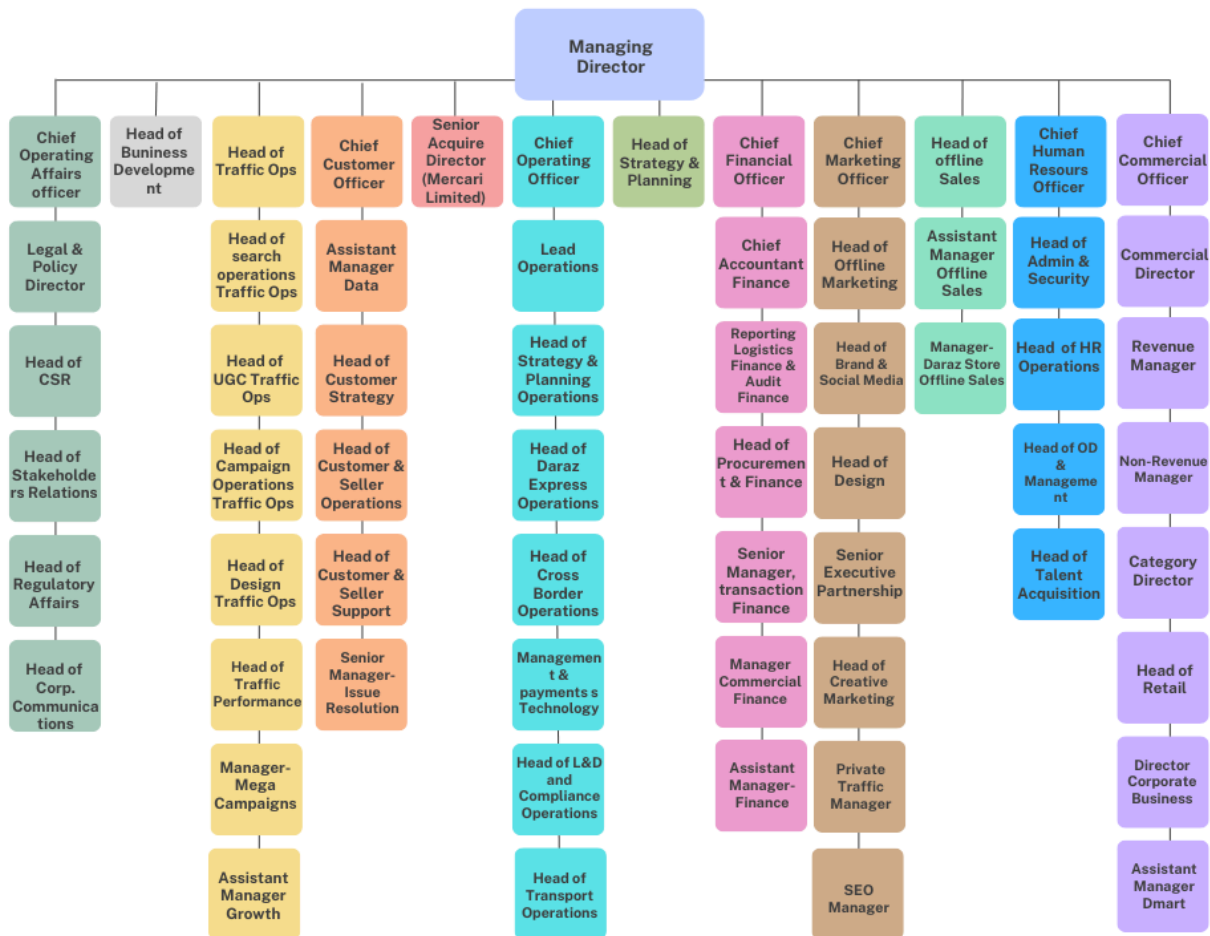


Figure 4: Daraz Organogram 2023

Important Departments:

Depending on the volume and type of work, every department within an organization is significant. The departments are run according to their unique strategies in order to succeed from their perspective. The departments are full of brilliant individuals who can carry out operational tasks more effectively.

Since Daraz is a multinational corporation in the e-commerce sector, each department's activities are planned and carried out in accordance with the standards established at the headquarters of Alibaba. Daraz's most important divisions are

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

Commercial Department of Daraz:

- **Acquisition:** This division's duties include hiring or acquiring new sellers. They send the new seller to PSC for account verification after acquisition.

- **Partner support center (PSC):** The responsibilities of this department include account verification, account activation, and deactivation, making a seller's product live by delivering a product list to the content management department, and supporting newly registered online merchants.

- **The Seller Support Unit (SSU)** keeps track of sellers' activities in the Seller Center. It compiles a list of underperforming sellers, which it then submits to the Vendor Excellence Department for further investigation so that these vendors may raise their game.

Vendor Excellence (VE): This division's responsibility is to monitor the accounts of inactive sellers, identify any issues, and keep a record of them. According to those records or findings, the VE department contacts those sellers, attempts to ascertain the causes of the sellers' inactivity, informs them of their issues, offers advice on how to increase the volume of orders, offers necessary support to sellers, and addresses any issues that may arise. The responsible VE staff transmits the matter to the appropriate department after receiving it from the vendor and determining its nature. There are two types of training:

- i. Webinar- Online training.

- ii. Boot camp- Offline training or physical training.

Management Practices

Daraz has gone a long way since it was founded and is currently growing its business around the nation. It is committed to providing customers with their desired products at the cheapest price in the shortest amount of time. Daraz is therefore concentrating on the IT industry and aiming to develop a strategy similar to Amazon. There are already more than 19 hubs outside of the metropolis of Dhaka. Hubs serve as collection and return locations and receive complaints from buyers about vendors, and vice versa. They also serve as a Daraz Mall storehouse. With a rise in personnel, it is growing larger, and its functions are becoming more complex. Daraz has always prioritized its workers and stands out by having one of the healthiest workplaces in our nation. Administration, HR, IT, Marketing, Commercial, Finance, Sales Management, Public Relations, and other divisions all work together to keep Daraz functioning smoothly.

Leadership Style:

Prentice (2004) defined leadership as the process through which good leaders demonstrate a genuine interest in the long-term development of their employees and make use of tact and other social skills to motivate individuals to reach their full potential. Daraz Bangladesh Limited adheres strictly to a single style of leadership. Daraz Bangladesh Limited's leadership is built on a defined chain of command, exacting standards, and worker

compliance. As a result, Daraz Bangladesh Limited has a bureaucratic leadership style, with a power structure setting the ground rules for management and decision-making. The bureaucratic management of Daraz Bangladesh Limited always helps the organization to new heights.

Even while staff members with relevant talents are occasionally required to serve in many jobs, this leadership approach aims to create compartmentalized specialists. Each team member is in charge of a certain task. Because of this, everybody—including the leader—can concentrate their attention on what they do best: making sure that the right people answer all inquiries. Additionally, there is a hierarchical structure inside the company, with lower-level employees reporting to and being supervised by those in higher positions. For instance, in Daraz, department directors are in charge of and report to employees. The department head, who answers to the managing director, has the last say in what the department heads do.

Recruitment and Selection Process:

Daraz Bangladesh Limited has a thorough, active, and organized hiring and selection process. The corporation promotes recruiting workers who not only fit well with the company's aims and objectives but also can do well in their current positions. Daraz thinks that all sexes should be treated equally at work.

Daraz's hiring procedure is always being enhanced to boost the company's ability to find talented and effective individuals who are qualified for a particular position while adhering to the company's requirements and standards. Over the past few decades, numerous academics have established the importance of the recruitment process in choosing the top applicants for a particular post. Daraz Bangladesh hence emphasizes the efficiency of the hiring and selecting procedure.

The usual recruitment process looks something like this:

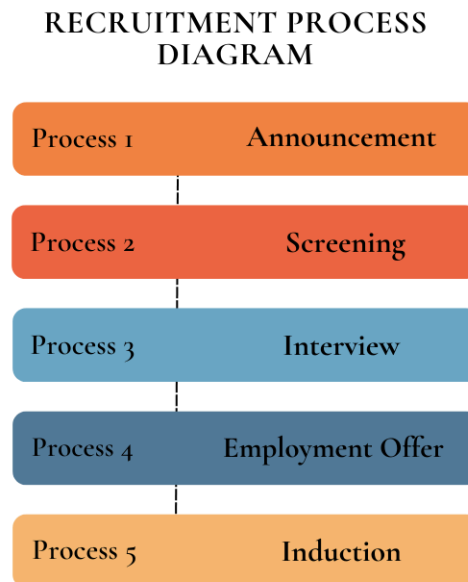


Figure 5: Recruitment Process of Daraz 2023

Compensation and Benefits:

The most important aspects of every business are pay and perks since they typically affect whether people join, stay, or depart. High-caliber and qualified applicants are unlikely to apply if the organization's pay and perks are not comparable with the corporation. However, a business is more likely to draw in and retain top talent if it offers competitive and industry-standard pay and benefits. (2022, Quit Genius)

Daraz, a well-known international corporation, provides a top-notch working environment in addition to excellent pay and benefits. Maternity leave, flexible scheduling, festival incentives, a mobile allowance, and insurance are additional benefits. The salary range is marginally greater than the industry average in a number of respects.

Besides the regular compensation, employees get the opportunity to gain vouchers on mega campaigns based on their target achievements and performance. This process plays a vital role in keeping the employees motivated and improving their performance.

In addition to 20 vacation days and other paid time off, the human resources department annually permits 14 sick days and a maximum of three days off for other reasons. Since employee payroll must be completed, the first week of the month is a busy time for the human resources division. They have to make sure that all employee

assignments and payroll data are accurate. As was already said, the HR division is also in charge of employee benefits and incentives.

Performance appraisal system:

In human resource management, performance evaluation describes the process of determining an employee's value and contribution to the job they accomplish. Obtaining an unbiased evaluation of an employee's performance aids a firm in identifying any ongoing workplace problems. The evaluation results may then be used by the HR department to promptly and effectively resolve these concerns. Daraz Bangladesh uses a 360-degree review strategy in its commercial operations.

In order to improve and develop, they also promote self-evaluation, which entails workers giving and receiving feedback on their own behavior and performance. To aid in the self-evaluation process, Daraz conducts evaluations among the line managers of each department on a scale of one to 10.

- Employees evaluate their own performance based on their guiding principles, critical competencies, and goal accomplishment.
- Managers' appraisal: Team managers assess the performance of their employees based on their own evaluations of their own values, skill sets, and accomplishment of goals.
- Department Committee: Based on ratings, managers examine and analyze the assessment results, identify the department's poor, moderate, and great performance, and set new staff targets.
- MD Panel - Final examination of departmental assessment findings and management suggestions.
- Team managers meet with employees for an appraisal meeting to go through the results.

Review of Attendees for the MD Committee:

The country's managing director, department heads (such as the CCO, COO, and CMO), and an HR representative. HR should make sure that the appraisal data is consistent across all departments. The latter process is as follows:

- A breakdown of the best, average, and worst performers; a summary of assessment data; a summary of payroll impact.
- Compare the payroll impact of each department's evaluation results (promotions, pay raises, and dismissals).
- If adjustments are required to achieve departmental balance, the MD and CEO will do so.
- Examine and concur on the objectives and results of the management team's review.
- Determine rewards/benefits for top achievers and agree on them.
- Choose prizes or special efforts for top performers.
- Compile the results of each employee's appraisal and the overall payroll impact for the entire company.

Each department's overall payroll impact and evaluation conclusion will be evaluated side by side, and any outliers will be corrected to ascertain the impact of the evaluation; the organization's overall appraisal conclusion will be examined.

Based on comparable team scores, the ratings of managers within departments will be adjusted and normalized in order to take into account outside effects (such as department size and relationships with other managers).

Marketing Approach:

Daraz Bangladesh's marketing division is responsible for creating and executing marketing plans to advertise the business's goods and services. Market research, brand management, advertising and promotion campaigns, social media management, digital marketing, consumer engagement, and marketing performance analysis are some of their main tasks. To boost sales and raise brand awareness, they collaborate closely with other departments to match marketing initiatives with the overall goals of the company and the needs of the target market.

Marketing Practice and Strategies:

The term "online marketing" describes the practice of using the Internet to promote a business's goods or services. The exchange of products and services through the Internet is known as e-commerce. Daraz thinks it is crucial to advertise the company on social media. It is a well-known online retailer in Bangladesh. Although there is much competition, Daraz stands out because of the superiority of its online marketplace. In this kind of developing economy, Daraz's customer-centric strategy will be appropriate.

7p's of Daraz Bangladesh Limited:



Figure 6: 7p's Marketing Strategy

Product: Daraz is a website where merchants may offer their goods for sale online. Examples include mobile devices, tablets, televisions, cameras, games, household appliances, travel, sports, tourism, beauty items for babies, and food. Daraz now offers more than 200 product categories, both physical and digital.

Place: Daraz is an online marketplace that runs its businesses through a mobile app and website. The dynamic website for Daraz is located at www.daraz.com.bd. Daraz also offers a mobile app for the Android and IOS

operating systems. The items are provided free of charge by Daraz. Based on the vendor's pricing setting. Prices for the same item on Daraz might differ due to vendor pricing. Vendors occasionally provide price discounts.

Price: It has a variety of items. The outcome is that the price changes. In a cutthroat and expanding industry, Daraz strives to give its consumers the most options possible. The sellers determine the pricing. Daraz earns money on each transaction. Daraz receives a portion of each transaction.

Daraz is a totally fictitious figure. Only Daraz.com is where the vendors may be found. Daraz does not run a conventional business; thus, nothing is available for purchase.

Promotion: Daraz predominantly uses digital media to market itself. Options include Facebook, Instagram, and email marketing. Additionally, they do a lot of public relations. They frequently appear in newspapers. They also use a personal selling technique where agents are paid for orders placed on customers' behalf. A different strategy is affiliate marketing. Their latest efforts to promote their Facebook page have substantially grown. Daraz uses a range of promotional strategies. They do the majority of their promotions online. They place adverts on social media platforms to show that they are active there. For marketing objectives, Daraz has kept its email database. To reach out to clients and market to them, they use SMS. Daraz employs cutting-edge marketing strategies, such as promotions, to increase sales.

Another popular promotional event at Daraz is the Mystery Box approach. Daraz provides mysterious products starting at just 99 tk. If someone is fortunate enough, they may receive items worth thousands of takas, or they may acquire a less expensive good. These mystery boxes have recently gained much popularity and are causing a stir. All FMCG items were purchased from overseas purchasers, but when customers returned or canceled orders, mystery boxes were used to distribute the items. This offers many benefits. In addition to serving as a vehicle for brand awareness, these products also free up a significant amount of room in the warehouse. Since returning these items to their original countries would be quite expensive, Daraz chose to give them away, creating a highly distinctive marketing strategy.

People: Currently, Daraz employs more than 2,000 people. Every year, a new crop is produced. They rely on outside delivery firms to distribute their goods. They work with companies that offer delivery services, among others. Among the choices are Pathao, Bidyut, and the 5-star Sundarban. They have more than 50 hubs outside of Dhaka, and Bangladesh as a whole has 62 hubs.

Physical Environment: Being an e-commerce company, Daraz is everywhere technically, and they provide deliveries in all 64 districts. They may lack a physical location where clients may interact with them and voice

complaints about the goods, but their customer service is top-notch. To interact with Daraz, they must use email, live chat, and a hotline number.

Process: Traditional brick-and-mortar shopping is distinct from online purchasing. Here is how to go to Daraz on the web: To keep everything functioning smoothly, they employ a number of different programs. Like the seller center (CRM, warehouse, and shipping), sellers can communicate with Daraz via the Seller Centre to make adjustments to their goods and prices. It also helps Daraz with inventory management, business growth, and sales.

- **Customer service calls:** Both incoming and outgoing—are made easier by contact management software (CRM). Additionally, Zendesk and ZOHO are available for internal and agent-to-customer conversations. The warehouse module was developed to make it simpler to pick up products, maintain inventories, and transport them.
- **Delivery System:** One of the quickest delivery methods in our nation is Daraz Express (DEX). Customers may use the mobile app and website to check the progress of their delivery after making an order. Daraz occasionally employs outside delivery partners to send last-mile packages. On behalf of Daraz, it helps the third party track delivery and their status.
- **Pick Up point:** Daraz also provides the service of letting the customers pick up their orders from pick up collection. Customers can go to these order storage points at their convenient time and receive their orders. In this process the customers do not have to pay the usual delivery charge.

Financial Performance and Accounting Practices

Financial Practices:

The finance and accounting divisions play a significant role in Daraz's financial operations. The department has its headquarters there, where it carries out and executes its duties. This department is in charge of and responsible for all accounting and financial activities. Daraz does not want to provide financial data or particular departmental responsibilities because it is a private limited company. I made an effort to describe the procedure in as much detail as I could with the facts at my disposal.

Accounts Practices:

The accounting team of Daraz Bangladesh Limited manages all financial transactions and operations. For each of their companies, they must maintain accounting documents. Accounting personnel are responsible for monitoring and documenting the business's financial transactions. To keep these accounts in good standing, they must stay in close contact with the commercial, operations, and management divisions. The preparation of financial reports and the analysis of gathered financial data are allocated to various staff members. Daily bank statements must also be generated and recorded by the accounting team.

Additionally, they must constantly monitor their multiple bank accounts. They must also keep their account details up to date in order to receive payments for loans, interest, other fees, and sales proceeds. All the sellers and brands can see their bi-monthly income statement details and receive their due payments in their respective banks.

Operations Management and Information System Practices:

Operation Management:

Using computer-based information systems, Daraz Bangladesh automates production processes. Additionally, these systems are used to create orders, manage inventory, control billing, and obtain payments from suppliers.

Information systems are used extensively in customer interactions. The information systems gather and track the transaction when a customer puts in an order, or a vendor offers a product for delivery through the app or website, then transmit the data to the necessary locations.

Daraz is a fully functional e-commerce platform with a clear process. They oversee several Alibaba Group apps for diverse purposes.

Seller Center: The Seller Centre module enables you to register your business. Manage their online business, add things to the web, adjust prices, and categorize items. On the other hand, vendor managers keep an eye on sales, update data, and assess a variety of situations and activities. The content and warehouse departments also support the seller center.

Order Management System (OMS): Both the operational and customer support departments make use of the Order Management System. The management of inventory, orders, warehouses (both single and multiple), returns, and drop shipping is made easier by this module. Consumer service teams utilize it to manage departments and address consumer complaints by authenticating orders from clients.

Hub Management Tool (HMT): In order to keep track of products during Market Place Cross-Docking (MPCD) and Marketplace Drop-Shipping (MPDS), warehouse operations staff typically employ HMT. Sending the item to the correct location and having it delivered there is a fantastic idea.

Delivery Module (DM): This module streamlines 3PL or third-party delivery partners, order and parcel management, and vehicle monitoring. The finance department also uses this module to monitor the daily delivery and collection of information.

Transport Management System (TMS): The ultimate status of any order tracking is updated using the Transport Management System. This is one of the modules that Daraz Bangladesh uses the most often across practically all of its departments. When allocating payments to sellers at the end of the day, the finance department bases its decisions on the Terminal Status as reported on the Transport Management System.

Logistics Operation Platform (LOP): The ultimate status of any order tracking is updated using the Transport Management System. This is one of the modules that Daraz Bangladesh uses the most often across practically all of its departments. When allocating payments to sellers at the end of the day, the finance department bases its decisions on the Terminal Status as reported on the Transport Management System.

Information System Practice:

The business uses a variety of technology to record and manage its financial and accounting processes. However, I will not be able to disclose the software's name due to commercial confidentiality. Microsoft Excel is still a common tool for gathering data and producing reports. Microsoft Excel is further used to store and analyze recorded financial data. Accounting software could make organizations more productive by streamlining their operations. The integration of all accounting and financial processes will simplify the monitoring and management of operations. Daraz Bangladesh, as previously indicated, maintains stringent guidelines surrounding financial information and does not divulge this information to anyone.

As an outcome, it is challenging to do a thorough analysis of this firm because the financial statements are still classified. However, the business is financially successful, enabling it to expand operations both locally and globally. Due to Daraz Bangladesh's success, Chinese e-commerce giant Alibaba has decided to purchase the company. This has helped sustain Daraz Bangladesh Ltd.'s large investment as well as Alibaba's consistent entry into the South Asian market. The company's overall financial situation is favorable. The information and data-collecting resources of Daraz are the best among the other existing multinational companies.

Industry and Competitive Analysis

The market structure analysis reveals the traits of the company's competitors, the kind of replacement products, entrance hurdles, and the negotiating strength of customers and suppliers. In the sections that follow, we will go over each of these factors in more detail in order to evaluate Daraz's industrial structure.

SWOT Analysis:



Figure 7: SWOT Analysis of Daraz 2023

Strengths:

- Excellent reputation and recognition for a brand
- A variety of categories of goods
- A reliable distribution system
- Innovative technology
- Wide prospective customers
- A wide range of services, including distributed computing, broadcasting, and e-commerce

Weakness:

- Dependence on third-party vendors
- Concerns about data security
- Inadequate oversight
- Limited client loyalty
- Restricted product regulation

Opportunities:

- Growth in developing markets
- Investing in new businesses
- Boosting e-commerce sales
- coordinating an annual "yard sale"-themed event
- Collective engagement as a vendor at various "mela."

Threats:

- Intense rivalry
- Regulatory concerns
- Risks to cyber security
- Economic downturns
- Safety Issues with the LP3 Delivery Persons

Porter's Five Forces Analysis of Daraz in Bangladesh

1. The Threat of New Entrants (*Weak Force*): The companies that rely mostly on Internet networks have benefited the most. Nevertheless, in addition to its benefits, it has also made it simpler for new rivals to enter the market. Since Daraz has been operating in Bangladesh for more than five years, the emergence of numerous digital platforms has created competition in the business sector. Although the latest e-commerce dispute all but eliminated competition, new rivals could appear soon. Right now, Daraz has the motion's support and favor.

2. The Threat of Substitutes (*Strong Force*): The existence of easily accessible replacement options or alternatives supports competitiveness in the market. This dynamic discourages market monopolization by fostering a healthy and competitive marketplace. Daraz lately faced fierce market rivalry as a result of the introduction of novel and useless bargains. Their immoral business methods, however, eventually contributed to

their fleeting existence in the market. Daraz now virtually has no workable rivals on the market, which is fortunate for them.

By increasing corporate efficiency, the Internet has the potential to promote market expansion. Recent developments in Internet technology, such as the expansion of brick-and-mortar stores and the direct dispatch of items from certain vendors, have created new problems without obvious solutions. As a result, in this situation, there is a considerable chance of being replaced or substituted.

3. Bargaining Power of Buyers (*Strong Force*): E-commerce clients often have little negotiating leverage since on-site vendors set prices. For identical items across various products, the majority of providers give comparable costs. The choices for consumers who may purchase from various suppliers on the same platform are reduced by competition in e-commerce. This limits the amount of room for negotiating for conventional purchasers. The large number of clients who are prepared to pay for the service, however, changes the balance of power to the final consumers.

4. Bargaining Power of Suppliers (*Moderate Force*): Due to low supplier power, online procurement tends to increase the negotiation leverage inside the supply chain. It also gives suppliers access to a larger client base in any case. The Internet lowers labor costs by enabling suppliers to communicate directly with end consumers. As a result, items become more uniform, which lessens their individuality and encourages rivalry amongst competitors downstream. Due to their fee-based business models and a large number of suppliers, Daraz and comparable e-commerce platforms are unaffected by supplier negotiating strength.

5. Rivalry Among Existing Competitors (*Strong Force*): Intense competition arises as competitors strive to minimize their differences, expanding their geographic reach and increasing the number of rivals. This, in turn, reduces variable costs in comparison to fixed costs and puts pressure on price discounting. However, this market situation has evolved over the past few months. Initially, there was fierce competition from new entrants in the e-commerce sector. Nevertheless, the recent developments in the e-commerce market have completely changed the scenario. Daraz now faces little to no competition because it lacks significant rivals in the e-commerce market. Consequently, the current market conditions favor Daraz in this regard.

Conclusions:

The future market dominance of Daraz Bangladesh Ltd. is quite likely. Through a focus on quality and the use of a committed, tech-savvy workforce, the business has overcome early obstacles to become a significant participant in Bangladesh's e-commerce market.

Daraz provides ongoing specials, door-to-door delivery via Daraz Express, and substantial social media and advertising exposure. Daraz has enhanced its online marketing, campaign performance, and logistics since being acquired by Alibaba Group in 2018, and it now offers a "Daraz Mall" for high-end goods.

Daraz is the top brand in Bangladesh e-commerce right now because of its well-organized management staff.

Recommendations:

Daraz should increase openness in its yearly reports, which are now lacking, as a worldwide corporation. This would give important information for studying and assessing the company's situation. Although their general management strategies are admirable, they should address problems with sub-department alignment.

Daraz needs to take firm action against merchants who offer defective goods if it wants to earn the trust of its customers. Daraz Bangladesh should take the following actions to raise employee work satisfaction:

- Emphasize staff wellbeing via flexible work schedules and wellness initiatives.
- Offer thorough instruction on how to handle client concerns professionally.
- Encourage staff involvement to enhance customer service. Increase existing employee engagement through open communication and feedback sessions.
- Launch consistent employee satisfaction research.

Chapter 3

Introduction

Daraz is clearly maintaining a great interrelationship with its employees and customers. However, there is always scope to enhance the

Background/Literature Review:

E-commerce and the acceptance of it to the public in Bangladesh

E-commerce is a legal term for electronic business transactions made through the Internet involving the buying and selling of products and services. Although it is a relatively new approach to business, the core concepts are similar, with the Internet as the buying and selling platform. That being understood, almost every legal item is sold and bought through this process. It is clear by now that even after having all the information about a product, customers always have multiple options to choose from and buy the best among them. Previously. It has been seen and identified that even though online purchase has been more accepted among the young population from 16 to 27 years old throughout the pandemic, people of all ages have accepted the cautiousness of buying goods online. Especially starting from middle-aged people and later they have graciously accepted online purchases. In our country, Daraz and Evaly have been an online platform where goods of all kinds are sold.

Daraz and current Market Condition

Bangladesh's e-commerce business gained up in the early 2010s, thanks in large part to the advent of online banking by Bangladesh Bank. The industry is expanding quicker than ever before. With a 9.3% annual revenue growth rate and a 72% annual market size growth rate, the sector is on track to reach new heights in no time.[2] Daraz, one of Bangladesh's top market shareholders in e-commerce, is a wonderful reflection of the industry's expansion. Within the last four years, the firm has grown from delivering 500 shipments per day to 120,000 deliveries in a single day. New businesses have recently emerged in many market categories, lured by increased aggregate demand.

Daraz is a third-party marketplace that serves as a platform for external vendors. Daraz, which Alibaba Group Holding, Ltd. owns, is a globally oriented marketplace that produces GMV primarily in Bangladesh, Nepal, Pakistan, and Sri Lanka. The eCommerce GMV of the marketplace is spread among various domains, including data. pk, daraz.com.bd, and daraz. Lk. In terms of product offerings, Daraz is an all-around marketplace, including items in categories such as Food and Personal Care, Fashion, and Furniture and appliances. They first launched their online platform in 2015.

Daraz is a semi-trustworthy platform for online shopping.

Daraz and Evaly both gained the most popularity among the other E-commerce. Evaly's branding strategy had been very captivating to young adults, and thus, a huge chunk of investors had been young adults aged from 22 to 30 years old. As previously mentioned, online shoppers are also in this close age range. However, after the Evaly scam in 2020 during the beginning of the pandemic, the distrust over E-commerce websites daunted the regular population of our country.

Evaly, a leading e-commerce business in Bangladesh, rose to prominence originally for its appealing offers, which included cashback deals ranging from 50% to 100%. They did, however, freely concede to increased delivery timeframes, officially 45 days. Following that, it was found that the delays were significantly worse, frequently lasting several months. Furthermore, reimbursements were typically sent as post-dated cheques, delaying the process even further. A rise in customer and merchant complaints exposes Evaly's operation as a Ponzi scam.

Ponzi schemes offer large profits with no risk but utilize cash from new investors to repay previous ones. Evaly's aggressive promotions, such as 100-150% cashback, generated a large gap between their assets and liabilities. Evaly owes Tk 4.04 billion while having just Tk 651.7 million in current assets, according to a Bangladesh Bank report.

Clearly, this controversy harmed customer confidence in e-commerce. While appealing offers from platforms such as Evaly, Dhamaka, and E-orange (all of which were implicated in Ponzi schemes) attracted short-term clients, it harmed conventional e-commerce sites such as Ajkerdeal. As a result, people are beginning to doubt the dependability of e-commerce enterprises.

Moreover, In the process, Daraz, along with other e-commerce businesses, had to face a huge backlash of suspicion from the whole nation. People became extremely skeptical, scared of getting scammed by Daraz as well. Nevertheless, Daraz handled this market unrest quite well.

Objective(s):

The objectives of this study are:

- To examine the negative customer experience and their feedback
- To determine the impactful reasons for customer dissatisfaction
- To understand the comparative analysis of customer dissatisfaction and existing customer care policy of Daraz.

Significance of the study:

The importance of this study rests in its ability to shed light on Daraz's initiatives for enhancing customer happiness and their wider ramifications for the e-commerce sector, customer service norms, and business practices. It may be a useful tool for employees of Daraz, consumers, researchers, corporations, and governments alike.

This study has broad implications. Understanding how Daraz handles customer complaints has a direct influence on both its reputation and profits. Daraz's customer-centric strategy is essential to its success. This research provides information that is relevant to organizations throughout the world because of Daraz's global reach. It also speaks to the elevated customer expectations brought on by the digital era. Other businesses may get a competitive advantage from Daraz's effective tactics. Their creative application of data analytics and technology is pertinent to contemporary customer service.

This research also explores issues of corporate accountability and ethics. Making the same mistakes as Daraz can teach us important lessons about service recovery. It also adds to talks on rules for the e-commerce sector.

The core of a distrustful exchange

There are a number of reasons why customers on Daraz engage in distrustful reviews and conversations. Concerns include the existence of fake or inferior items, imprecise product information, issues with shipping and delivery, privacy and security worries, the manipulation of user evaluations, communication difficulties, and convoluted return and refund policies.

These tense interactions have serious repercussions. They may cause platforms to lose clients, harm their reputations, decrease sales, draw regulatory attention, increase the danger of legal action, open up new market

opportunities for rivals, and increase operational complexity and expenses. Furthermore, the reasons for the repetitive course of scenarios are:

1. Counterfeit or Poor-Quality Products: Daraz allows third-party sellers, and occasionally these vendors may offer counterfeit or poor-quality goods. Customers may have unfavorable encounters because they doubt the reliability and authenticity of the products.

2. Uncertain Product Information: Customers may be misled by inaccurate or omitted product descriptions. The trend of purchasing Dupe products among a huge number of consumers can sometimes lead to terrible product quality. Untrue Review problems or a lack of standardized template review may be to blame for misleading information.

3. Problems with shipment and delivery: Delays in shipping, items becoming damaged in transit, or missing parcels can harm confidence. Customers can doubt these systems' dependability for making deliveries on schedule.

5. Manipulation of Customer Reviews: Fake or paid reviews can affect customer trust and alter product ratings. Customers may be skeptical about the platforms' trustworthiness if reviews cannot always be trusted.

6. Return and Refund Policies: Customers may be reluctant to make purchases if return and refund policies are ambiguous or unfavorable, especially if they anticipate having trouble resolving concerns.

7. Market opportunity for Competitors: Lack of trust might present an opportunity for rivals who can win over customers by providing better solutions to the same problems.

8. Operational Complexity: In order to combat mistrust, platforms may need to engage in improved monitoring, customer support, and quality control, which may raise operational complexity and expenses.

The impact of repeated history

Statistics show that good customer feedback on a company's service might benefit the company because 38% of these customers are inclined to suggest it to other potential customers. However, 80% of clients will switch to competitors if they are dissatisfied with goods or services from an e-commerce business.

Effects of Untrustworthy Exchanges:

- 1. Customer loss:** Distrustful Customers may look for alternatives, which might mean less revenue for Daraz. Customers are most likely to not return from a bad purchase, especially when the first purchase is dissatisfactory.
- 2. Reputational Damage:** Repeatedly untrustworthy interactions can damage the platforms' reputation, which could have an impact on their long-term survival.
- 3. Lower Sales:** Customers who are distrusted are less inclined to make purchases, which lowers income for both Daraz and the vendor. Meaning Daraz has had difficulties to even reach their BEP.
- 4. Regulatory Scrutiny:** Ongoing problems with a trust may prompt regulatory investigation and requests for tighter regulation of these e-commerce platforms and so to Daraz. So, it is often faced at an operational level to establish regulations properly. Warehouses that operate returned products and vendors face difficulties in maintaining a business relationship.

Methodology

Primary Data: Information was gathered from Daraz Bangladesh employees and coworkers using questionnaire surveys and interviews.

Secondary Data: Data were gathered from the internet, publications, and earlier studies.

Sampling technique: Random selection among internet users (people of all ages) with access to mobile devices and internet services. Data was gathered using Google Forms and Microsoft Excel to survey 30 ordinary consumers.

Interview: With verbal permission, a physical interview was done with 10 random customers and delivery personnel of Daraz. They shared their experience and disappointments with me.

Findings and Analysis

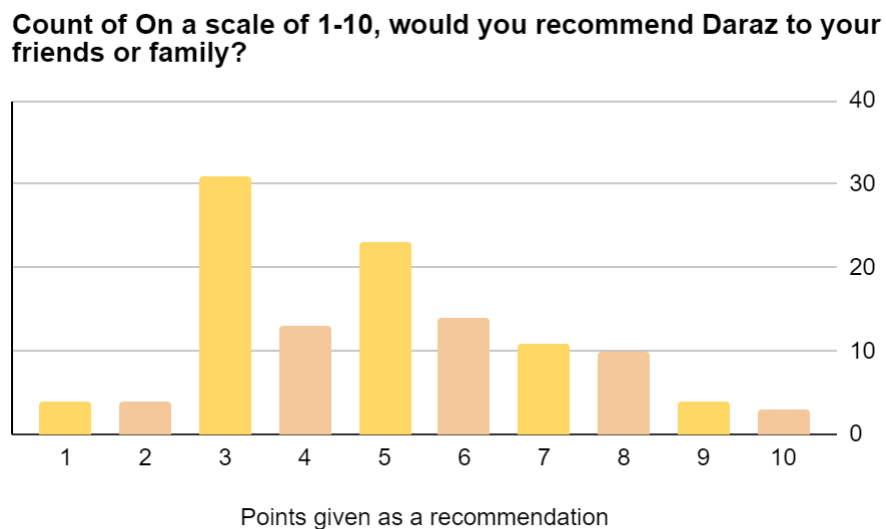


Figure 8: Recommendation Scale of Existing Customers

According to the chart above, we see that Daraz has an average popularity in terms of recommending the e-commerce brand to customers. Existing customers are likely to recommend it, but clearly, they had an average experience at Daraz. So, if Daraz can look into this matter carefully and comprehend the reasons behind their average experience and eventually improve it.

Which kind of products do you prefer Daraz for?

117 responses

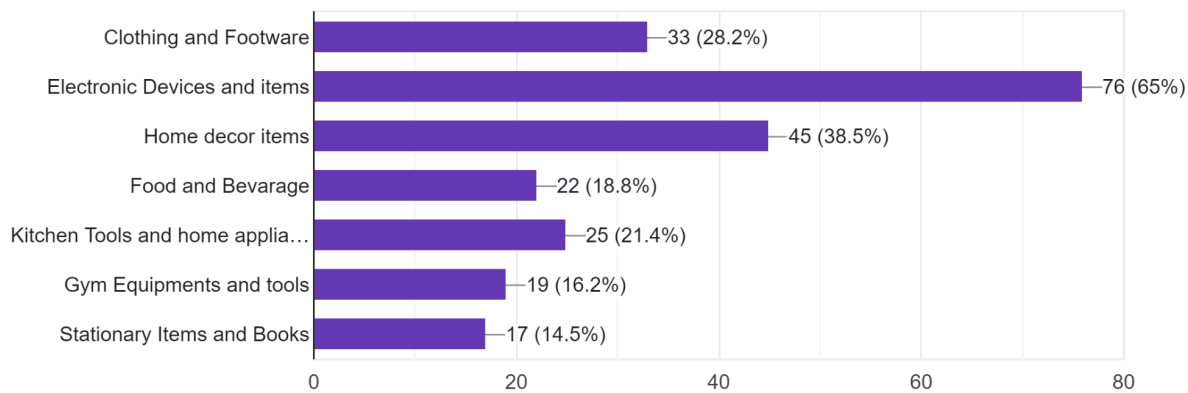


Figure 9: Buyers' Choices

Seeing the bar chart above, we learn that the most popular kinds of products are Electronic Devices and similar items. Daraz indeed provides devices of all kinds on their platform, and because they have campaigns quite regularly, a wide range of products under this category can be bought with good value.

I bought my smartphone from Daraz, and I was quite surprised with the amazing service.

In the second position, home and decor items gained popularity. Now, these home and decor items can range from high-value items to very low-value items. This also directs low-value items to be in poor condition sometimes.

Count of Have you ever returned product after paurchasing from Daraz?

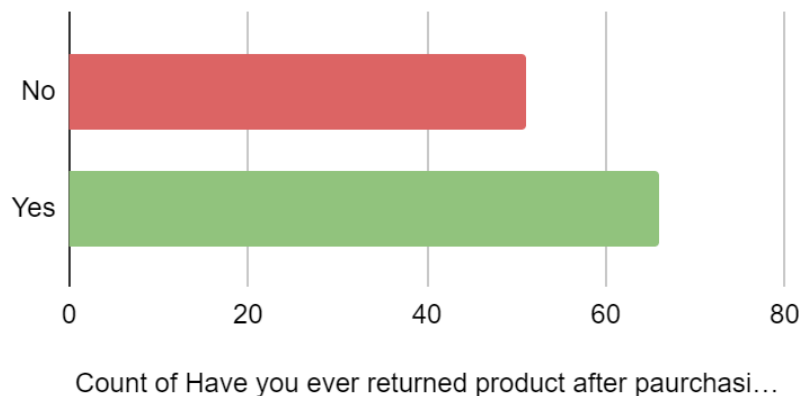


Figure 10 Use of Return Policy of Daraz

Daraz has a structured return policy that no other e-commerce brand offers. So, seeing the chart above, it is evident that most customers had already utilized this service. Being able to return an unwanted product or a product that might have defects is definitely an example of great customer service. However, because Daraz believes in “Customer is always right,”- a great number of crowds undoubtedly take advantage of it. Fraud and face customers often return products showing an untrue cause. Besides, the timeline of returning a product being 14 days, which is almost half a month, gives scope to immoral customers to use it and then return it.

Count of Have you ever left a review for a dissatisfactory purchase on Daraz's App/Website?

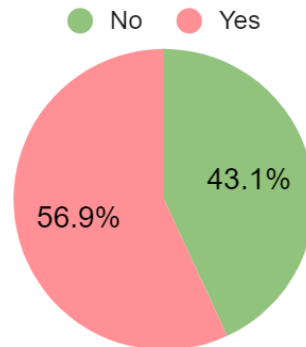


Figure 11: Percentage of Negative Reviewers of Daraz

We can see that most people do not leave any review on their dissatisfaction with their purchase, even though on the previous bar chart, most customers with unexpected experiences return their product. However, they do not leave a review about it. This is one of the core reasons for the dissatisfactory customer experience to go on a loop.

<i>Did you make a purchase at Daraz from outside of Dhaka City or inside of Dhaka City?</i>	<i>How is your shopping experience at Daraz?</i>	COUNTA of How is your shopping experience at Daraz?
Inside of Dhaka city	Negative Total	17
	Positive Total	39
	Positive, Negative Total	1
Inside of Dhaka city Total		57

Outside of Dhaka city	Negative Total	7
	Positive Total	53
Outside of Dhaka city Total		60
Grand Total		117

Looking at the Pivot Table above generated from the data collected through a Google form, we can see that Daraz is not only popular inside the capital city of Daka but also around the nation. This is because they have hundreds of Daraz hubs and collection points spread across the country. So, it is obvious that to provide a top-notch service to their customers, they are always trying to make their service better.

Having a Daraz Collection point in every district, customers get their desired product faster.

Nevertheless, as Daraz operates a vendor-based service, vendors are also spread throughout the nation.

Sometimes, even after the vendor properly sends the customers' orders on time, the delivery can get delayed.

Count of If your shopping experience at Daraz is negative, have you done anything about it?

- No, I have not done anything.
- Yes, I have warned my friends and family.
- No, I have not done anything but I stopped shopping from Daraz.
- Yes, I have added a negative review on the purchased product
- Yes, I have posted a negative review on a differ...

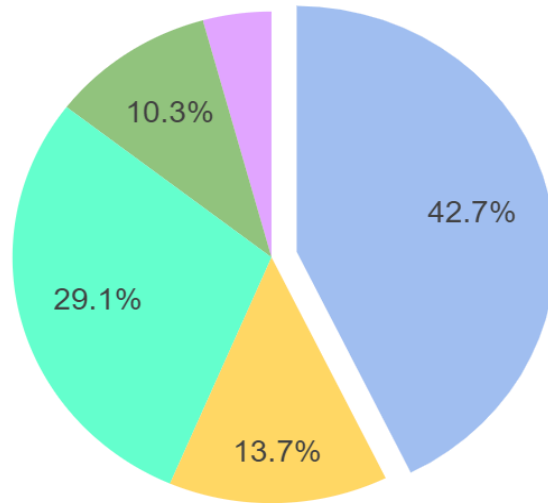


Figure 12: Percentage of different actions taken by dissatisfied Customers.

From Figure 11, We can see that most people with dissatisfactory experiences do not leave a review, and so they seem to not do anything about it. It is to assume that either they simply switch to a different e-commerce brand or do not return to shopping again. Around 29% of the customers just quit shopping from Daraz, around 14% of the consumers never recommend it to the people around them, and Only around 7% of the customers take it to their own account and leave a review on it.

Daraz should aim to increase the portion of customers who leave feedback so that they can further work on a better service. However, when customers do not talk about their experience, it becomes difficult for Daraz or any company to learn about the problems and come up with a solution.

Count of Do you wait for Daraz discounts while shopping?

● Sometimes.

● No,not always.

● Yes,Always.

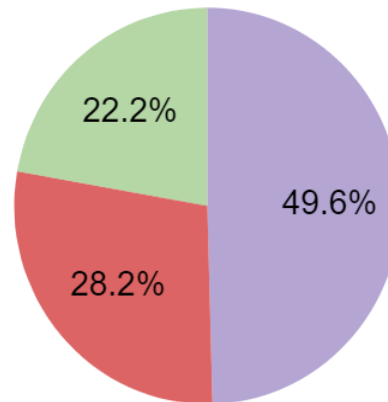


Figure 13: Percentage of users shopping for Discounts

Almost 50% of the customers wait for campaigns and discounts to shop from Daraz. This means half of the customers only return when there are offers ongoing. A customer base that always waits for discounts and also returns products without leaving feedback on them. Making a profit becomes the most difficult task.

Betterment of any service also requires revenue to allocate to new additions. However, when the profit margin of Daraz is low, the company itself cannot always go out of its way to help its customers. Thus, the loop continues.

Also, customers who do not wait for discounts or offers mostly buy low-value products. Low-value products are not of great quality. So the journey of those products from a vendor to customers, then return from customers and journey hampers the product. Through this process, vendors lose their products, and income from these goes to waste as well. Suppose vendors do not make money. Consequently, Daraz does not make any money either. On top of this, delivery costs, service charges, packaging costs, product holding charges, and time go to waste. Basically, Daraz needs to pay even when products do not get sold.

NEGATIVE REVIEWS ★ ☆ ☆ ☆ ☆

I was never a frequent daraz customer neither am now, because my family had terrible experience with their orders a while back which discouraged me. My sister's order turned out to be a damaged item when she opened it in the presence of the delivery man and along with her the quality reviews were dissatisfactory. I personally feel like daraz has a lot of items whose prices can be lowered because the quality does not seem to match many requirements such as the size and price, the durability and the price, etc.

Daraz takes long delivery time. sometime products are very bad in quality. which is just waste of money. Image representation of most products are very poor. so that it is tough to take decision in purchasing. foreign products are takes too much long to deliver. I have lots of bad experience with daraz.

Daraz website UI is horrible. Takes a shit load of time to load. Doesn't navigate properly too!

Sometimes End product doesn't match with the chosen product

Too much local products and not quality full

Price beshi, quality kharap

Daraz's products are not very durable and tasteful.

I think, not all the good reviews are legitimate.

The product arrived a day late

Figure 14: Specific Negative Reviews from customers

In the survey conducted, customers were asked to leave their negative feedback. A few of the mentionable opinions have been mentioned in the figure above.

Summary and Conclusions:

From the above study, it is to be concluded that the loop of dissatisfactory customer experience for Daraz is legitimate. There is definitely the opposite bright side for which customers are also having great experiences at the same time. E-commerce companies like Daraz also have some limitations and issues to be resolved about their customer service, and also, the customers can be educated about having good service. The issue of fraudulent customers comes from a lack of moral obligations and trying not to be accountable for one's own actions. I personally think that the arrangement of communal discussion on an organized occasion can greatly make a difference among the e-commerce brands to tactfully handle customer issues and gain better knowledge of resolving customer dissatisfaction.

Recommendations/Implications

Recommendation and implementation of regulations against fraudulent activity

Daraz's Anti-Manipulation Policy already exist for Customer Reviews. Creating Awareness among the customers to choose their desired product mindfully from the listing

Regulatory Frameworks: Regulatory frameworks encompass the laws and rules that govern e-commerce activities. These lay forth the guidelines for moral and safe online transactions, and they may include consumer protection laws, cyber security regulations, and anti-fraud laws.

Policy Development: E-commerce platforms must create internal policies that place a high priority on combating fraud, authenticating users and merchants, and safeguarding customers. These policies serve as the framework for the platform's fraud prevention and mitigation efforts.

Reporting Mechanisms: Through reporting channels, users may alert the e-commerce platform to any fraud they come across. These tools could have buttons, icons, and links for complaining or servicing customers.

Collaborative Efforts: Collaborative efforts comprise working with other parties, such as law enforcement agencies and cyber security firms, to investigate and prevent fraud. It is crucial for the sharing of information and resources in the fight against fraud.

Education and Information: E-commerce businesses should provide clients with instructional materials that explain common fraud tactics and how to stay secure. With the help of awareness campaigns and instructional resources, users can maintain their attention.

By identifying unusual patterns and transactions, cutting-edge technology, such as machine learning algorithms, increases the platform's ability to detect and combat fraud. According to the regulations on penalties and enforcement, laws that do not adhere to anti-fraud measures shall be punished. Enforcement agencies must have the resources and authority necessary to investigate and deal with non-compliant platforms.

Suggestions for future ideas that can be implemented for a better service

- Daraz can try forecasting **creative** kinds of **packaging** that may keep products safe until they get delivered to the customers. They can also use foam and recycled paper strips to protect rigid goods.
- **Blockchain technology** may be used to establish transparent supply chains, ensuring product authenticity and lowering the danger of fake goods.
- **Augmented reality (AR) for virtual try-ons** that can give customers the option to digitally try on items like apparel and accessories to lower the likelihood that they would be unsatisfied with their purchase because of the wrong size or style.
- Allow customers to take part in quality assurance by evaluating and rating items in accordance with predetermined standards, assisting other consumers in making wise judgments. This process is called **Crowdsourced Quality Assurance** and is only implemented by two or three e-commerce brands around the world.
- Adopt rules requiring openness in **dynamic pricing** practices so that consumers are aware of the factors behind price changes.
- Ensure a more trustworthy and honest review system by establishing stringent regulations to counteract fraudulent reviews and encourage real comments through **zero tolerance for false reviews**.

- Create possibilities for customers to actively interact with the e-commerce platform, offer feedback, and take part in forming policies and practices. **Community Engagement** and Feedback Panels can also prove to be highly beneficial for Daraz.
- Trying to uphold **ethical advertising standards** by avoiding the promotion of deceptive or harmful goods and ensuring that commercials adhere to the principles of the Shopping platform at Daraz can lead to mindful shopping.
- Create tools to confirm customers' identities, improving security and lowering the possibility of fraudulent transactions through Verified Customer Identity.

Mentionable issue with customer dissatisfaction:

Some workers try their heart and soul to do their respected jobs, especially the delivery persons who deliver the product in person to the customers. Delivery people frequently encounter difficulties such as address confusion, access problems, traffic congestion, and bad weather that might delay the timely completion of deliveries. Security hazards, contactless delivery procedures, and the physical strain of lifting large parcels are all safety considerations. Additional obstacles include dealing with high consumer expectations and rigorous delivery dates, particularly during busy holiday seasons. Language limitations, package security concerns, and legal constraints like driving laws may all make their task more difficult. These difficulties highlight the demanding nature of the delivery profession and the requirement for practical answers to guarantee efficient operations.

References:

- *About us | Daraz.com.bd.* (n.d.).
https://www.daraz.com.bd/about-us/?spm=a2a0e.home.footer_top.11.735212f7A2Kq3D&scm=1003.4.icms-zebra-100022982-2888463.OTHER_6051348799_2538033
- *CourseList.* (n.d.).
<https://university.daraz.com.bd/course/search?spm=du-bd-pc.du-bd-pc-module.courseIntro.4.6c015f66b9bWj0&cid=558>
- Desk, F. O. (2023, June 1). *Bangladesh to introduce new law to regulate e-commerce.* The Financial Express.
<https://thefinancialexpress.com.bd/trade/govt-to-introduce-new-law-to-regulate-e-commerce>
- *Ministry Of Commerce Issues Detailed Guidelines On E-Commerce Business – Mahbub & Company.* (2022, January 11).
<https://mahbub-law.com/ministry-of-commerce-issues-detailed-guidelines-on-e-commerce-business/>
- Siddiqui, M. S. (2022, September 20). Legal framework of e-commerce in Bangladesh. *The Business Post.*
<https://businesspostbd.com/opinion/legal-framework-of-e-commerce-in-bangladesh>
- Wardad Y. 30,000 complaints against e-commerce entities. **The Financial Express.** Published October 6, 2022.
<https://thefinancialexpress.com.bd/trade/30000-complaints-against-e-commerce-entities-1665066635>
- Halder MH and S. Chorus of complaints about e-commerce firms. *The Daily Star.*
<https://www.thedailystar.net/business/economy/e-commerce/news/chorus-complaints-about-e-commerce-firms-2132671>. Published July 17, 2021.
- Report T. Central complaint platform launched to prevent e-commerce fraud. *The Business Standard.*
<https://www.tbsnews.net/economy/central-complaint-platform-launched-prevent-e-commerce-fraud-587378>. Published February 19, 2023.
- Dantas K. Amazon's Customer Satisfaction Level Drops. What Brands Can Learn From This Situation? *Rock Content.* Published online November 29, 2022.
<https://rockcontent.com/blog/amazon-customer-dissatisfaction/>

- Faysal Atik, Faysal Atik. Troubled online marketplace Evaly ‘forcing’ workers out. *bdnews24.com*. Published online on August 27, 2021.
<https://bdnews24.com/business/troubled-online-marketplace-evaly-forcing-workers-out>
- Correspondent S. Evaly Scam Aftermath: Customers, sellers seek legal recourse. *The Daily Star*.
<https://www.thedailystar.net/business/economy/e-commerce/news/evaly-scam-aftermath-customers-sellers-worried-sick-2179681>. Published September 19, 2021.
- *8 Effective strategies for improving customer retention*. (n.d.).
<https://dropshipping.alibaba.com/buyer-growth/article/PXY63EAT-8-Effective-Strategies-for-Improving-Customer-Retention.html>
- Alibaba.com. (2023). Break Down Data Silos in B2B E-commerce with Alibaba.com. *Alibaba.com Seller Central*.
<https://seller.alibaba.com/businessblogs/px0028s6t-break-down-data-silos-in-b2b-e-commerce-with-alibaba.com>
- Drenik, G. (2022, November 8). ECommerce Expert explores how bad customer service is killing your brand. *Forbes*.
<https://www.forbes.com/sites/garydrenik/2022/11/08/ecommerce-expert-explores-how-bad-customer-service-is-killing-your-brand/?sh=410724c56e09>
- FAQs, E. (2022). How does poor customer service affect eCommerce? *Understanding eCommerce*.
<https://understandingecommerce.com/how-does-poor-customer-service-affect-ecommerce/>
- Statista. (2023, January 11). *Bad customer experience consequences in Western Europe and the U.S. 2021*. <https://www.statista.com/statistics/1358520/bad-customer-experience-consequences/>
- Studocu.(2019). *A Comparative study of Accounting System in E-commerce: Daraz Bangladesh Ltd*.<https://www.studocu.com/row/document/%E0%A6%9C%E0%A6%A4%E0%A6%AF-%E0%A6%AC%E0%A6%B6%E0%A6%AC%E0%A6%A6%E0%A6%AF%E0%A6%B2%E0%A6%AF/advanced-accounting/a-comparative-study-of-accounting-system-in-e-commerce-daraz-bangladesh-ltd/21102592>
- Eade, C. (2021). From disaster to resilience : A comparative study of legal frameworks for managing the seismic risk of existing buildings. <https://doi.org/10.26021/12031>
- ECommerce Expert Explores How Bad Customer Service Is Killing Your Brand..
<https://www.forbes.com/sites/garydrenik/2022/11/08/ecommerce-expert-explores-how-bad-customer-service-is-killing-your-brand/?sh=24be049a56e0>