

Report On
'The distribution and logistics of Daraz BD'

By

Meher Aftab Sweety
ID: 20164078

A case study report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Masters of Business Administration (MBA)

MBA Program
Brac Business School
Brac University
August, 2022

© 2022. Brac University
All rights reserved.

Declaration

It is hereby declared that

- The case study report submitted is my/our own original work while completing degree at Brac University.
- 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.
- The report does not contain material, which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
- I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

Meher Aftab Sweety

ID: 20164078

Supervisor's Full Name & Signature:

Dr. Ekramul Islam

Assistant Professor, BBS
BRAC Business School

Letter of transmittal

June 30, 2022

Dr. Ekramul Islam

Assistant Professor

BRAC Business School

BRAC University

Subject: Submission of case study report on “The Distribution and Logistics of Daraz BD”.

Dear Sir,

This is to state that I submit my case study titled “The Distribution and Logistics of Daraz BD” that has been prepared as an essential part of my MBA degree requirement. I have completed my case study based on “Daraz Bangladesh Ltd.” which is a renowned e-commerce website in Bangladesh. It is my privilege to prepare the case study under your supervision.

Working in this case is a great learning and opportunity for me to share my experience as I have implemented my theoretical knowledge in this case study. I am very grateful for your inspiring guidance and encouragement do this work. Without your guidance, it would not be possible.

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

Sincerely,

Meher Aftab Sweety

ID: 20164078

MBA, Graduate School of Management

BRAC University

Acknowledgement

First and foremost, I would like to thank Almighty Allah for providing me with the strength and wisdom necessary to complete this job on time.

Dr. Ekramul Islam, Assistant Professor, BBS, BRAC University, is my Faculty Advisor, and I am grateful for his guidance, constant and spontaneous assistance, efficient supervision, and constructive recommendations. Without his invaluable assistance, completing my case study to this point would have been incredibly difficult. I see this situation as a fantastic chance to build a platform for gathering information and relevant facts.

I have taken efforts in this case study. However, it would not be possible without the kind support of the organization and many individuals who provided information regarding this case study.

Sincerely Yours

Meher Aftab Sweety

ID: 20164078

Executive Summary

Daraz Bangladesh is the leader in the E-commerce sector in this country and is responsible for ushering in a new era in the electronic purchasing trend. Along with new trends for the clients, it has created a plethora of company prospects. Daraz is consistently increasing its market share across the nation despite a number of external environmental challenges pushing it downward. Our internal investigation revealed that Daraz's partnership with Alibaba is its key competitive advantage. Large overhead expenses are its biggest problem. Due to the country's booming Daraz sector, there are numerous opportunities in Bangladesh. Additionally, it faces threats from other rivals. Having a wide range of items available is Daraz's primary core expertise. It has a highly successful corporate strategy to capture the largest market share, and it is putting all of these ideas into practice extremely successfully to increase the brand. Campus workshops and upcoming leadership development initiatives are notable examples of Daraz's CSR practices. Daraz needs to focus more on the quality of its products, shipping, and after-sale services if it wants to keep its top spot in Bangladesh's e-commerce market. This case study highlights the various strains that logistics could potentially face as a result of demand increases, as well as the steps that could help in managing various situations, using various examples of Daraz's sales-day event.

The Daraz management was hit hard by these third-party dealers' unscrupulous tactics, and the scars remain. To deal with incorrect delivery, Daraz management implemented a return policy that allows customers to return products if they are not as described in the online advertisement. The problem of incorrect delivery has subsided to some extent, but no one expects it to be completely eliminated. Despite being the global leader in online commerce and operating for years longer than any other online shop, Amazon.com had been experiencing the same problem.

Table of Contents

Topic	Page no.
Introduction	7
Summary	8
Background of the company	9
Key issues	10
Daraz BD's Business Communication Model	11
Functional Overview of Daraz BD	12
Logistics Management of Daraz BD	13
Evolution of Logistics Model at Daraz BD	13-14
Order management Process of Daraz BD	14-16
Payment Collection and Distribution to Seller	16-17
Online Marketplace as Trustee between Seller and Customer	18
SCM Effectiveness & Evaluation	19
Recommended Solutions and Strategies with implementation plan	20-23
Conclusion	23
Reference	24

Introduction



Human lives today are heavily dependent on the internet and other digital technology. The majority of service solutions are now available online. Beginning in 2012, Bangladesh's e-commerce industry quickly gained popularity among the country's citizens. Most of the websites adopt the E-bay business model, in which they serve as a conduit between buyers, sellers, and other clients.

The Daraz Group is a global technology company that specializes in e-commerce, logistics, payment infrastructure, and financial services. It began as an online fashion store in Pakistan in 2011 with the help of Rocket Internet, and following a business model change, it became the Daraz Group, which extended to Bangladesh, Sri Lanka, Nepal, and Myanmar. Alibaba Group, a Chinese e-commerce company, bought Daraz Group in May 2018 (everybodywiki, 2022)

DARAZ Bangladesh is the pioneer of E-commerce industry in Bangladesh who has brought a new era in the electronic shopping trend. Daraz, which translates to 'Drawer' in Urdu, is on its way to becoming the country's most popular online shopping site. Yellow, Noir, Symphony, The Body Shop, Huawei, Samsung, Walton, Aranya, 6 Degree Mobile, Shada-Kalo, Apple, LG, Fastrack, MAC, Nikon, Ecstasy, Panasonic, Doors, and others are just a few of the global and local leading brands that have already established e-stores with daraz.com.bd and have received excellent sales reviews (thedailystar.net, 2015).

It's very unfortunate that, many corrupt practices exist in Bangladesh's retail industry, and if the shopkeeper is less visible, he or she may not hesitate to betray your trust. Sellers on Daraz behave similarly, giving incorrect products to buyers, supplying low-quality products, and so on.

It is critical for any company to have the product in hand, purchase it in large quantities, and procure it at locations that the company owns or at least can keep an eye on in order to better serve its consumers, deliver the goods on time, and have reduced product prices. Daraz BD used to operate entirely on a 3PL logistics and warehousing model, in which a product was sold somewhere, procured by someone else, and delivered by any third-party logistics business.

Summary



Daraz BD is a cutting-edge e-commerce platform that delivers the most up-to-date local and international goods to your door. They provide a large selection of products from well-known companies in Bangladesh, as well as a fast, secure, and simple online shopping experience. Daraz Bangladesh has everything for everyone, from gadgets to fashion. Daraz.com.bd offers free delivery and returns across the country. They also accept credit/debit cards, bKash, and cash on delivery.

In this case study, we identified some issues such as increasing shipping costs, increased reliance on other logistics organizations, disruption in last-mile delivery, and loss of supply due to the Covid-19 outbreak. Furthermore, several chances have been highlighted for future potential, including booming online grocery sales, Whole Foods' expansion into multifunctional stores etc. This case study provides an understanding of how an online retail platform are fulfilled through several routes. Daraz, Bangladesh's first and largest e-commerce platform, began as an online fashion shop in 2012 and has now evolved into a broad marketplace for firms offering everything from electronics to home appliances to apparel. The focus of the case study is on the logistics ramifications of the decision (and vice versa). This case study highlights some key differences between in-house and vendor-managed inventory.

Background of the Company



CDC Group, the UK government's Development Finance Institution (DFI) focused on helping and developing firms in Africa and South Asia, and the Asia Pacific Online Group (APACIG), which supports some of the region's premier internet companies, own Daraz. APACIG's objective is to foster innovation and entrepreneurship throughout Asia and the Pacific, as well as the development of a vibrant online culture. It was founded in 2012 by Rocket Internet.

Daraz Bangladesh Ltd. (daraz.com.bd) is Bangladesh's biggest e-commerce platform. As a transnational corporation, Daraz also has a significant presence in Pakistan, Myanmar, and Sri Lanka, where it has successfully operated as the number one online shopping/selling destination in each country. Daraz began as an online fashion business in Bangladesh in 2014, and since then, it has expanded its overall business operation with the goal of becoming the number one destination for all original quality products to meet the ever-changing sophisticated Bangladeshi online consumer demand, and it has been serving almost all product categories that the Bangladesh marketplace has to offer.

In July 2016, Daraz and Kaymu united to boost their position in the rapidly rising Bangladeshi market. These two companies are collaborating to increase market share. They are now known as the Daraz Group. Pakistan and Myanmar have also seen this fusion. Daraz employed roughly 500 individuals in 2016 with a primary focus on client penetration. Within two years, the company's sales had surged fivefold. Daraz had a large consumer base, with over 250,000 daily website visitors equating into about 1,500 daily sales in over 200 cities. At the same time, Daraz was up against newcomers to the e-commerce market, including one of Daraz's third-party logistics (3PL) partners (M. Shakeel S. Jajja, 2019).

Mission: Daraz's objective is to be the best customer-oriented firm in Bangladesh, providing customers with a wide range of products ranging from industrial to supermarket items.

Vision: Daraz's vision is to give a wide range of products to its customers at the most competitive pricing at their doorstep. Their goal is to be Bangladesh's sole trustworthy shopping place.

Goal: To provide the highest quality products at the greatest possible pricing and delivery time. Daraz aspires to create a new market for the general public that is easily accessible to all types of customers.

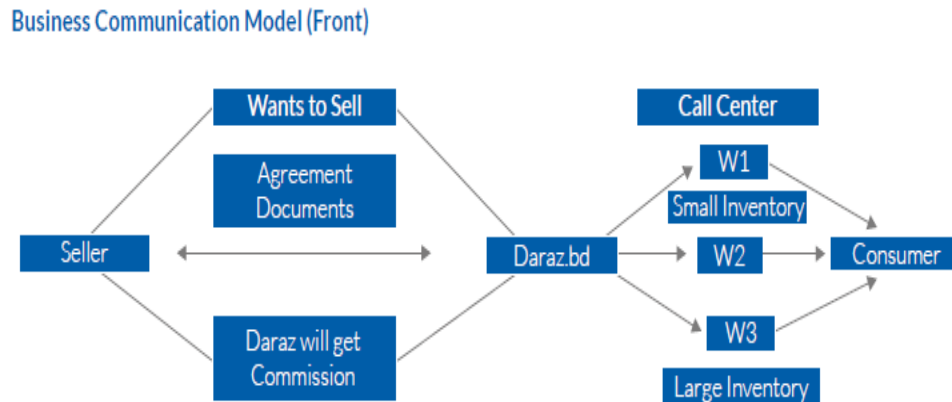
Key Issues

Daraz BD is facing some issues in their warehousing, logistics and distribution. Few are mentioned below:

- Higher dependency on other Logistics Companies.
- Increased shipping costs
- A team (trained and trustworthy) needs to be kept in charge for looking after the warehouses.
- Product deliveries getting late.
- Packages are being lost and delivery of wrong products.
- Low quality product deliveries.
- Loss of supplies due to Covid-19 pandemic.
- Finally, Daraz logistics companies' failure to carefully handle the products.

To carry out the aforementioned actions, a significant amount of capital was required in total. Fortunately, a purchase bid from the well-known Chinese Alibaba group arrived at daraz (pioneer in online retailing in China). The Alibaba group deployed skilled professionals, a large amount of capital, a software called Lazada Logistics Management Solutions, and taught not just company employees but also logistics company employees in product handling. As a result, these capabilities have allowed the company to run smoothly, enhance profit margins, and strengthen its reputation.

Daraz BD's Business Communication Model (Front):



Source: IDLC Monthly Business Review

The Daraz business model offers three benefits that have a direct impact on its vast product selection. They are described below:

showcases more products than every offline store because it has...



No Space Limitation



Thousands of Sellers



Seller Education and Management

- Space constraints, as well as logistical problems, plague both small and large retailers. As a result, most stores focus on one or two product categories. Daraz is an online marketplace where sellers can display as many products as they wish. Sellers can sell as many items as they desire because warehouse space is less expensive. There is no ceiling.
- Daraz currently has thousands of sellers, with more joining every day. All of these merchants contribute to an ever-expanding product selection.
- Daraz invests heavily in its sellers and assists them in learning and growing. Daraz sellers' product assortments are constantly expanding thanks to training and Seller Education activities (Abdullah, 2017).

Functional Overview of Daraz BD

Daraz currently has five large warehouses in Dhaka and 25 hubs in significant locations outside of the capital city. Daraz has the largest warehouse located in Uttara, Dhaka, with 30,000 square feet. Inventory control, order processing on a daily basis, seller management, and training will all take place there. Outside of Dhaka, 25 hubs are available to store merchandise for those cities, making it easy for customers to pick up their orders. Pickup station refers to the hubs.

Transportation Mode & Major KPIs of SCM

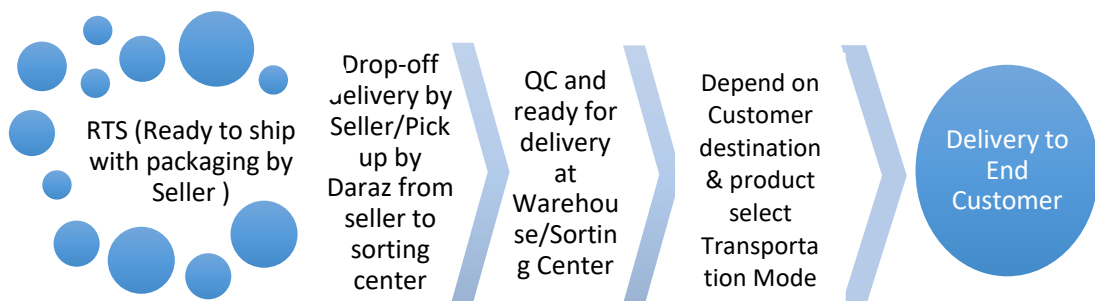
Daraz Transportation Mode

- i. Large covered van (used primarily for deliveries outside of Dhaka, with a minimum range of 40 kilometers or more from the warehouse)
- ii. Pick-up Van in Miniature (Mainly used for Inside Dhaka bulk delivery, within 40Km range around Dhaka)
- iii. 3 (Used for small & medium product delivery within Dhaka & Outside Dhaka near hub area within 12Km range)
- iv. Bicycle (for minor product deliveries within 5 kilometers of the warehouse/hub area).

KPI (Key Performance Indicator):

- On time Packaging and RTS (Ready to Ship)
- Reduce product drop-off and pick-up times by selecting the product type and delivery address.
- Ensure product QC (Quality Check).
- Collection of returned products and distribution to vendors.

Flow of Shipment:



Logistics Management of Daraz BD

Daraz BD has its own logistics company. They also use 3PLs (third-party logistics companies) for inbound and outbound logistics, as seen below:

- Paper Fly,
- Electronic Courier,
- Biddut,
- Pathao Courier,
- Shoundorbon Courier Service,
- SA Paribohan.

AIG Express, a RI company, also manages Daraz BD's logistical operations. AIG Express brought together a network of logistics suppliers to offer e-commerce enterprises order fulfillment services with real-time tracking. "We are the marketplace for 3PL providers," says Logistics Manager Tanvir Arefin. For a logistical contract, AIG Express presented many 3PL companies from which to choose. The AIG Express staff was in charge of seller pickup, returns, customer delivery, and pickups.

Evolution of Logistics Model at Daraz BD

Daraz began with the consignment model, which provided better control and reliability while minimizing dependency on the vendors' activities. Daraz, for example, could guarantee same-day delivery in cities from its warehouses, but it couldn't afford to rely on the sellers' warehouses for this. Other benefits obtained were enhanced stock visibility and quality control, in addition to delivery time. The stress of keeping stocks in-house, however, was a big disadvantage. To address this, the cross-dock concept was developed, which allowed for quality monitoring while leaving stock management to the vendors (M. Shakeel S. Jajja, 2019).



Cross-dock Model Flow

Source: Company records

However, the cross-dock model lengthened the fulfillment chain, reducing fulfillment responsiveness. The most recent induction was the drop-ship model, in which Daraz was relieved of inventory management, quality checks, packing, and even forwarding by trusted partners. Under the cross-dock and drop-ship models, quality was a concern, which Daraz hoped to address by teaching vendors through the rejections their items received upon delivery, and then delisting them

after a specific number of rejections. Drop-shipping sellers who were unable to control return rates were sometimes asked to use the cross docking model.



Drop-ship Model Flow

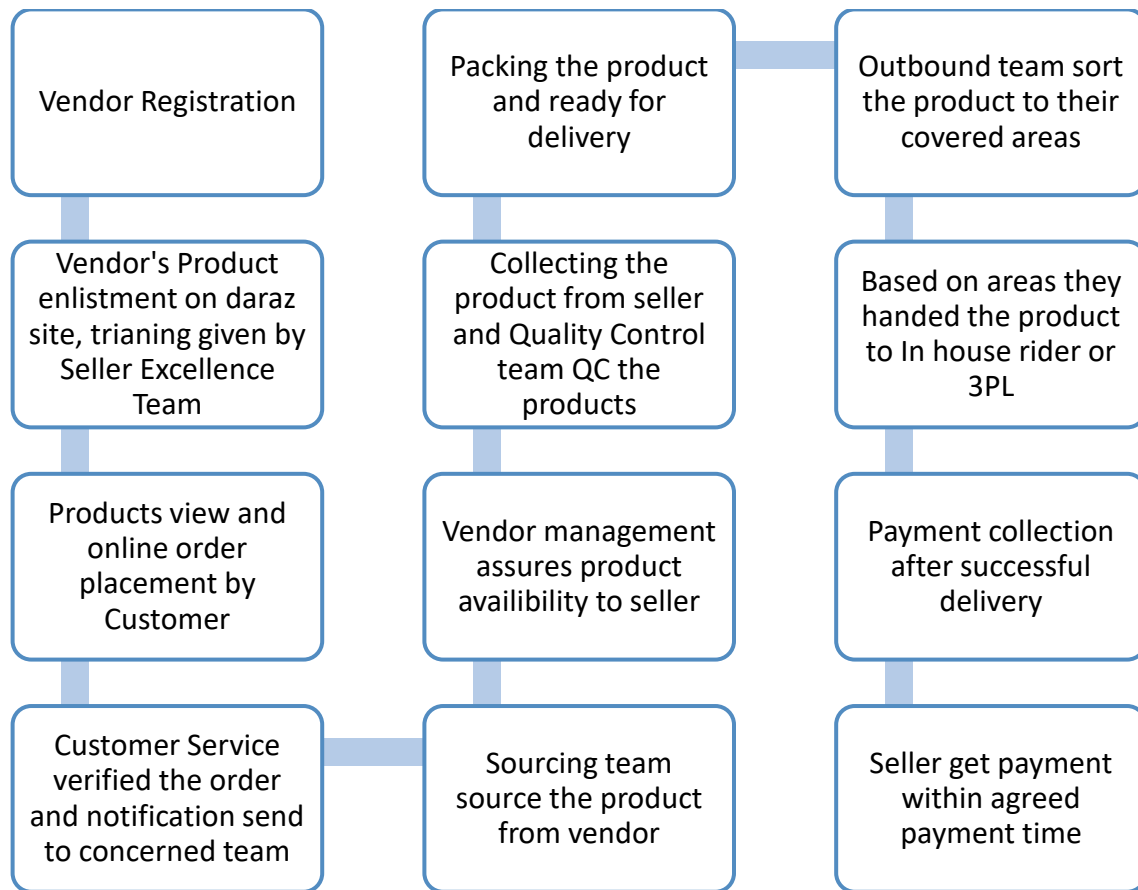
Source: Company records

Daraz favored the drop-ship model and wanted to phase out the consignment model now that all three were functioning. The goal was to give sellers responsibility for inventory and quality control while focusing on online fulfillment chain monitoring. Consignment fulfills 35% of orders, cross-docking fulfills 50%, and drop-shipping fulfills 15%. (percentages around the same in terms of value). Overall, fulfillment reliability, the percentage of SKUs sold, quality control (QC) concerns, and, in the case of strategic sellers, readiness to pack and control the process influenced the logistics model chosen. There were no expenses for packing and sending services, and the commission structure was independent of the logistical model. However, Daraz was considering charging as value-added services for various actions under the consignment and cross-dock models (M. Shakeel S. Jajja, 2019).

Order management Process of Daraz Bangladesh

Daraz BD operates on three models. They are:

1. Products are kept in stock and delivered when an order is placed.
2. They deliver things purchased from merchants.
3. Merchants deliver the ordered products in their original packaging to Daraz warehouses, and Daraz arranges delivery.



Operational process of Daraz (Source: Journal published on Daraz operation)

Daraz is a fully functional online marketplace with a well-defined procedure. For various goals, they maintain separate software. They are discussed below:

1. **Order Management System (OMS):** The operations and customer service teams primarily use the Order Management System (OMS). It is used to manage inventory, orders, warehouses (single and multiple), returns, cross docking, and drop shipping. It was utilized by the customer care staff to confirm consumer orders and answer customer questions while also managing other departments.
2. **Hub Management Tool (HMT):** The operations team primarily uses HMT to track product for both Market Place Cross-Docking (MPCD) and Market Place Drop-Shipping (MPDS). Registration of Vendors, vendor's product listing on Daraz, Seller Excellence Team training, product viewing, and online order placing by customer, customer Service validated the order and notified the appropriate team. The sourcing team obtains the goods from the vendor, and vendor management ensures that the product is available to the seller. Collect the merchandise from the seller and have it inspected by the Quality Control team. Prepare the merchandise for delivery by packing it. The outbound team organizes the items into their designated areas. They gave the merchandise to an in-house rider or a 3PL

depending on the area. After a successful delivery, payment is collected. Inside the warehouse, the seller receives money within the agreed payment time (MPDS). It is beneficial to send the product to the correct location and have it delivered to the correct delivery station.

3. **Seller Center:** It is a module that allows the merchant to register. Add their goods to the website, adjust the pricing, sort the products, and administer their online store. The vendor manager, on the other hand, keeps track of sales, updates data, and analyzes various functions and situations. On sellercenter, the warehousing crew and the content department also work.
4. **Delivery Module (DM):** This module assists the operation team in tracking vehicles, orders, and parcels, as well as managing inbound and third-party delivery partners. The finance department uses this module to keep track of daily delivery and collection records.

Aside from that, Daraz uses a variety of IT systems for marketing and data analysis, including Google BI software, SEO tools, and others.

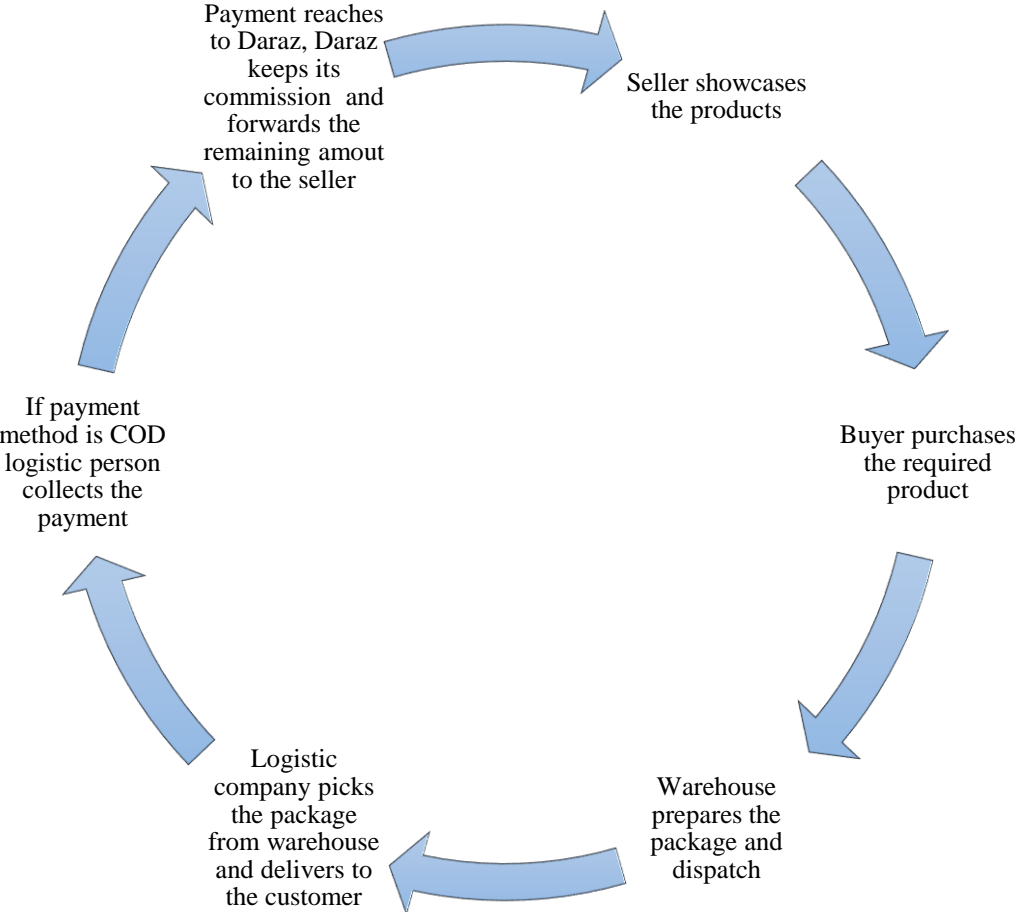
Payment Collection and Distribution to Seller

Daraz allowed cash on delivery (COD), swipe on delivery (credit or debit card swipe on a mobile device), online credit or debit card payment, payment through bKash, online bank transfer and ATM payment through Brac Bank, City Bank, Eastern Bank, HSBC, Lanka-Bangla Finance, Prime Bank, Southeast Bank, and Standard Chartered Bangladesh. Daraz took a 30-day credit from the sellers after deducting the commission. According to an employee of Daraz, this strict strategy only worked because Daraz could create considerable sales. Because the riders had the additional responsibility of collecting the cash, retaining the change, and depositing the amount, COD resulted in higher costs, greater supply chain complexity, and a safety concern (Deloitte, 2014). The time it took to realize revenue was longer, and unlike electronic payments, the amount sent was not instantaneous (M. Shakeel S. Jajja, 2019).

The seller of a product or commodity wants to get payment as soon as possible. Sellers are eager to receive paid for the things they have sold, yet there is still inconsistency in Daraz BD's distribution method. On the other hand, getting Cash-on-Delivery (COD) payments under predetermined frameworks/timelines is challenging for an online setup, because COD payments are only received once the product is delivered to the end client. After the logistics business has paid Daraz and Daraz has completed its own payment cycles, the payment is issued to the vendor. Long payment periods and other related concerns were demotivating the vendors in response.

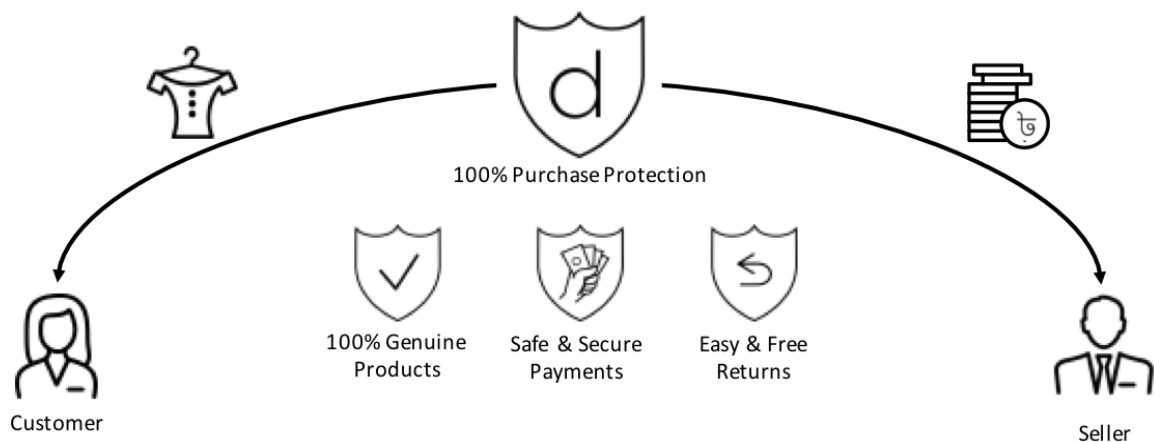
By cooperating with banks and digital payment systems in Bangladesh, the company created a clear mechanism and timetables for paying their suppliers against sold products, and gave discounts to customers who paid online. The establishment of REDX has also aided in better payment collection, as Daraz now receives the amount of COD payments straight into their hands rather than through third-party logistics. As a result, the organization is now able to collect due amounts in shorter time frames and pay the vendor within a week.

The diagram below displays the Daraz operations cycle, as well as the payment cycle -



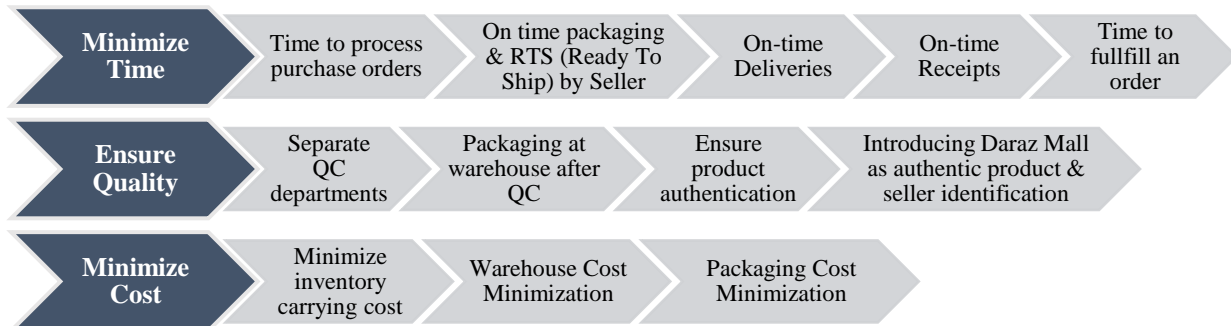
Online Marketplace as Trustee between Seller and Customer

Daraz works as a trustee between Seller and Customer, rather than buying things and selling them to clients (Retail Model) (Marketplace Model). Thousands of sellers (all of whom have been vetted by Daraz) have their products listed on the platform. Every day, Daraz attracts a hundred thousand visitors to its website and mobile app. Every Daraz customer is covered by a 100 percent Purchase Protection policy, which includes 100% Genuine Products, Safe & Secure Payments, and Easy & Free Returns. Daraz will only release funds to the Seller if the transaction has been completed successfully (Abdullah, 2017).



Daraz Bangladesh has built clever, high-tech software alongside one of its investors, Rocket Internet, during the last three years to support this effective business model. It allows customers to shop safely and conveniently online.

SCM Effectiveness & Evaluation



Evaluation Criteria

- To maintain the whole process flow of SCM Effectiveness, Daraz has its own way of rating delivery times for each associated PIC (Person In Charge).
- SCM Managers' total KPI for Deliver Time Monitoring is 50%.

Demand Forecast Inventories

Typically, category managers have the following responsibilities when it comes to demand forecasting:

- Increase product variety and seller assortments by analyzing sales trends, market dynamics, and competitor behavior.
- Reporting on seller performance, brands, and product categories on a daily, weekly, and monthly basis.
- Develop and leverage relationships with sellers to increase the value and volume of your company.
- Create and implement seller-specific goals in accordance with business plans.
- Develop, implement, and execute campaigns targeted at specific category sellers.

According to the analysis of the individual category managers, Daraz primarily manages demand forecasting. Exceptions occur on major holidays such as Eid, New Year, and so on. At such time, warehouses perform meticulous product assortments. In addition, system-based analyses are being conducted to verify the manual forecasts.

Recommended Solutions and Strategies with implementation plan

I. Short-Term solution – Provide Pick-up location to the customer

Offering clients the option of picking up their purchases from a designated pick-up place or imposing delivery fees are two possible short-term/immediate remedies to rising shipping expenses. Imposing delivery fees on things will assist in offsetting the high delivery costs. A discount may be offered if the consumer agrees to pick up the goods. "This discount may encourage clients to select this option, allowing them to use their savings toward buying more things." (Carpente M., 2008). These solutions have a positive impact on the company's transportation costs, resulting in higher profit. It also eliminates reliance on third-party logistics businesses. Furthermore, by having a central pickup site for clients, Daraz is lowering its transportation costs because there is no longer a need to ship to many locations. Because the fulfillment center only has to ship the products to one place, the chances of the shipment being delivered to the wrong address are reduced. Instead of sending the packages to fulfillment centers, third-party providers might ship them directly to the pick-up point. At the fulfillment facility, this will improve manpower efficiency and production. Because imposing delivery costs requires only minor software changes and no infrastructure, this option is quite simple to implement. Creating a central pickup location, on the other hand, would necessitate route alterations as well as the involvement of third-party providers. Partnerships with local companies or the construction of a pick-up point can help develop these pick-up sites. These changes may be perceived as unfavorable by customers because it now costs them more money to purchase things from Daraz and it may be inconvenient for them to go to the pick-up locations. Furthermore, the establishment of pick-up stations comes at a high initial cost to the organization. Third-party vendors may also be challenging to bring on board. The difficulty of delivering the projected advantages within the predicted time limits is a disadvantage of implementing this strategy.

II. Medium-Term Solutions: Improve supplier selection process to boost the authenticity of products

The process of satisfying clients by demonstrating genuine items is inextricably linked to the process of selecting suppliers. "Product quality as well as merchandise that is out of stock." (ecommercetips.org, 2020). Daraz should develop adequate criteria for selecting suppliers to improve the supplier selection process. The product is priced differently by each provider. Furthermore, the "supplier selection process" must improve in terms of product quality and available inventory. To develop a long-term relationship, the goal should be to satisfy the consumer by meeting their needs with authorized products." (Garfamy, 2018). Despite the fact that Daraz employs several machine learning-based authentication techniques, vendors continue to deliver unreliable and unauthentic products. The solution to a better supplier selection process brings numerous benefits from customer satisfaction to reduced frequency of returns. The potential advantages could be:

- Improved customer satisfaction
- Lower costs associated with product returns
- Improved reverse logistics if fewer products are returned
- Equal price for the same products sold by various suppliers In contrast to the beneficial advantages of a better supplier selection procedure, there are also negative consequences. The time it takes to choose the best provider may be longer than the standard supplier selection process.

In addition, the most recent modifications and policy changes make the process time-consuming. A responsible person as well as a time of implementation are required to carry out the supplier selection procedure. However, every element that aids in the implementation of the strategy has been considered. Improving the efficiency of last-mile delivery is a top priority. Daraz had minimal control over the status of a package once it left one of its massive warehouses. These expenditures, which include electric-powered delivery vehicles, drones, sidewalk robots, and third-party collaborations, have made different degrees of progress.

Daraz should actively implement its medium-term aims, such as smart tools and electric equipment. During the COVID-19 pandemic, demand for Daraz delivery services from its e-commerce site and Whole Foods has soared as people look for ways to purchase supplies without having to leave their homes. It increased demand for last-mile deliveries, allowing Daraz to implement its medium-term goals sooner. While certain distribution methods are too young to comment on, one thing is certain: Daraz's delivery service policy will have ramifications throughout the supply chain and transportation business. To achieve long-term success, Daraz may concentrate on delivering goods to customers' doorsteps as a medium-term goal.

III. Long-Term strategy- implement JioMart business strategy

Daraz is primarily concerned with getting the product from the warehouse to the client. This is the best business strategy for basic shipping. People who don't have Daraz app are good candidates for Daraz's regular delivery service. The Daraz app user pays for two-day delivery, which should be delivered. As a result, improving the business model or introducing a new strategy is critical for increasing customer satisfaction and lowering the complexity of last-mile delivery. JioMart, a subsidiary of Reliance Industries, is critical to improving the efficiency of last-mile delivery.

“JioMart is a virtual store that provides a convenient shopping experience by providing a wide variety of products ranging from fresh foods to pet food to domestic cleaning.” (Reliance, 2020). Reliance has established itself as a reliable source of information. "Daraz should follow Reliance's JioMart's lead and execute a strategy of transporting things from local stores to customers' homes." (Digital, 2020). Instead of going after huge retailers, Daraz could concentrate on local stores, wholesale markets, and specialized stores. The model should be implemented as a stand-alone business or a speciality Daraz BD service. It would be financially beneficial for Daraz if they divided their memberships according to the delivery period. Aside from Daraz's basic shipping service, membership in Daraz's quick delivery program gives a financial benefit.

Sustainability

Daraz is expanding its supply chain network in order to meet the needs of its customers and deliver goods on time. Daraz should also start working on doing business in a sustainable way for both consumers and the environment. The positive development of Daraz BD will have a beneficial impact on sustainability. In addition, these devices aid in achieving the goal of the quickest delivery. Drones, for example, are part of the tactics that will rely on electric power and video recording of the delivery, which is also achievable with the use of a camera. Daraz needs to plan to buy a million electric automobiles, which may be a game-changer for the company.

In this competitive environment, it is critical for businesses to outperform their competitors while also establishing a standard that is not easily influenced by new enterprises. So far, the findings suggest that if a large and well-known company establishes itself in Bangladesh, DARAZ will have a very little chance of reversing its sales decline. DARAZ needs to build a loyal and delighted consumer base in order to have a long-term future. The following are the problems that are preventing DARAZ's growth and sustainability, as well as the suggested solutions:

- First and foremost, they must ensure the quality of their goods. Even though they have fewer sellers, if the product quality is strong, customers will continue to shop from them and will not readily migrate to other e-commerce sites. As a result, their products must be of high quality and align with their company's objectives.
- They are unable to deliver speedier or emergency deliveries because they do not have their own delivery team. With the passage of time, this company has expanded in size. To ensure timely deliveries, they must establish a strong personal delivery crew and superior follow-up teams. Customers like to shop online since it saves them time. If that aim is not met, they will have no reason to shop at DARAZ.
- If customers receive timely assistance and faults are efficiently corrected after complaining and returning the default product, there is a good probability they will purchase again. Most importantly, customers will believe that the organization is concerned about their issue and is constantly ready to assist them. They will feel appreciated and remain loyal to the company.
- When deciding on a pricing plan, the corporation must ensure that its price corresponds to market prices. Customers must be persuaded to buy from DARAZ by offering a competitive price. If the cost is excessive, there should be a good explanation for it. A high-quality item, for example, may be more expensive. However, the product's quality must be guaranteed.
- A large number of customers have expressed dissatisfaction with the customer service they have received. That they are unavailable, follow-ups are not completed properly, responses are not as timely as desired, and they lack sufficient product or process knowledge to respond immediately. As a customer care representative, I can say from personal experience that not enough product information is supplied. Furthermore, the DARAZ supply chain's outbound team frequently fails to communicate product status. As a result, there will be a delay in the service. Every day, we receive a large volume of calls

and inquiries. To provide effective and timely service from the department, the number of agents should be raised.

- Providing distinctive products and services is another approach to keep customers coming back. One-of-a-kind offers are necessary. As a result, customers will only consider purchasing at DARAZ because they have no other option. Finally, if large corporations begin operations in Bangladesh, strong ties with their vendors and distribution networks will be necessary to avoid a sales dip (Delivery associates). Also, the brand's trustworthiness among customers. It is critical for them to provide excellent service.

The social pillar of the Daraz's long-term viability has been explained, with improvements required. During the COVID-19 emergency, Daraz created new employments to meet the demand for primary commodities from customers. These scenarios should be used to collect data and establish a new logistics model for the future.

Conclusion

Daraz BD offers a young, energetic, and creative company that brings new ideas and concepts to the burgeoning digital Bangladesh. Furthermore, Daraz BD organizes several campaigns and flash discounts with prices that Bangladeshi consumers could never imagine. But Daraz BD still has a lot of room to grow and gain market share. The organization has encountered numerous challenges and problems during its history in order to achieve its current position. It has grown from a tiny unit to a massive corporation. To propel the e-commerce industry forward, businesses should focus on providing high-quality products and excellent service. Bangladesh's government should also play a significant role in assisting businesses to succeed. Operating in a dynamic scenario is easier than it appears since Daraz BD is a decentralized company with core values loved by everyone within the business. Every department works hard, and the efficient workforce with advanced technological infrastructure will make Daraz BD to lead the E-commerce industry of Bangladesh.

References

(2022, January 7). Retrieved from everybodywiki: <https://en.everybodywiki.com/Daraz>

Abdullah, S. A. (2017, September 13). *How Daraz BD has revolutionized purchasing habits*. Retrieved from Daraz Life: <https://blog.daraz.com.bd/2017/09/13/daraz-bd-revolutionizes-online-shopping-habits/>

AN INNER LOOK AT E-COMMERCE GIANT: DARAZ BANGLADESH. (n.d.). *IDLC Monthly Business Review*.

Daraz.com.bd officially starts operation. (2015, February 9). *thedailystar.net*. Retrieved from <https://www.thedailystar.net/daraz-com-bd-officially-starts-operation-63854>

M. Shakeel S. Jajja, M. N. (2019). Daraz.pk: Online Marketplace's Value Chain. *Asian Journal of Management Cases*, 24-25.

thedailystar.net. (2015, February 9). Retrieved from <https://www.thedailystar.net/daraz-com-bd-officially-starts-operation-63854>