Internship Report

On

**“ShopUp Empowering SME Sector”**

By

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ID: 18304005

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

BRAC Business School
BRAC University
December 2024

## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing 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 which 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:**

**Tofik Hossain Bhuiyan**
18304005

**Supervisor's Full Name & Signature:**

**Sebastian Groh, PhD**
Professor, BRAC Business School
BRAC University

## Letter of Transmittal

Sebastian Groh
Professor,
BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: The topic for submission for my internship report is ShopUp Empowering SME Sector.

Dear Sir,

It is my pleasure to showcase my internship report, which I chose to write as a significant element of my Bachelor of Business Administration at BRAC University. In these three months, I have worked with utmost dedication and effort and finished my internship at ShopUp.

ShopUp helped me learn about the corporate world and the workings of a business environment. Though my report is based on my short time at ShopUp, I hope you will find it helpful and reliable. I want to request that you be considerate of my mistakes, if there are any.

I thank you from the bottom of my heart for being kind and considerate of my inconsistencies and guiding me throughout the process.

Sincerely yours,

__________________________

Tofik Hossain Bhuiyan
ID: 18304005
BRAC Business School
BRAC University
Date: Dec 12, 2024

## Non-Disclosure Agreement

This agreement is made and entered into by and between ShopUp and the undersigned student at BRAC University named Tofik Hossain Bhuiyan for the responsibility for the prevention of information disclosure of the firm's classified data

Tofik Hossain Bhuiyan

ID: 18304005

BRAC Business School

BRAC University

## Acknowledgement

This report is a part of my recruitment for a Bachelor's Degree in BUS400 at BRAC University.

To begin with, I would like to thank Sebastian Groh, my supervisor. He has helped me a lot on this long path. He looked after my progress and mistakes. He guided and helped me stay focused so I didn’t drift away. Moreover, my line manager, Shahadat Hossain Sir, was very kind and empathetic towards me. He always pushed me and asked for updates on my report. He was very curious about my writings and learnings. He has shared all kinds of data with me so that I can write the report correctly. I also want to thank ShopUp's management and staff for providing me with study data. The team's findings illuminated ShopUp's efforts to support SMEs in our nation. Their passion for small enterprises and unique approach to solving their problems have been encouraging. I also appreciate the SME owners participating in this study's interviews and questionnaires. Thanks to their openness, I've seen ShopUp's effects on their companies personally. They contributed to this study. Finally, I want to thank my family for their constant support and encouragement during my academic career. Their confidence and encouragement have kept me going.

# Executive Summary

An undergraduate BRAC University student researched "ShopUp Empowering SME Sector" for this executive summary. The research examined how ShopUp, a popular Bangladeshi website, empowers SMEs. The study project included qualitative interviews and questionnaires to collect data and insights. The main goals were ShopUp's measures to help SMEs, SMEs' issues in Bangladesh, and ShopUp's impact on the SME sector. ShopUp helped SMEs flourish, according to the data. ShopUp provides digital marketing, inventory management, and finance to assist small companies in improving their online presence, simplifying operations, and boosting sales. SME owners said ShopUp's help boosted exposure, client reach, and the convenience of doing business.

The survey also highlighted Bangladeshi SMEs' issues, such as lack of money, technology, and marketing. ShopUp's funding, digital tools, and professional assistance helped SMEs overcome these problems. The findings also showed ShopUp's sound social and economic effects. ShopUp helps SMEs develop, create jobs, and reduce poverty. According to the report, ShopUp empowers SMEs, which benefits marginalised communities and women entrepreneurs. According to the report, ShopUp should extend its service offerings, strengthen ties with financial institutions, and use technology to meet SMEs' changing demands. ShopUp's initiatives may also benefit from government and industry partnerships.

The study concludes that ShopUp empowers Bangladeshi SMEs. ShopUp's platform and support services help SMEs overcome obstacles, expand their enterprises, and contribute to the country's socio-economic growth. This study may help policymakers, entrepreneurs, and stakeholders promote SME development and economic inclusion in Bangladesh.

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## List of Acronyms

| | |
|---|---|
| DC | Digital Credit |
| RIP | RedX Instant Payment |
| RAP | RedX Advance Payment |
| COD | Cash on Delivery |
| CES | Client Enquiry Sheet |
| CPV | Customer Point Verification |
| OD | Overdue |
| SME | Small Medium Enterprise |
| SMB | Small Medium Business |
| FICO | Financial Accounting and Controlling |
| USP | Unique Selling Propositions |
| FTL | Full Truck Load |
| LTL | Less than Truckload |
| CPG | Consumer Packaged Goods |
| B2B | Business to Business |
| B2C | Business to Consumer |
| CEO | Chief Executive Officer |
| CTO | Chief Technical Officer |

| | |
|---|---|
| CBO | Chief Business Officer |
| SR | Sales Representative |
| CPO | Chief Product Officer |

# Chapter 1
# Overview of Internship

## 1.1 Student Information

My name is Tofik Hossain Bhuiyan, and I am Student ID 18304005. I am pursuing my Bachelor of Business Administration from BRAC University, double majoring in Supply Chain Management and Computer Information Management.

## 1.2 Internship Information

### 1.2.1 Period, Company Name, Department, Address

This internship lasted three months, from 16 October 2022 to 14 January 2023. ShopUp Limited hired me as an intern in the Digital Credit department, which is currently located at House -112, Road No -06, Mohakhali DOHS.

### 1.2.2 Internship Company Supervisor's Information

During my internship, I was supervised by Shahadat Hossain Mazumder. He was the senior business Manager for Lead Generation and monitoring in the Digital Credit Department. He has over seven years of experience working in leading telco companies. He taught me different interpretation, communication, and soft skills that have added profound value to my early life.

### 1.2.3 Job Scope – Job Description/ Duties/ Responsibilities:

a) **Nature of Job**: There are over seven types of business under the umbrella of ShopUp. My department, DC, worked on two projects, RedX Instant Payment and RedX Advance Payment. Both these services allow our merchants or clients to receive a certain amount of investment with minimal service charge so that they can grow their business. I was responsible for connecting with RAP clients and delivering them the proper information. To begin with, we have a dedicated metabase platform which contains data related to our clients. Our tech team uploads the data relating to our clients to our platform, which collects real-time data from the RedX delivery service platform. The number of parcels sent by clients and the COD sum are among the details we collect. Based on the data, we compare it with our requirements and measure our clients' eligibility. Besides all these, we must do security checks to avoid fraud and guarantee investment returns.

b) **My Specific Responsibility at ShopUp**: Like every other company, "ShopUp" has its own set of rules and conditions for running its business. For the Digital Credit department, the specific responsibilities are:

1. My day started with checking the CES query. Here, we had to call clients and attend their quarries
2. Then, we monitor our clients to see if they are overdue.
3. After the problem, we contacted them to inquire about the overdue cause.
4. Then, we checked for potential clients from the Metabase and contacted them.
5. After all these, we uploaded a file mentioning all the clients we have reached, including their issues, quarries, compatibility, and other prospects.
6. Lastly, we had to report to our manager about the problems we are facing with our clients and the issues we must overcome to reach our monthly goal.

## 1.3 The outcome of the Internship Program:

### 1.3.1 Intern's Contribution to The Company

At ShopUp, we have a saying: "Our interns are important team members; we do not treat them as interns." This is evident in the way work is distributed. My interns have always had my back. They taught me everything from client management to Microsoft Excel, report presentation, working under pressure, and tackling challenging situations.

Initially, I was showered with a list of clients I had to attend. I needed more ideas regarding how to talk with them. Then, my mentors took the initiative and taught me how to reach out to our clients and manage them. While attending to clients, I was occasionally tasked with tracking down fraudsters who had taken investments from us but were unwilling to return them. It was the most challenging task because we had to go for a field visit to find their whereabouts. Based on the field visit, we had to create reports and assign tasks to the field or legal teams. I have also assisted our CPV team, where I was responsible for meeting with our clients and bringing any necessary paperwork. After a specific time, they put me in charge of document keeping containing every information related to our clients. All this work helped me to gain the trust of our team and supervisor, giving me a vital place in the team.

### 1.3.2 Benefits to the Student

For undergraduate students, the internship program is simply an improbable means to gain considerable real-world work experience. Working as an intern at ShopUp, I was able to experience the corporate world first-hand. To begin with, I have learned to open up and talk freely with customers without blurring. This has enhanced my public relations skills. I also had to work with RedX, finance, legal and field departments, which have taught me how to negotiate with different levels of people from various sectors. Next, I had to work after office hours and occasionally on weekends from home, which allowed me to operate under pressure and taught me how to manage my time better.

Moreover, our team had to work in complete sync to achieve our daily and monthly targets and tasks, and we always had each other's backs. The DC department was the perfect example of teamwork. I want to underline how strict they were about being on time for work, which assisted me in developing discipline. Finally, because I was in charge of maintaining documents, including top-secret files, I gained a greater sense of responsibility and awareness of work ethics.

### 1.3.3 Challenges/ Problems:

Since the workplace was entirely unfamiliar to me at first, it was challenging for me to adjust. Most of my coworkers were older than me and were submerged in work, so I was cautious when interacting with them. Moreover, their desire for high-quality work forced me to lose faith in my abilities to achieve perfection. I overthrew it with the help of my mentors. It's also important to highlight that some clients were impolite and disrespectful.

### 1.3.4 Recommendations

I encountered several problems throughout my internship, some of which I'd like to highlight.

1. Provide proper training to the CPV team to collect data from customers or merchants more effectively.
2. Keep merchant data updated through the RedX delivery app
3. Recruiting more skilled interns or executives for better productivity
4. The payment policies for the interns should be up to the market

# Chapter 2

# Organizational Part: Overview, Operations and Strategic Audit

## 2.1 Introduction:

A required component of the academic program is an internship program after passing all of the courses at the BRAC Business School. Interns gain work experience through internship programs. Therefore, acquiring knowledge from both books and experience can aid in developing a thorough understanding of various business responsibilities that will be useful in the future. As a participant in the internship program, ShopUp Ltd. allowed me to join them as an intern.

ShopUp is a decisive stage utilising creative ways to engage Bangladesh's SME area. Now let's see how ShopUp is changing things:

1. **Serving the Backbone of the Economy**: ShopUp recognises that nearly all businesses worldwide are small—to mid-sized entities. These firms are the pillars of the economy in Bangladesh, aiding 31.2 million individuals and creating around 7.8 million jobs. Meanwhile, ShopUp launched with a clear game plan to help these ventures preserve their remarkable foundations.
2. **Full-Stack B2B Commerce Economy:**
   - ❖ ShopUp serves as a comprehensive B2B commerce platform designed for small businesses. It encompasses a vast array, including SMEs, MSMEs, F-commerce and even local family-owned shops (commonly known as "mudir dokaan").
   - ❖ The platform provides a one-stop solution by offering easy access to:
     - I. B2B Commerce: Facilitating Business transactions
     - II. Last-Mile Logistics: Ensuring Smooth delivery
     - III. Digital Credit (Ankur): Supporting capital needs
     - IV. Business Management Solutions: Streamlining operations
   - ❖ Tech-First Approach:
     - I. ShopUp taps into Bangladesh's tech-positive attitude, particularly in remote areas. As tech becomes accessible to everyone, regardless of income, ShopUp rides this wave.

II. ShopUp is a technology-focused platform that helps small businesses adopt new technology. It promotes growth in SMEs by combining conventional commerce with digital tools.

- Origins and Early Support:
  I. ShopUp was initially created to assist small businesses on Facebook. It facilitates item stock-taking and entire operations using Facebook pages.
  II. ShopUp assisted small shop owners, who often encountered many roadblocks in running their businesses, by ensuring product delivery and providing monetary assistance.

### 2.1.2 History of ShopUp:

A Bangladeshi startup called ShopUp has been attracting considerable attention. Founded in 2017 by Afeef Zaman, Ataur Rahim Chowdhury, and Siffat Sarwar, ShopUp aims to solve problems faced by small—and medium-sized businesses (SMBs) in Bangladesh, especially those in the less formal sector.

Initially, the firm aimed to bring tech and finance tools to small businesses, particularly women-led ones. ShopUp offers various services for businesses of moderate size. These services include digital money options, stock management tools, links to online markets, and funds through ShopUp Finance, the company's finance team.

One key component contributing to its success was ShopUp's focus on innovation to develop tasks and progress for individuals further. By making it easier for small and medium-sized businesses to go online and manage their organisations more effectively by having different administrations on a single platform, ShopUp simplifies obtaining unreadily available financing.

ShopUp's innovative business model and social impact have earned it considerable recognition. Thanks to the backing of notable venture capital firms, the organisation could extend its reach throughout Bangladesh, servicing numerous merchants while significantly boosting the country's digital economy.

ShopUp is dedicated to helping small businesses through technology and financial services. It has increased access to funds while quickly gaining popularity within Bangladesh's startup sector.

### 2.1.3 Future of ShopUp:

The future of ShopUp is bright as it continues to grow and impact the Bangladeshi SME sector. Here are some factors that may influence its direction.

- **Expansion and Diversification:**
  I. As it gains momentum, ShopUp may be able to add more features to its current offerings. This might lead to a broader range of services tailored for specific projects.
  II. This growth might come from entering new markets, such as farming or handcrafting. ShopUp can help more businesses grow economically.
- **Enhanced Technology Integration:**
  I. Considering its emphasis on technology, ShopUp is expected to incorporate advanced technologies further. This could involve:
    - Blockchain-based solutions: Ensuring transparency and trust
    - IoT Applications: Streaming logistics and inventory management
  II. ShopUp can enhance its user services by constantly staying updated with the latest technological advancements.

- **Financial Inclusion and Access to Capital:**
  - ShopUp is helping small businesses by giving them digital money. In the future, it might work with banks to make it easier to get money.
  - Collaboration between government agencies, industry associations, and educational institutions may help build a robust ecosystem.
- **Sustainability and Social Impact:**
  - ShopUp may want to use environmentally friendly methods as more people become aware of sustainability. This means helping to find things that are good for the environment, reducing waste, and using ethical business practices.
  - ShopUp may also keep empowering female businesses and ensuring social impact and gender equality.

## 2.2 Overview of the Company:

ShopUp is a sizable, technologically advanced startup that supports SMEs in Bangladesh. Since its launch in 2016, ShopUp has revolutionised how small and medium-sized businesses (SMEs) operate by providing comprehensive support services and innovative solutions that enable them to flourish in the knowledge-based economy. The main objective of ShopUp is to support SMEs in Bangladesh by removing barriers between physical businesses and online sellers. ShopUp aims to involve SMEs, accelerate their growth, and boost the nation's economy through innovation, data analysis, and clever partnerships. ShopUp offers a variety of services that are specially tailored to the needs of SMEs. Some of these services include online business solutions, computerised marketing, financial access, exchange platforms, and transportation assistance. SMEs may create a web-based profile, manage their products, and accept advanced payments using ShopUp's online business management, which helps them attract more customers and increase their sales.

ShopUp initially provided small business owners with technological tools to have an online presence and attract more customers. The innovation changed how small vendors operated and provided them with new opportunities for growth by enabling them to manage inventory, construct customised web-based stores, and cycle advanced payments. As ShopUp gained popularity and realised that its services benefited SMBs, it expanded its offerings to meet customer needs. With targeted advertisements and online entertainment campaigns, ShopUp developed automated promotion tools to assist SMEs in selling and marketing their products. ShopUp also acknowledged the crucial problem of SMEs' access to credit. It worked with financial institutions to create ShopUp Money, an automated lending facility for qualifying SMEs. ShopUp Money uses optional FICO tests and information examinations to assist disadvantaged businesses.

One of ShopUp's most crucial services is ShopUp Finance, an online financing instrument that aids small and medium-sized businesses (SMEs) in obtaining the funding they want. ShopUp offers speedy and straightforward advances to qualified SMEs, empowering them to put resources into their organisations and speed up development. ShopUp uses elective FICO assessment frameworks and connections with monetary foundations. ShopUp also offers digital marketing solutions to SMEs that enable them to create targeted advertising campaigns, raise their online presence, and expand their consumer base. Small and medium-sized businesses (SMBs) can access products from reputable suppliers through ShopUp's trade platform. This ensures that the supply networks for their companies run smoothly and effectively. In addition to providing services, ShopUp is also dedicated to assisting SMEs in other areas. The organisation works intimately with various accomplices, including administrative offices, banks, industry specialists, and SME proprietors. By forming these associations, ShopUp hopes to impact laws, making obtaining funding more accessible and creating an environment that inspires new businesses.

By making significant financial investments in ShopUp, Sequoia Capital and other well-known investors have shown the worth and importance of the company. The company's clientele has rapidly grown, supplying power to thousands of small and medium-sized businesses (SMBs) in Bangladesh and contributing to the creation of jobs, the lowering of poverty levels, and the growth of the economy. In conclusion, ShopUp is a start-up that is transforming how SMEs function in Bangladesh. To assist small and medium-sized enterprises (SMEs) in overcoming obstacles, realising their full potential, and participating in the digital economy, ShopUp offers a wide range of support services, leverages technology, and encourages partnerships.

### 2.2.1 Vision, Mission, Core Values:

### Vision:

ShopUp aims to empower Bangladeshi small and medium enterprises (SMEs) by providing innovative, technologically advanced solutions and comprehensive support services to help them develop and transform. To help SMEs expand, stay in business, and contribute to the economy, we aim to reduce the digital divide, make it easier for them to access credit, and improve their capabilities. Small businesses have always driven our economy, and by supporting their expansion, ShopUp is supporting micro-business owners and expanding rapidly.

### Mission:

ShopUp is revolutionising the reseller option. With its help, one can start a business with resellers without making a financial commitment. One can also purchase goods at the lowest possible price and resell them to their customers. RedX offers better and faster shipping for ShopUp and all other customers. To achieve its mission, ShopUp also offers e-loans. We want to empower small and medium-sized enterprises (SMEs), change businesses' operations, and create an atmosphere promoting economic progress.

Here are some brief ideas about the services provided by ShopUp to its consumers

1. **Shop Management Tool**: ShopUp is a platform that helps small enterprises or resellers manage their operations more effectively and efficiently. Its platform, Mokam, organises the consumer market. This is one of ShopUp's USPs, or Unique Selling Propositions.
2. **Digitalisation of Shops:** Small businesses must use digital marketing platforms to attract more customers. Mokam allows firms to register in its app and introduce customers to its products, which are available in stores.
3. **Delivery Support**: ShopUp has a fantastic platform known as RedX. It offers customers various facilities, such as FTL, LTL, personal delivery, bulk shipping, and a warehouse. It is an excellent product for customers of all types.
4. **Macro Account Credit**: The most infamous of all the amenities offered by ShopUp is macro account credit. Starting from four-digit investments to six-digit investments can be made here. High-voltage clients may receive investments up to seven figures. All investments are under the purview of the DC department. For such ventures, a mortgage is not necessary. Compared to banks, they are more liberal. Even their service fee is less than what banks charge.
5. **Inventory Management Tool**: Both Mokam and RedX are present. Depending on the item class and client base, it can be determined whether Mokam or RedX completes the task. Mokam is suitable for small shops or organisations with fewer items, and RedX is suitable for organisations that work in bulk.

## Values:

ShopUp upholds the following fundamental values:

1. Merchant first
2. Pace over perfection
3. Act like an owner
4. Demand highest standards
5. Do more with less

## 2.3 Operating Sectors

ShopUp is divided into three main business groups and is known for assisting SME sectors.

### 2.3.1 Mokam

*Figure 1: Mokam Logo*

Mokam is a one-step solution for merchants. It buys products directly from manufacturers and suppliers and distributes them to wholesalers and retailers. Mokam works with more than seven hundred thousand merchants. It is a B2B e-commerce company. Customers can easily order online or contact SRs.

Mokam has divided its products based on customer orientation. They are:

a) Mokam CPG
b) Mokam Energy
c) Mokam Fresh
d) Mokam Poultry
e) Mokas Agro
f) Unicorn
g) Reseller

### 2.3.2 RedX

*Figure 2: RedX Logo*

RedX has become the best delivery platform during COVID-19. It offers B2B and B2C services through its mobile app. It provides 24/7 logistics support, and orders are monitored in real time. Payment can be made through the platform, COD, online, or through a bank.

### 2.3.3 Onkur

*Figure 3: Onkur Logo*

Onkur is the direct successor of the Digital Credit operation. It is now more supple, stable, and has a larger target. It is in charge of microfinance. ShopUp supports emerging companies associated with ShopUp. For example, if a person uses RedX as a delivery platform, ShopUp knows about their transaction history. This creates a sense of trust, and based on some additional criteria, they allow them to receive investment from us.

## 2.4 Board of Directors

| NAME | DESIGNATION |
|---|---|
| Afeef Zaman | CEO, Co-founder |
| Siffat Sarwar | Ex, COO, Co-founder, |
| Ataur Rahim Chowdhury | CTO, Co-founder |
| Sujayath Ali | Chief Brand Officer, Co-founder |
| Navaneetha Krishna J | Head of Engineering, Co-founder |
| Mamun Rashid | President, ShopUp |

*Figure 4: From the left, Afeef Zaman, Siffat Sarwar, Ataur Rahim Chowdhury*

Ataur Rahim Chowdhury, Afeef Zaman, and Siffat Sarwar created ShopUp in 2016, which has been crucial to the growth of the SME industry. The creators of ShopUp sought to aid Bangladeshi small businesses in overcoming technological, financial, and marketing challenges. Using e-commerce and digital technology, they aimed to link traditional traders with the online market.

## 2.5 Organogram

Work is done in an organisation through its organisational structure, which enables groups to collaborate on projects within the scope of their specific responsibilities. Here is an organogram showing the workings of ShopUp

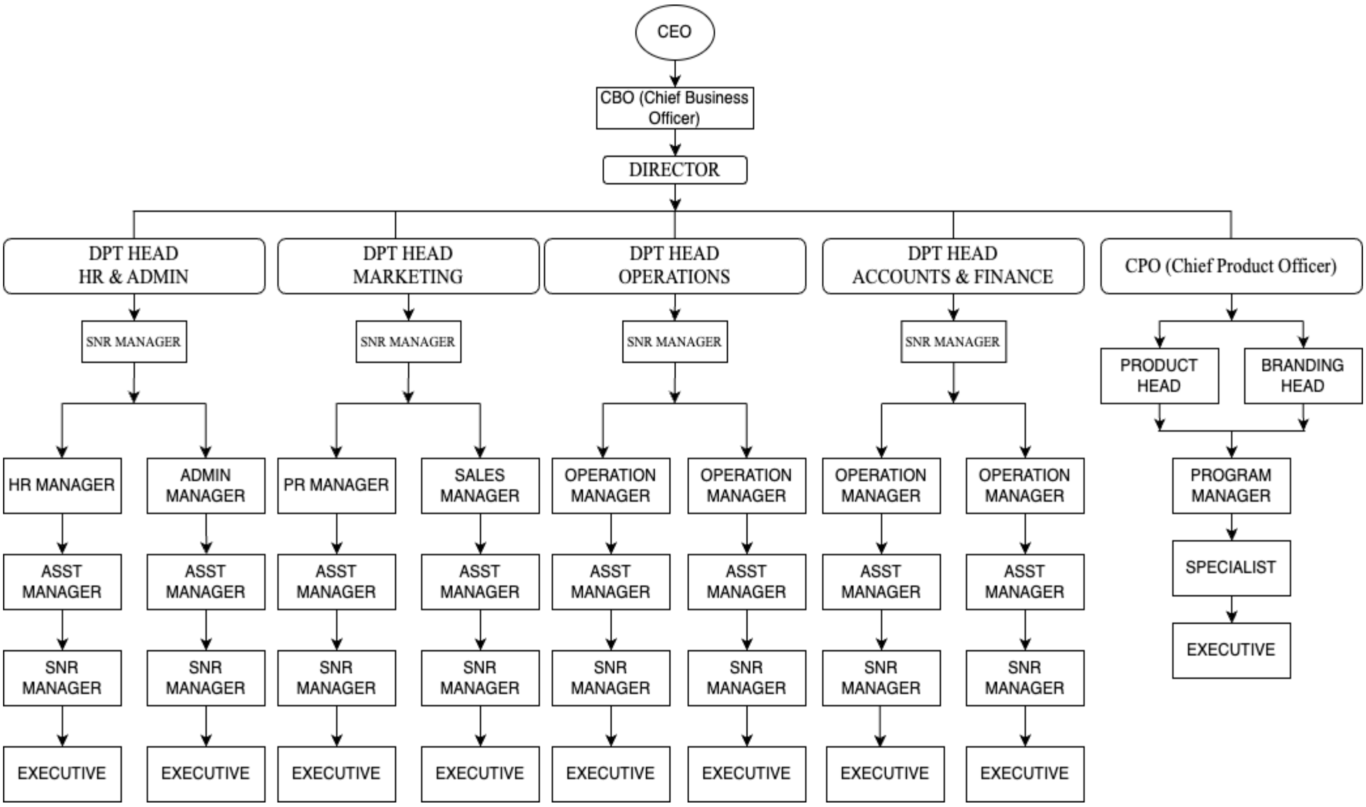


*Figure 5: Organogram of ShopUp*

## 2.6 Management Practices:

ShopUp's management practices are commendable. ShopUp's high-level administration works vigorously and tirelessly with experienced faculty. The administrative office guarantees that each partner is given an equal opportunity to improve and better support their customers.

Customer-Centric Approach: ShopUp has a customer-driven approach to business, focusing on and supplying SMEs' needs. The firm thoroughly understands SMEs' difficulties and adapts its management to their unique requirements. By attentively listening to customer feedback and participating in ongoing developments, ShopUp ensures that its solutions are responsive to the client's evolving needs. Additionally, ShopUp responds swiftly to shifting consumer preferences and market situations. Allowing employees to exercise initiative and make evidence-based decisions fosters a culture of creativity, experimentation, and learning. This enables them to stay current with the rules and working conditions.

Collaborative Work Environment: ShopUp has partnered with numerous national and international organisations to support the SME sector. They have also scheduled workshops and seminars to help retailers learn to use RedX and Baki. These efforts aim to assist retailers in digitalising to expand their businesses.

Decision Driven by Data: ShopUp supports decision-making at all organisational levels with data analytics and insights. The organisation gathers and analyses data from various sources, including consumer behaviours, market trends, and internal operations, to make strategic decisions and enhance its services. ShopUp can make wise decisions, spot development possibilities, and consistently improve its performance thanks to this data-driven strategy.

Development and Engagement of Workers: ShopUp values the growth and commitment of its employees as they recognise their importance. The organisation provides training and professional development opportunities for its workers to develop their competencies and skills. ShopUp also encourages a positive work environment, open communication, and recognition of its employees' achievements and efforts. ShopUp promotes employee involvement and development to support a motivated and productive staff.

Transparency and ethical practices: ShopUp maintains faithful moral standards and promotes straightforwardness in all aspects of our operations. The organisation guarantees the protection and security of information, fulfils legitimate and administrative needs, and maintains the trust of its partners. ShopUp's commitment to being morally straightforward promotes validity and trust between SMEs and various partners.

## 2.7 Marketing Practices:

Marketing is crucial for ShopUp, like for any other organisation. ShopUp was originally an f-commerce startup, which stands for Facebook commerce. Facebook and other social media were the foundation of the entire business model. However, as the business has grown, the model and marketing approach have also altered. ShopUp's marketing relies mainly on internet platforms and media. Every ShopUp app is available on the Google Play Store.

A) **Digital Marketing Plan**: ShopUp has implemented a comprehensive digital advertising plan to expand its online presence and reach. The company uses a range of digital platforms, including search engine optimisation (SEO), social media marketing, content marketing and email marketing, to promote its services and help customers recognise its brand. To improve customer acquisition and retention, ShopUp uses data-driven statistics and trends to target the right audiences, customise its messages and strengthen its digital campaigns. The organisation creates blog posts, manuals, case studies and other educational resources to establish itself as a thought leader in the SME ecosystem. ShopUp positions itself as a trusted partner in SME development by demonstrating its expertise and earning its trust by offering industry insights, success stories, and helpful advice.

B) **Partnership with Influencers:** To improve its brand message and reach a larger audience, ShopUp collaborates with influencers, subject matter experts, and SME owners. ShopUp uses the authority and influence of well-known SME community members to advertise its products and draw in new clients. These partnerships help SMEs build trust, brand awareness, and brand loyalty.

C) **Community Building and Engagement**: ShopUp effectUsing various strategies, ively creates and establishes connections with local SMEs using variou is dynamic across web-based entertainment platforms such as Facebook and LinkedIn, where it acquires insightful data, responds to customer inquiries, and fosters conversations within the local SMB space. To potentially with open doors, industry experiences and educational materials, ShopUp organises gatherings, online courses, and workshops.

D) **Partnership and Co-marketing Initiatives**: ShopUp develops co-marketing initiatives in collaboration with key partners, such as financial institutions, e-commerce platforms and trade groups. Through these partnerships, ShopUp can grow its clientele, penetrate new areas, and create advantageous campaigns for both sides. Co-marketing strategies that support brand positioning and raise awareness may include joint events, cross-promotion, or packaged service offerings.

By implementing these marketing methods, ShopUp can reach its target market of SMBs, increase brand recognition, and establish itself as a trusted partner in the SMB ecosystem. Thanks to its data-driven approach, content marketing strategy, community engagement programs, and strategic alliances, ShopUp is a pioneer in supporting SMEs in Bangladesh.

## 2.8 Financial Performance and Accounting Practices:

ShopUp's Monetary presentation and accounting samples are some of the most delicate and fascinating topics to discuss. Since its start of operations, ShopUp has received funding from 14 investors. During ten investment rounds from 2015 to 2023, ShopUp raised $231.7M. Fourteen investors are helping to finance ShopUp. The City Bank and Lendable are among the most recent investors. ShopUp acquired Voonik in January 2020. Highly aggressive and tightly controlled financial and accounting methods accomplish these phases.

Additionally, ShopUp provides small business "Micro E-Loan" services under RIP & RAP with backing from "Onkur" and DC. This is an excellent initiative to help small start-ups remain sustainable. These factors have contributed to them frequently receiving foreign investments as companies successfully expand. Every store, regardless of size, uses MOKAM or RedX services. By using ShopUp's services in B2B, they can provide better services to consumers, which helps ShopUp generate revenue and improve the economy.

## 2.9 Operations Management:

ShopUp has made commendable progress in its operations. ShopUp has introduced RedX, Mokam, and Unicorn Distribution for exchange and SME support. These applications can make the lives of shoppers easier and smoother. If someone has a web-based stacking store and needs to stock items or send them to their buyers, they can incorporate RedX for conveyance or dissemination. He can acquire goods from Mokam at a lower price without much effort. Besides, if his business is flourishing and he wants to speculate. He can quickly get additional help from Onkur, also called DC, who is responsible for supporting RIP and RAP. ShopUp has different answers for different types of organisations. Everyone needs various kinds of help ShopUp has presented. Even companies like ACI, Unilever, Marico, Banglalink and other giants use ShopUp to ship their products. In addition, Mokam monitors inventory levels to ensure they always stay supplied. Moreover, daily deals and target reports are elevated to a more critical position to support business and productivity. It's a mutually beneficial arrangement for both ShopUp and its customers.

## 2.10 Information System Practices:

Information is the key to success. The more data and information you can manage, the more precise you can see. ShopUp is a technology-based company with a technical team for front-end and back-end development. It is worth mentioning that ShopUp cannot change data in real-time due to its business policy, but it is updated daily. There was a time when I was told to keep track of daily business transactions. Mokam had projects called fish, poultry, commodities, fresh, etc. Their job was to buy products in large quantities and sell them when prices went up. All investments had to be adequately justified. I had to keep track of the amount of money they were taking in and purchase requisition. Most of the data was supported by a copy of the invoices. They had to submit the data within the allotted time, or their payment would be stopped. Here I was, and they were pretty serious about updating the data as quickly as possible because they had to reconcile their purchase amounts with the finance team. So, from my experience, ShopUp's information system is robust and better than some other companies.

## 2.11 Industry and Competitive Analysis

Industry and company auditing is crucial to any organisation because it reveals areas where the corporation is behind or excelling. Several methods are frequently applied to industry-specific severe investigations. The SWOT analysis is the approach that is most commonly utilised among these. The SWOT analysis was employed for ShopUp's inquiry. Given the size and scope of the web-based business industry, a SWOT analysis is conducted to help a firm understand its internal and external strengths and weaknesses, as well as its environmental opportunities and risks. ShopUp is up against a lot of competition as it overgrows in Bangladesh. Similar websites like ShopUp are expanding at an alarming rate, including ShebaXYZ, We are X, Daraz Ltd, and others. Remember that ShopUp has only briefly operational when examining the SWOT analysis. ShopUp has rapidly expanded and has seized a sizable portion of the market.

### 2.11.1 SWOT Analysis

| **Strengths** | **Weakness** |
| --- | --- |
| 1. One of the top startups in Bangladesh in 2019 with significant international investment.<br>2. Acquiring "Voonik" from India and bringing in the best tech team and engineers from that country will give your company a competitive edge.<br>3. On a regular basis attracted considerable international investment.<br>4. Has a great start-up culture, and Forbes named it the greatest start-up in the world in 2018. | 1. Less well-known due to weak marketing efforts. Only retailers and other companies are aware of ShopUp or its vertical groups.<br>2. Compared to the growth rate, human resources are a scarce commodity<br>3. Adequate training for these human resources. In the three month period that I have been working here, no workshop has been set up to train the interns |
| **Opportunities** | **Threats** |
| 1. There is no other B2B competitor doing the exact same thing as ShopUp.<br>2. The company is expanding as a global brand. started a firm in India, expanded there, and improved it. | 1. Possibility of new competitors emerging with the same idea.<br>2. Micro e-loans might be dangerous.<br>3. Another big problem is that SR’s and DB managers get out of the way and make extra money by putting the company in a bad light<br>4. Employees at unicorn distribution are not transparent about their investments |

## 2.12 Porter’s Five Forces

**Competition in the Industry**: Low to Moderate

There is little competition because Shop Up now dominates the market with an exclusive service. Although Sindabaad is a rival of Shop Up, this level of competitiveness is dwindling as Shop Up expands its distribution networks. Other businesses have comparable services but are less comprehensive than ShopUp. Additionally, they need more funding, similar to ShopUp.

**Bargaining Power of Supplier**: Low

Unlike many others, this business requires only a few resources to perform its tasks. It heavily depends on its staff's knowledge and expertise. As a result, it doesn't require particular products to provide its services to customers, and its suppliers have less negotiation power.

**Bargaining power of Buyers**: Low to Moderate

ShopUp clients are business owners who lack the knowledge to launch a company or require sufficient funding. A growing percentage of people in Bangladesh consistently behave this way, so customers are unconcerned with ShopUp's estimations.

**Threats of New Entry**: Moderate to High

The process' constant focus on services creates a significant barrier to entrance into this B2B platform. A patent and funds are required to launch this type of firm. Anyone with the necessary resources and the willingness to take risks can accomplish this. A business like this will make many people happy because today's age depends on technology. As a result, there is a moderate to high danger.

**Threats of Substitution**: Low to Moderate

At the time of writing, ShopUp faced minimal opposition from other retailers. They are expanding even though they still need to provide ShopUp's degree of thorough reseller assistance. Therefore, even if the chance to switch ever presented itself, customers' ability to do so would be constrained. The danger in this situation is, thus, minimal to moderate.

## 2.13 Customer Satisfaction Measurement

ShopUp uses various techniques to measure customer loyalty in Bangladesh to provide customers with a satisfying experience. Although the inquiry items do not offer particular details on the methods, ShopUp most likely use the approaches mentioned below to measure and enhance customer loyalty:

- Feedback Mechanism: ShopUp asks customers to give feedback on how they use the platform and services using surveys or ratings.
- Customer Support: ShopUp's quick and efficient customer support services increase contentment by dealing with any issue or concern customers or merchants raise.
- Data Analysis: ShopUp can customise its services to fulfil customers' needs by studying user data, purchase history, browsing patterns and engagement.
- Reviews and Testimonials: Tracking reviews, testimonials, and social media mentions effectively gauging customer satisfaction and identifying potential customers.
- Retention Rates: Tracking customer retention rates and repeat business can show how satisfied users are with ShopUp's services and how well it is performing.
- Continuous Improvement: By continuously improving user experience, introducing new features, and addressing pinpoints, ShopUp can demonstrate a commitment to ensuring a high level of customer satisfaction.

## 2.14 Summary

Bangladesh's e-commerce sector has grown in the last two or three years. Online shopping is becoming increasingly popular, and as the number of customers increases, so does the number of small businesses. Few businessmen recognised this gap in the market, and that's how one of the most remarkable startups of the last few years, ShopUp, was boty, ShopUp has given small businesses new hope for suc thanks to its modernitycess.

Services provided by ShopUp:

a. Shop Management Tool and FlexiPay – Baki
b. Inventory Management Tool – Unicorn Distribution
c. Micro-Loan – ShopUp; DC- RIP & RAP
d. Delivery System and Logistic Support – RedX

Thanks to everything taken together, SME enterprises now have new optimisDue to this addue to this advancement, vancementlly, all the major corporations are working with ShopUp and its si. Tnt judgment and leadership of ShopUp's co-founders and stakeholders.

## 2.1 Possible recommendation:

During the five months, I learned a lot from my teammates, colleagues, and supervisors. The organisation is best for beginners because they can learn and improve their skills. However, there are a few issues that I would like to address. First, Unicorn Distribution employees must be more balanced and well-trained. They are responsible for all the failures. They are not honest with their employer. They have taken evil actions to line their pockets and mislead customers. They need to provide adequate data to the Hub. In addition, CAMs are not well-informed about their customers and their businesses. Finally, ShopUp should pay attention to the staff members they hire and give them the necessary training.

# Chapter 3
# ShopUp Empowering SME Sector

## 3.1.1 Contribution of ShopUp in the SME Sector

In our nation, SMEs are expanding quickly and are still in the development phase. ShopUp has significantly contributed to SMEs, and there will be many more.

1. **Digitalisation of SMBs**: ShopUp allows SMEs to establish an online presence and create an e-commerce website, allowing them to manage their businesses digitally. This will enable merchants to have both offline and online customer bases.
2. **Access to Finance:** ShopUp provides financial services to potential businesses longing for support. This might be a hassle for SMEs if they had to contact banks.
3. **Logistics and Supply Chain Support:** They also provide business logistics and Supply Chain Management support. Services like last-mile delivery, inventory management, and order fulfilment are always available to support businesses.
4. **Training and Education:** ShopUp has offered training and education to entrepreneurs, helping them develop skills in digital marketing, business management, and e-commerce operations. Overall, their goal is to help businesses grow and become sustainable.
5. **Marketplace Platform:** To increase sales and growth, ShopUp has provided entrepreneurs with an online marketplace to showcase and sell their products to a broader customer base.
6. **Job Creation:** By supporting SMEs and encouraging their development, ShopUp has contributed to job creation in a roundabout way and opened valuable doors for businesses in the SME sector.
7. **Economic Growth:** In several Asian countries, including Bangladesh, SMEs are a significant force behind economic progress. ShopUp's services have helped these companies grow and develop, positively affecting the economy.

### 3.1.2 Women Empowerment:

Funding and outsourcing are among the most significant issues women face while running their businesses. ShopUp encourages women to establish their businesses online and groom their businesses. They also give them ideas on improving their sales and make proper statements to improve quality. About 38% of the ShopUp sellers are women.

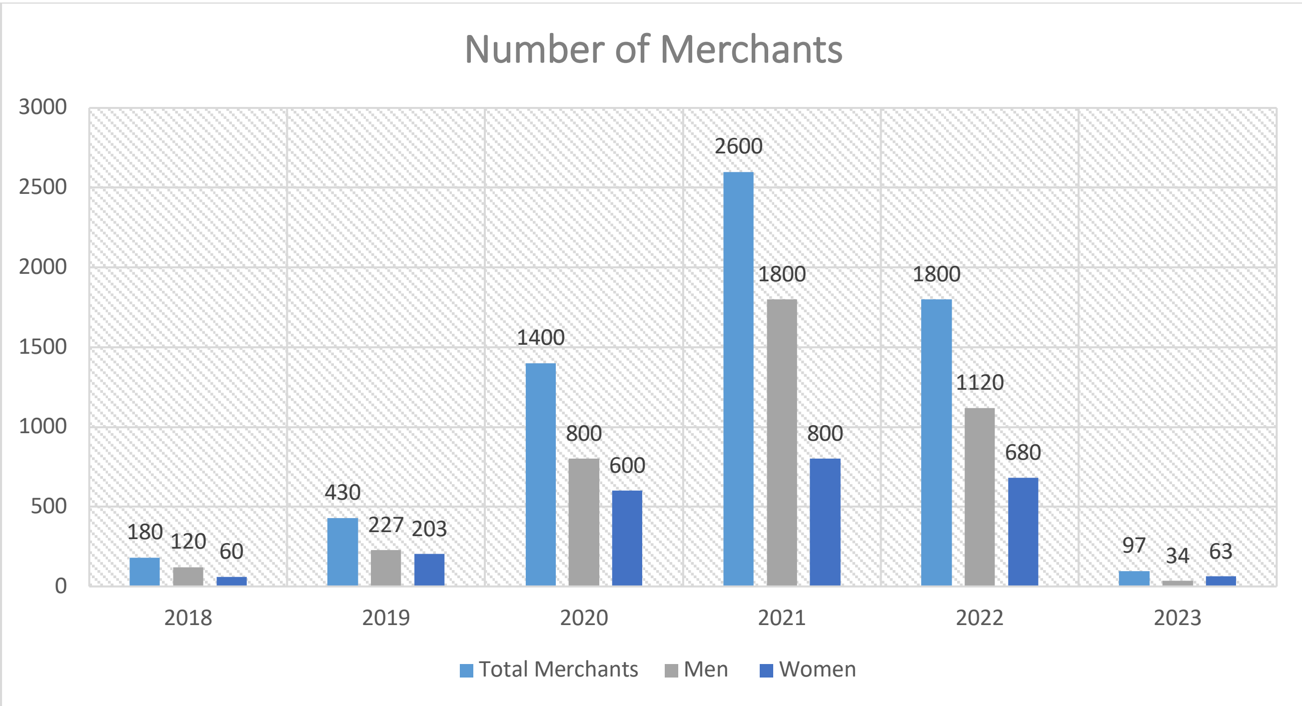


*Figure 6: Number of Women Merchants*

## 3.2 Analysis of the Industry

### 3.2.1 Equity Funding

ShopUp's funding from major global investors like Sequoia Capital and Valar Ventures shows strong confidence in its business model. This investment highlights these firms' trust in ShopUp's vision and boosts its ability to scale and innovate in the SME sector. With this backing, ShopUp can enhance its services and empower small and medium enterprises in Bangladesh, driving growth and economic development.

**Series A**: In 2020, Sequoia Capital India and Flourish Ventures co-led the funding round, successfully securing $22.5 million.

**Series B:** In 2021, a B2B e-commerce platform in South Asia secured $75 million in funding, marking the largest Series B round in the region at the time. The investment was led by Valar Ventures, founded by Peter Thiel. Notable firms participated, including Prosus, Flourish Ventures, and Sequoia Capital India. This round highlights the increasing confidence in the B2B e-commerce sector in South Asia.

### 3.2.2 Debt Financing

ShopUp has embraced debt financing as a strategy to accelerate its growth, leading to higher debt levels. As the company forges ahead, it's crucial to expertly manage this debt to remain a tool for advancement rather than a hindrance. Balancing growth with financial responsibility will be key to their ongoing success

- In 2023, a total investment of $30 million was secured, comprising $20 million from Lendable—marking their inaugural investment in South Asia—and $10 million from City Bank, representing a pioneering local currency loan for a startup in Bangladesh. This strategic funding is designed to facilitate expansion and enhance supply chain operations effectively.
- In August 2024, ShopUp successfully completed a debt financing round, securing $6.5 million to bolster its growth trajectory. This strategic move further enhances the company's potential for future expansion.

**Financial Performance**

- Positive Revenue Growth: ShopUp experienced notable revenue growth in the 2023 financial year, reporting $129 million, which marks a 55% increase compared to the previous fiscal year, FY22 reported by The Dhaka Tribune in November 2023. ShopUp has successfully secured $6.5 million in funding to enhance its supply chain capabilities. This investment, reported in August 2024 by Silicon Valley Journals, aims to strengthen the company's operations and improve efficiency. The company has indicated that it has attained positive unit economics and is anticipating the possibility of generating net profits annually beginning in the 2024-25 fiscal year.

- Losses: ShopUp has experienced revenue growth. However, like many startups in their growth stages, it has also accumulated losses. According to The Business Standard, as of November 2023, ShopUp reported a total accumulated loss of Tk1,277 crore. This trend is typical for companies making significant investments in expansion and technology.
- Improving Profitability: ShopUp has demonstrated an upward trajectory in profitability, achieving adjusted EBITDA positivity in December 2023. Furthermore, their monthly EBITDA-level profitability has shown consistent improvement, as reported by DealStreetAsia in June 2023.

**Assets**

- Cash Reserves: As of June 2023, ShopUp has reportedly maintained a substantial cash reserve of approximately $69 million. This financial position offers the company a valuable buffer to manage the current economic environment effectively and enables potential investments in future growth.
- Technology Platform: ShopUp's cutting-edge technology platform, featuring its innovative app and robust backend systems, is a game-changing asset. This streamlines their operations and gives them a distinct competitive edge in the marketplace.
- Logistics Network: REDX has a strong logistics network that includes warehouses and delivery services. This helps them reach customers all over the country.
- Brand Value: ShopUp has established a solid brand reputation in Bangladesh, enhancing customer trust and loyalty.

### 3.2.1 Return on Assets

ShopUp, an emerging leader in Bangladesh's e-commerce and fintech sectors, is garnering significant attention for its innovative support of small businesses. While the company is experiencing robust revenue growth, its profitability, as indicated by Return on Assets (ROA), remains a key concern for investors.

ROA, which is calculated by dividing net income by total assets, serves as a measure of a company's efficiency in utilizing its assets to generate profit. For ShopUp, accurate assessments of ROA are difficult due to the absence of detailed financial statements. As it stands, the ROA is likely low or even negative, with losses amounting to Tk1,277 crore (approximately $118 million) as of May 2024, reflecting the typical challenges that startups face during their growth phase. ShopUp reports positive unit economics and gross margins, suggesting their core operations are becoming profitable. They anticipate reaching net profits by the 2024-25 fiscal year, which could turn their ROA positive.

Key areas for improving ROA include:

1. Cost Management: Efficiently controlling operational costs is vital for profitability.

2. Asset Utilization: Optimizing their technology and logistics networks can enhance efficiency.

3. Pricing Strategies: Competitive yet sustainable pricing is crucial for attracting customers.

4. Debt Management: Managing debt levels strategically is essential for long-term health.

ShopUp must also manage external factors, such as competition, economic conditions, and regulatory changes, that could affect its performance.

In summary, while ShopUp's current ROA is likely low, strong revenue growth, projected profitability, and a focus on operational efficiency indicate a promising future in Bangladesh's digital economy.

### 3.2.2 Current Ratio

The current ratio is an essential financial metric that assesses a company's ability to meet its short-term obligations using its short-term assets. It is calculated by dividing current assets including cash, accounts receivable, and inventory by current liabilities, which encompass accounts payable and short-term debt. A healthy current ratio, typically around 2:1, indicates that a company possesses sufficient liquid assets to cover its immediate debts and operational expenses.

**Factors Suggesting a Potentially Healthy Current Ratio:**

Significant Funding: ShopUp has successfully attracted substantial investments from notable global investors, such as Sequoia Capital India, Flourish Ventures, and Valar Ventures. This indicates a strong cash position, which is a critical component of current assets.

Strong Revenue Growth: ShopUp has reported remarkable revenue growth, achieving a 55% increase in FY23, totalling $129 million (Source: The Dhaka Tribune, Nov 2023). This robust performance showcases a strong ability to generate cash from operations, further enhancing current assets.

**Factors That Could Impact the Current Ratio:**

Accumulated Losses: Despite revenue growth, ShopUp has incurred significant losses. This suggests that some of its cash reserves may have been utilized to fund expansion, which could adversely affect its current assets.

Debt Financing: ShopUp has employed debt financing to support its growth. While such financing can be beneficial, it increases short-term liabilities, potentially exerting downward pressure on the current ratio.

High Receivables: As a B2B platform, ShopUp likely has substantial receivables representing customer payments. Effective management of these receivables is crucial, as a high volume can tie up cash and reduce liquidity.

### 3.2.3 Debt Ratio

The debt ratio, determined by dividing total debt by total assets, serves as a vital indicator of a company's financial leverage. It reflects the extent to which a company's assets are financed through debt. A higher debt ratio indicates a greater dependence on borrowed funds, which can enhance both potential returns and associated risks.

ShopUp has successfully obtained substantial funding from various sources, including debt financing. In 2023, the company raised $30 million in debt, with a significant $20 million sourced from Lendable (Source: Silicon Valley Journals, Aug 2024). This demonstrates that ShopUp is strategically leveraging debt to bolster its expansion efforts, particularly in enhancing its supply chain and logistics network.

The implications of ShopUp's debt financing strategy are multifaceted:

**Potential Benefits:**

Accelerating Growth: Debt financing offers access to capital that can be invested in expansion, technology, and talent acquisition, enabling faster growth compared to relying solely on equity financing.

Tax Benefits: Interest payments on debt are frequently tax-deductible, which can help to lessen the company's overall tax burden.

Preserving Ownership: Unlike equity financing, debt financing allows founders and existing investors to maintain a larger share of ownership and control over the company.

**Potential Risks:**

Financial Risk: Elevated levels of debt heighten financial risk, as the company is required to make interest payments and repay the principal, irrespective of its business performance.

Reduced Flexibility: Substantial debt obligations can constrain a company's ability to invest in new opportunities or navigate economic downturns effectively.

Impact on Profitability: Interest payments on debt can diminish profitability and affect critical financial metrics, such as return on assets (ROA).

**Considerations for ShopUp:**

Managing Debt Levels: ShopUp needs to carefully manage its debt levels to ensure they remain sustainable and don't pose excessive financial risk.

Interest Rates: Monitoring interest rate trends and securing favourable borrowing terms is crucial to minimize interest expenses.

Cash Flow: Generating sufficient cash flow to meet debt obligations is essential to avoid financial distress.

Profitability: Balancing debt financing with profitability goals is crucial to ensure long-term financial health.

## 3.3 Problem Statement

ShopUp, a B2B commerce platform, has faced several challenges. ShopUp emphasises promoting the growth of small and medium-sized enterprises to bolster our economy, which in turn leads to increased job opportunities. One of the primary challenges is the digitisation of small businesses. The willingness of these businesses to adapt to digitalisation is crucial for ShopUp's expansion. ShopUp has invested millions of takas to reach its goal in the SME sector. The company has had to deal with problems with supply chain inefficiencies, which can lead to food waste and price instability. Even though there were many challenges, ShopUp has taken significant steps, such as raising a lot of money and making services like Mokam—RedX and Baki to help small businesses.

Despite all rising issues, ShopUp has held itself strong and remained loyal to continuous growth. However, their Digital Credit department, also known as Onkur, needs help running its operations. The main reason behind all the problems is the inability to recover their investment. Digital Credit focuses on financing and supporting SME businesses. After funding businesses through ShopUp, many regretted their decision due to the failure of these companies to recuperate losses. Numerous instances of fraud and an unwillingness from recipients to return funding amounts created significant obstacles. As a result, the inability of new merchants to obtain financing and added procedures for loyal customers caused inconvenience among merchants and disrupted the entire process.

## 3.3 Objective:

The main objective of this study is to offer in-depth knowledge of ShopUp's traits, mindset, and commercial practices and how they have been helping the SME sector. Objectives are mentioned below.

1. An overview of how operations are run at the digital credit department, ShopUp
2. An in-depth idea about organisational structure
3. Giving a brief idea about merchants and fraudsters
4. ShopUp’s digital credit department funding and influence in SME business and its outcome
5. Suggestion to attract loyal customers

### 3.3.1 Scope

ShopUp has a wide range of work opportunities, although my work was subject to some limitations. As an intern, I could not access significant data insights as they were confidential. However, I was able to contact our merchants about their quarries. Moreover, my coworkers helped me access certain levels of data, which helped me write my reports.

### 3.3.2 Limitations:

During my joining RedX Advance, the payment service was already at a halt. For some time, I was assigned different types of tasks. During my internship period, I was able to work on RAP projects in the last few weeks before ending my internship. Moreover, I did not get to work with RedX Instant payment services as they were full of high-voltage merchants. After some time, I was assigned to connect with merchants who have taken RAP service from us or are willing to take them. This involved returning the money they took from us and stopping our potential clients from exiting. Another drawback was that female merchants were reluctant to talk with male employees. Furthermore, I needed help accessing data before my joining date, which became an obstacle to gathering an exact set of information and data. So, all the data I could gather were from my supervisor and mentors, which were off the exact records. Some of the data is not even available on the online platform.

## 3.4 Significance of the Research:

This research will help the ShopUp DC department understand how to maintain their loyal customers and treat their potential customers. DC (Onkur) department, which focuses on funding small and medium enterprises, should evaluate their borrowers properly to avoid any complexity in future. Follow-up is the only to keep track of customers who have borrowed investments from us. Frequent visits to potential merchants can give an overview of their workings and operations. Moreover, a track record of their usage of the RedX delivery system can provide a clear picture of their transaction. The whole process will be based on data-driven decisions. It will also help us to benchmark their quality. In addition, legal documents should go through proper legislation.

In conclusion, proper monitoring is the only way for DC to recover its investment and gather an appropriate customer base.

### 3.5 Literature Review

ShopUp supports small and medium-sized enterprises (SMEs) in Bangladesh's changing economy. Since its start in 2017, this B2B e-commerce platform has offered various services to help SMEs grow and compete. ShopUp simplifies how businesses source goods, provides access to competitive pricing, offers financing options, and ensures reliable logistical support. Analysing data and documenting processes can significantly enhance ShopUp’s performance and help recover losses. This topic is important to me because ShopUp aims to establish a microfinance sector to support the SME sector in Bangladesh. Many of its losses stem from errors in documentation and data management. An internal survey from top management indicated that many of our losses stem from fraudulent documents and customers’ difficulties in timely payments. Working together to address these issues could lead to improved outcomes.

Bangladesh's retail market is dominated mainly by small food stores, which comprise about 98 perc ent of the market and include over 4.5 million establishments. Retailers face significant challenges, including product shortages, price fluctuations, and inadequate delivery support. While approximately 72% of these stores offer credit, only 27.5% can secure loan financing, creating barriers for independent merchants. In conclusion, by effectively tackling the issues related to documentation and data analytics, we can strategically recover our funds from the market and significantly expand our customer base. Improving these areas will enhance our operational efficiency and empower us to make well-informed decisions that drive growth and solidify our competitive advantage.

## 3.6 Methodology:

There are typically two data types in the technique: primary and secondary. For the methodology section of this paper, both of these forms of data were employed. The study will include extensive statistical analysis and inclusion. Although secondary data will be required for a good analysis and conclusion, most of the study will use a primary strategy.

A) **Primary Data:** I have casually discussed this with my "shopUp" co-workers and collected data related to my work and doings. Moreover, my supervisor and mentors have given me a proper image of how ShopUp has helped merchants grow their businesses and establish a brand. Some of my sources are

1. Interviewing the head of the Digital Credit department
2. Interviewing some of the merchants
3. Getting data from the Business unit

B) **Secondary data:** For secondary data, we used the ShopUp official website, several internet reports, news portals, research papers, and more. The Crunchbase website was also quite educational.

## 3.7 Proposed Solution

ShopUp is dedicated to assisting small businesses related to them via RedX. Merchants who utilise RedX for delivery and engage in the COD delivery method are given preference for RIP or RAP. To support their sales and revenue justifications, ShopUp collects data from RedX. However, their calculations occasionally need to be revised, resulting in difficulty in collecting loan payments. A deeper investigation revealed that many merchants had discontinued using RedX as their delivery partner, some customers were submitting fraudulent documents, and others had exited their designated operational areas. ShopUp is a company that effectively utilizes data to create numerous opportunities for individuals and small businesses. While there are various applications of data within the organization, three key steps in this process stand out:

**Data Collection**: The initial step in ShopUp's process involves collecting data from small businesses and resellers, including customer interactions, market trends, and the performance of small and medium enterprises (SMEs). This platform unites small businesses, micro-entrepreneurs, and large conglomerates to enhance their operations and increase profits. Their success stems from effective data acquisition, which involves gathering data and transforming it into digital assets that can be utilised for forecasting and strategic planning.

ShopUp has assigned CAMs to RedX users, allowing them to connect and engage more effectively with potential merchants. If CAMs engaged more with merchants, they would more effectively uncover hidden agendas. With assistance from a delivery person or pickup partner, they could easily confirm a merchant's whereabouts.

**Data Analysis:** After data collection, ShopUp uses analytical tools to interpret the information, identifying patterns, trends, and improvement areas. Understanding the data helps ShopUp tailor their services to meet SMEs' specific needs and enhance their strategies. ShopUp gathers diverse information from stakeholders such as RedX, MOKAM, and Unicorn Distribution. While each organization has unique data sources, we are united in our objective: effective data analysis. This processing is essential for our e-business success. Here, the primary focus is on the duration of the merchant's engagement with us, as well as the quantity of their products and the ratio of cash on delivery. After forecasting and obtaining a bank cheque from the customer, it is essential to closely monitor the data for the first six months to evaluate the accuracy of the forecasts.

**Actionable Insights and Implementation:** ShopUp converts the findings into actionable insights after analysing the data. These insights empower decision-making and help the company create targeted strategies for supporting SMEs. For instance, this could involve creating tailored marketing solutions, supplying vital business resources, or introducing tools that improve inventory management and financial planning.

Through these steps, ShopUp enhances its offerings and creates a more supportive ecosystem for SMEs, ultimately contributing to their growth and success.

### 3.7.1 Issues Faced by Merchants

Issues faced by merchants should also be addressed; here are some of them:

**1. Streamlined Payment Process**: ShopUp could implement a more frequent payment system, such as daily payouts or a faster turnaround on payment processing through digital methods like bKash and BEFTN. This would address dealers' concerns about delays in receiving payments.

**2. Enhancing Delivery Logistics**: During peak seasons like Eid or Boishak, ShopUp could partner with additional logistics providers to ensure timely deliveries. Establishing a clear communication channel for customers to track their orders and report issues could also help manage delivery concerns.

**3. Software Improvements**: The dealer software should be upgraded to fix bugs and improve stability. Implementing regular updates and providing customer support can help dealers navigate the software more effectively. Additionally, investing in a robust cloud-based platform could enhance reliability.

**4. Inventory Management Features**: Enhancing the inventory management system by enabling dealers to create product variations and upload multiple images would address the mentioned frustrations. This enhancement could provide functionalities for tagging items as sold and improving stock level management. However, the store management feature has notable limitations:

a. It lacks the capability to manage product variations, complicating the process for dealers handling items like shirts in various sizes and colors.

b. Dealers experience difficulty tagging items as sold, resulting in confusion regarding stock levels.

c. The system restricts to only two images per product, hindering effective item presentation.

# 4 Recommendation

ShopUp functions within a vibrant and competitive environment. To maintain its market leadership and promote ongoing growth, it is essential to implement a multifaceted strategy that capitalises on core strengths, enhances customer experience, and proactively addresses challenges.

**1. Capitalize on Core Competencies:**

**Reinforce B2B Market Dominance:**

ShopUp's Mokam platform is well-positioned. The company should expand product offerings, ensure competitive pricing, and guarantee reliable delivery to solidify its market standing.

**Expand Logistics Network Reach:**

ShopUp's extensive logistics network, REDX, sets it apart significantly. By strategically expanding into underrepresented areas and consistently improving delivery speed and reliability, ShopUp will strengthen its competitive edge even more.

**Unlocking Financial Potential:**

Ankur, ShopUp's dynamic fintech division, presents a remarkable opportunity. By developing and implementing innovative financial solutions tailored specifically for small businesses, ShopUp enhances financial access and establishes a robust foundation for customer loyalty and inclusive growth.

**2. Elevate Customer Experience:**

**Optimise Digital Platforms:**

ShopUp should engage in the ongoing enhancement of its application, prioritising a user-friendly interface, tailored recommendations, comprehensive order tracking systems, and a variety of payment options to facilitate a seamless customer experience.

**Prioritise Customer Support excellence:**

A dedicated and well-trained customer support team, accessible through multiple channels (phone, email, chat), is essential for building trust and ensuring customer retention.

**Implement Competitive Pricing and Promotional Strategies:**

Regularly offering discounts, exclusive deals, and loyalty programs will attract new customers and incentivise repeat business.

**3. Maintain a Forward-Looking Approach:**

**Invest in technological Advancements:**

ShopUp ought to actively explore and integrate advanced technologies, such as artificial intelligence and machine learning, to optimise operational efficiency, personalise customer experiences, and enhance logistical capabilities.

**Explore New Markets and Product Categories:**

While maintaining focus on its core business, ShopUp should strategically evaluate opportunities for expansion into new markets and product categories to diversify its offerings and capture new customer segments

**Embrace Sustainability:**

Integrating sustainable practices across all operational facets and promoting ethical sourcing will resonate with environmentally and socially conscious consumers, further enhancing brand image.

**4. Achieving Sustainable Profitability**

Despite achieving significant revenue growth, ShopUp has been experiencing operational losses. Achieving consistent profitability will represent a crucial milestone for the company. To facilitate this transition, it is essential to focus on cost control, the optimization of pricing strategies, and the enhancement of operational efficiency.

**5. Successful Expansion Beyond Bangladesh**

ShopUp is currently concentrated on Bangladesh, but the potential for expansion into new markets is immense. Embracing geographic diversification not only mitigates the risks associated with relying on a single market but also opens up exciting avenues for growth. To navigate the challenges of logistics, regulations, and culture in new territories, conducting comprehensive market research and forming strategic partnerships will be essential. By tailoring their platform and services to meet local demand, ShopUp can unlock significant opportunities for success.

**5. Strategic Acquisitions or Partnership**

Navigating the landscape of acquisitions and strategic partnerships can be a thrilling yet intricate journey. By identifying and integrating the right targets, businesses can unlock access to cutting-edge technologies, tap into new markets, and connect with fresh customer segments fast-tracking their growth like never before. To maximize success, it's crucial to dive deep into due diligence, spot synergistic opportunities, and create a seamless integration or collaboration process. This approach fuels innovation and paves the way for a brighter future.

## 5. Conclusion

ShopUp significantly impacts the e-commerce sector, particularly in F-commerce. With a strong focus on innovation, ShopUp regularly launches initiatives to improve sellers' lives by offering them a robust platform for effective business management. During my internship, I observed several meaningful events hosted by ShopUp for its sellers. A notable event was the success story writing competition, where Facebook sellers are invited to share the inspiring challenges they have overcome on their path to success. Winners receive prizes and get their stories featured on ShopUp's Facebook page, showcasing their accomplishments and providing the recognition they rightfully earn.

In addition to this, ShopUp conducts an array of workshops tailored to their sellers' needs. Topics include customer loyalty retention, digital marketing strategies, and product photography skills. Beyond these workshops, ShopUp maintains a blog packed with practical tips and tricks, empowering sellers to optimize their business operations for maximum results. Through these valuable initiatives, ShopUp not only empowers individual entrepreneurs but also cultivates a vibrant community within the e-commerce ecosystem, driving collective success.

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