

Report On
Measuring the Effectiveness of Logistic Management of BUY NOW

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

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing a 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 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.

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Senior Lecturer, BRAC Business School
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Letter of Transmittal

Dear Sir

My internship report for my Bachelor of Business Administration degree was entitled "Effective Logistics Management for BUY NOW," and this letter acts as the official notification that I have completed the internship. I just finished an internship with a Bangladeshi company that specialises in providing solutions for logistic support and SMEs (small and medium-sized organisations). Working on the internship report along with you has been a wonderful experience.

Since BUY NOW opened its doors, I have been employed there full-time. Implementing what I've learned in class has armed me with the facts and comprehension necessary to create a report on my findings and share them with others. I hope that this report surpasses your expectations.

Non-Disclosure Agreement

[This page is for the Non-Disclosure Agreement between the Company and The Student]

This agreement is made and entered into by and between [Name of Company] and the undersigned student at BRAC University

Acknowledgement

I have dedicated my whole being to producing this report. This research was only done with the help of the organisation and the several individuals who supplied the information. In contrast, Mr Yasser Arafat, CEO of BUY NOW, is mainly responsible for my achievement. I want to thank everyone who contributed to the success of our endeavour by participating in the survey, from employees to suppliers and vendors.

Last but not least, I would like to express my sincere appreciation to my honourable supervisor Shamim Ahmed, Senior Lecturer at the Brac Business School, Brac University, for facilitating my research and approving the topic I decided to explore.

Thank You

Mashrawi Muhammadi

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Executive Summary

This report talks about measuring the efficiency of the logistics system of Buy Now. E-commerce, often known as electronic trade, involves buying and selling products and services online. E-commerce's growth shows globalisation in action. Internet and online trade offer Bangladesh and other fast-developing countries excellent prospects. Electronic data interchange, computerised inventory management, and automated data collection have helped this company's strategy. Email and other methods may also be utilised. E-commerce, often known as electronic trade, involves buying and selling products and services online. Buy Now is a platform that is centred on e-commerce and has the goal of enhancing the online shopping experience for customers as well as merchants by simplifying and automating a number of the services that are offered. The Buy Now launch of 2021 aimed to accomplish such things. Buy Now provides Bangladesh's small and medium-sized businesses with a complete digital solution that focuses on business automation, financial inclusion, and last-mile logistical assistance. Buy Now was founded with the mission of empowering Bangladeshi entrepreneurs. While assessing the report, we analysed it with Bikroy.com to measure the efficiency of the logistics system.

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CHAPTER:1 – INTRODUCTION



1.1 Background of the Study

E-commerce, sometimes called electronic trade, is the purchasing and selling of goods and services using electronic networks such as the Internet (Lambert, 1998). The development of e-commerce in recent years is an excellent illustration of how globalisation is now operating in reality. Internet and online commerce provide Bangladesh and other nations with fast economic development with tremendous opportunities. This business model has been supported and enhanced by using technologies such as electronic data exchange, computerised inventory management, and automated data collecting. However, e-mail and other forms of contact may also be used. The Internet commerce infrastructure in Bangladesh is increasing. Nobody would have predicted that Internet shopping would become so popular rapidly a decade ago.

Due to the creation of payment gateways, online shopping sites, and other ancillary services, e-commerce has established a solid foundation in Bangladesh. A growing number of e-commerce

enterprises cater to the needs of brick-and-mortar businesses and their clients. This domain comprises payment processing, order fulfilment, logistics, customer support, and other associated services. With the advent of e-commerce, Bangladesh's business practices have significantly transformed. It has simplified companies' ability to reach a larger audience and provided consumers with more alternatives and ease. In addition, it has helped firms save money and boost their income. As a result of the rise of online shopping in Bangladesh, more people may now find jobs. Professionals in web design, software development, and marketing, among others, have found significant employment in the expanding e-commerce industry. Bangladesh expects to gain significantly from expanding the internet economy in the coming years. As Internet and mobile device use increases, more firms will likely embrace e-commerce. This will aid firms in acquiring a more extensive range of customers and providing those customers with more freedom and flexibility (Lambert, 1998)

1.2 Objective

Primary Objective

The study's primary goals are to determine the logistics management efficiency of BUY NOW.

Secondary Objective

- To measure the effectiveness of the operational process of BUY NOW
- To review the logistics process of BUY NOW

Purpose of the Study

This internship report's purpose is to provide an overview of my time working with Buy Now. The goal was to gain real-world expertise and experience in the Buy Now industry and to compare it with the logistics system of Bikroy.com.

CHAPTER:3- Company Overview

BUY NOW

Buy Now is a platform that is centred on e-commerce and has the goal of enhancing the online shopping experience for customers as well as merchants by simplifying and automating a number of the services that are offered. The Buy Now launch of 2021 aimed to accomplish such things. Buy Now provides Bangladesh's small and medium-sized businesses with a complete digital solution that focuses on business automation, financial inclusion, and last-mile logistical assistance. Buy Now was founded with the mission of empowering Bangladeshi entrepreneurs.

Buy Now lays a strong focus on being able to provide dependable digital services to win the confidence and continued business of their customers. If a retailer chooses to utilise Buy Now, they will have access to all the tools required to manage an effective e-commerce business. To get things rolling, let's look at the present market status and the difficulties traders are encountering. Small and medium-sized enterprises (also known as SMEs) in Bangladesh sometimes need access to the resources they need to fulfil their customers' demands and get paid for the products and services they have provided. There is always a communication gap between business owners and the delivery provider. Buy It Now is an option in this context. Buy Now's contracted courier partners can deliver essential items using this basic order information. Buy Now guarantees that every single delivery will arrive at its destination intact and on time when it comes to this specific service. Buy Now can ensure delivery of its products to customers in any region of the country thanks to their collaboration. Following delivery, Buy Now guarantees that payment for delivery orders will be processed within 24 to 48 hours. There are a variety of payment alternatives available to sellers that use Buy Now, including cash on delivery, online banking, and mobile payment systems. The order data that Buy gathers Now makes it possible for business owners to keep track of their earnings and costs.

CHAPTER:4- Literature Review

Over the last several years, access to the Internet has significantly improved. Customers are increasingly choosing to shop online rather than at traditional stores with brick-and-mortar locations (Song, 2017). As a direct result of this, both time and money are saved. According to research published not too long ago, Bangladesh's e-commerce industry is one of the most rapidly expanding in the country, and it now has a market value of over 2 billion BDT. The industry is a massive marketplace where buyers and sellers meet in person to do business and trade tangible goods.

A customer-focused e-commerce platform may benefit from an effective supply chain method. The expansion of the online retail industry is most strongly influenced by two factors: efficient logistics management and digital marketing. Consumers have access to an ever-expanding assortment of products thanks to the proliferation of e-commerce. Because each company in the supply chain must watch out for its interests if it is to continue to be competitive, these companies require assistance in properly coordinating their activities. Establishing a fair supply chain incentive programme is an excellent strategy for attracting the attention of all businesses involved in the supply chain and improving the performance of those businesses (Yu, 2017). Customers have had instant access to information on the prices and availability of a wide variety of goods and services from all over the world ever since the advent of the Internet. E-commerce and global competition have made it necessary for businesses to adopt a strategic approach to the architecture of their operations to effectively manage their relationships with consumers and suppliers. The effectiveness of a business in the global market is related to the efficiency of its logistics operations. The capacity to quickly and affordably convey people and commodities from the starting point to the ending point while keeping the lines of communication open is essential. It has been proposed that the profitability of a logistics management system be evaluated in terms of its potential return on investment. The growth of international trade has often coincided with the development of sophisticated logistics management systems. It is hardly shocking that a well-oiled logistics machine is increasingly acknowledged as a critical factor in a company's bottom line across all sectors (Lambert, 1998).

E-logistics networks operating all over the globe have gradually replaced self-managed, third-party logistics in recent years as the logistics industry has grown. The term "3PL" refers to an organisation that does subcontracting and provides regionalised operational assistance (Gattorna, 1991). Companies often need to outsource their logistics since doing so enables them to save money, respond rapidly to shifts in demand, and delay the development of costly and unnecessary infrastructure (Harrison, 2019). Logistical problems may be identified in the business world by several red flags, including late or erroneous data, missing components of a service, a delayed process, and damaged items. The results may be unsatisfactory accuracy, exorbitant operating expenses, difficulties reacting to shifting demand, and an inability to deliver unified services. According to Yu (2017), substantial communication is necessary for complicated logistical activities, including restocking inventories, rerouting supply, and coordinating orders. Because of the intense competition worldwide, it is widely acknowledged that the effectiveness of a company's logistics supply chain is an essential component of an effective strategic arsenal for achieving and sustaining a dominant market position.

Because of its remarkable economic progress over the last several decades, Bangladesh is often referred to as an economic miracle. From the 41st largest economy in 2022, Bangladesh is expected to climb to the 28th largest by 2030 and the 23rd largest by 2050 (Gazi, 2020). As opposed to the present state of affairs, this is an improvement. Improving logistics is critical for accomplishing these goals and gaining support from the corporate world. When a business experiences rapid expansion, logistical support is an absolute must (Harrison, 2019)

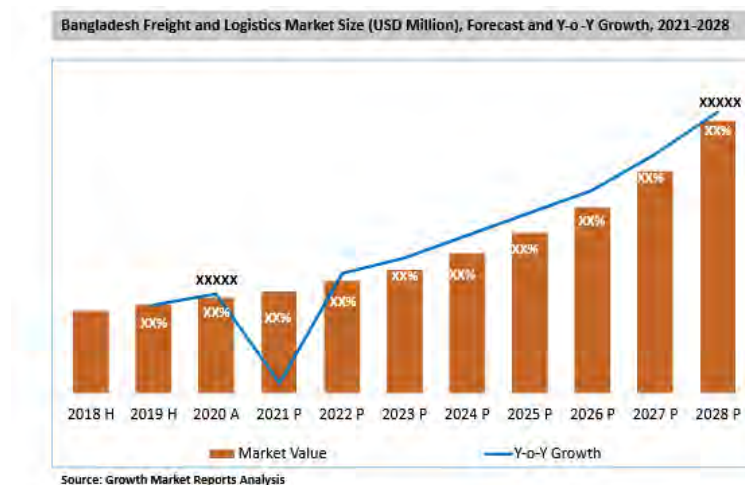


Figure: Bangladesh Freight and Logistics Market Size (Source: Growth Market Report Analysis)

Increasing their production and sourcing capacities is one strategy many businesses use to get a larger share of the worldwide market and compete more effectively with their rivals. Over the last several years, Bangladesh has gained an appreciation for the importance of logistics in preserving economic competitiveness. A common assumption is that if trade logistics and physical infrastructure were to be upgraded, it would be possible to achieve all 17 Sustainable Development Goals by 2030 (Gazi, 2020). Eleven of the Sustainable Development Goals (SDGs), as reported by UNCTAD, place heavy emphasis on logistics. The GED's long-term annual projections extend up to the year 2041. Specifically, passenger traffic on highways, inland waterways, and railways is expected to increase from 195 billion passengers per kilometre in 2018 to 5,620 billion passengers per kilometre in 2041. Freight volume will increase from 31 billion tonnes per mile in 2017 to 295 billion per mile in 2018. Freight transportation by air and sea will substantially grow to meet economic demands. There is just no way for the country's present logistics system to support that much weight (Yu, 2017)

Indexes of service complexity and competitiveness are used extensively in the supply chain management of online merchants. Due to its exponential expansion, the industry had to separate to serve the market better. Companies that interact directly with customers (B2C) and businesses that deal directly with other businesses (B2B) are the two most common categories (B2B). B2B refers to e-commerce between two or more businesses, unlike B2C when a website acts as a conduit between a business and a customer. To get the necessary reaction from many consumers, businesses must spend significantly on advertising, hardware, and software. To retain their current clientele, they must enhance customer service. Under the B2B paradigm, it is usual for companies to do transactions with other businesses. This indicates that more money is transferred than in a usual business-to-consumer transaction. In a typical supply chain, while there are several B2B contacts, the sole B2C transaction is selling completed items to consumers. Due to the increased quantity and variety of things obtained, business-to-business (B2B) transactions are riskier than those between consumers. A single thoughtless error might jeopardise the future of a company. In recent years, businesses have been able to save time and money on product delivery because of logistical advancements (Yu, 2017)

The efficiency with which a system runs and the degree to which it can accomplish its goals is a significant factors in determining whether or not logistics is successful. The amount of time that passes from when an order is placed until it is fulfilled is the lead time. This is a significant measure since it indicates how well inventory is being handled and how efficiently the supply chain functions. A short lead time is preferable since it facilitates the quick delivery of items and lessens the likelihood of experiencing stockouts.

On the other hand, a long lead time could result in more significant expenditures and decreasing levels of client satisfaction. Inventory turnover is another crucial indicator that may be used to evaluate logistics efficiency. The formula for calculating it is to divide the cost of products sold by the typical inventory level. It is preferable to have a high inventory turnover since this implies that the inventory is being handled well and that there is minimal waste in the system.

However, a low inventory turnover might indicate that the inventory could be handled more efficiently and there is a possibility of stockouts. The order accuracy metric reflects the degree to which orders are completed correctly, an essential logistics component. This statistic is significant because it influences the level of contentment experienced by customers and the business's reputation. It is desirable to achieve a high degree of order accuracy since doing so leads to delighted customers as well as greater client loyalty. One crucial criterion for determining whether or not logistics are successful is the level of satisfaction experienced by customers. It is a measurement of how effectively the logistics system is satisfying the requirements and requirements that the clients have set. It is to everyone's advantage to have high customer satisfaction, which leads to improved client loyalty and subsequent sales.

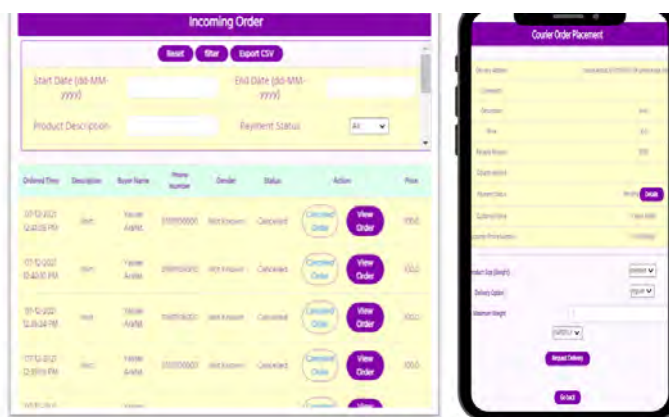
CHAPTER:5- Order Management of Buy Now

Using their service portal, Buy Now provided various services to the vendor. If a customer places an order via the site, it will be delivered by Pathao, E- Courier, or another independent delivery service. It provides various services, including order tracking and notifications, digital payment and collection, courier delivery, and coupon creation. Order management, which Buy

Now refers to as "SMART ORDER MANAGEMENT," is something that the company's operational personnel and customer service team consider to be of utmost importance. It is helpful for tasks like stock control, order fulfilment, warehouse management (both centralised and dispersed), product returns, reverse logistics, cross-docking, and last-mile delivery. It is used by customer service to interact with other departments to verify orders and handle issues that customers have raised.

Buy Now specialises in logistics-based freight forwarding services. Put, freight forwarding is transporting products from one location to another. Freight forwarders act as mediators between shippers, carriers, and receivers. The freight forwarder will act as the central coordinator for the transportation of goods. In some instances, a freight forwarder may also provide light warehousing and storage services in addition to the actual transportation of the goods. . Companies that act as freight forwarders connect shippers with carriers. Since freight forwarders often negotiate discounted shipping rates with carriers and shipping lines, using one might help to save money on shipments. They can also advise businesses on other facets of cargo, such as whether or not they need insurance and how to increase safety. Freight forwarders play a crucial role as process leaders throughout the transportation of commodities.

ORDER
↓
PARTNER
COURIER
3 Sec



The product reaches Dhaka within 24 hrs along with the periphery area, i.e., Gazipur, Narayanganj, Savar, and Tongi. And the delivery reaches outside Dhaka city within 48 hrs to 72 hrs, depending on the distance from Dhaka City.



Logistics flow chart of Buy Now

CHAPTER:7 – SELECTING RIVAL COMPANIES

Bikroy.Com

Bikroy.com is an e-commerce website. In 2012, the company started selling used things online, and its popularity quickly grew. Since its start in 2012, they have developed swiftly to become one of Bangladesh's most frequented online marketplaces. There is a vast selection of products from which to choose. Their target audience is the general public, and due to their constantly excellent quality of service, they have been able to attract new customers year after year. Customers will find it one of the most straightforward websites to navigate. This is why the product is promoted as easy to purchase and sell. In a recent poll of online advertising in Bangladesh, advertisements on Bikroy.com rated third, behind only those on Facebook and Google. Bikroy.com debuted in 2012 with classifieds for several categories, including automobiles, real estate, electronics, home appliances, personal goods, sports, hobbies, and employment. Bangladesh's capital, Dhaka, has been the venue of an official press conference since October 18, 2012, when local media first reported on it.

The mission of Bikroy.com is to develop into Bangladesh's most well-known and widely utilised online marketplace for the purchase and sale of used items. It was in 2012 that Bikroy.com first opened its virtual doors, and it has since grown to become the most well-known online marketplace for used goods. The vision of Bikroy.com is to facilitate better communication and collaboration between its clients and the business partners with whom they work.

CHAPTER:8– Logistics Management Bikroy.com

Bikroy.com can foresee the needs of its patrons. They are in constant contact with their wholesalers to restock supplies. They update their quarterly demand projections weekly to give businesses a more accurate idea of when to start storing up. Information may uncover information hidden in large data stores. Data mining is used by online businesses to learn more about their customers so that they can better cater to their needs. This knowledge may then be used to improve the site's layout, increase sales, strengthen connections with patrons, and personalise the experience for each individual. There are several potential subspecialties within the data mining industry. Bikroy.com uses outlier detection and category analysis to determine how its customers interact with the website. With this information, they can better focus their advertisements and reach their intended demographic.

CHAPTER:9 - Methodology

In this report, I want to clarify the logistics management practices used by Buy Now. It provides an overarching summary of the firm. As a result, I mainly relied on descriptive research, which offers an explanation of a market or the characteristics of that market. The information for my research came from secondary sources, which I assembled myself while working at Buy Now facilitated the gathering of information that was necessary for this study.

CHAPTER:10- Findings

Buy Now faces a significant hurdle in effectively estimating client demand against its competitor, Bikroy.com. This is crucial for a startup since it enables them to address the needs of their customers while keeping expenses down. At the company's founding, its management was so detached from the particulars that they established sales goals without first

comprehending what their target population required. There needs to be more participation from dealers. Warehouse management is an essential component of logistics management. The qualities of the contents substantially influence a warehouse's procedures. BUY NOW operations do not need warehouses. However, it may be constructed in a pinch or used in the office. Moreover, BUY NOW has limited vendors right now.

Overall, in terms of measuring efficiency, BUY Now falls behind Bikroy.com.

CHAPTER:11- Recommendations

BUY NOW must ensure that the quality of the product is maintained. If there are fewer suppliers, but the items are of excellent quality, customers will remain loyal for a longer length of time and will not soon switch to other e-commerce sites. For a business to fulfil its objectives, its products must be of excellent quality. The company's advertising and promotion efforts may benefit from greater use of billboards, commercials during prime time on television, campaigns, and online promotion. Bangladesh is a developing market. Thus, reasonable prices are essential. If there is an opportunity to cut costs, the business must move swiftly to take advantage of it. Contact centres need to recruit by current employment trends to meet their responsibilities, which include answering incoming calls, making outgoing calls, sending and receiving emails and faxes, and tracking the locations of objects in transit.

CHAPTER:12 - Conclusion

Because BUY NOW has just begun, there are many opportunities to improve almost every aspect of the company. Logistics management is essential to the success of any organisation.

With effective logistics management, the company's long-term survival would be easier. BUY NOW must maintain protocols, gather data, and make operational modifications when its logistics management system starts its essential activities. Since operating a business is a continual process, logistics best practices may be beneficial. In addition, the company's leadership must be adaptable and responsive, with a shared commitment to advancement.

Despite this, Bikroy.com has built quite a sizable following in Bangladesh. They maintained their website running well after its first debut in 2012 and beyond. They may also be exploited for financial gain under certain circumstances. Bikroy.com has been around for a while, but the firm is still up against many obstacles. Such issues may have a significant negative impact on their productivity. If they can reduce risks and build defences against vulnerabilities, their business will be able to survive for a very long time.

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