Report On

A Study on Startups Growth in E-commerce Industry and It's Impact in Bangladesh

By

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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

BRAC Business School
BRAC University
June, 2020

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:

_____
Shadman Rahman
16104093

Supervisor's Full Name & Signature:

_____
Imtiaz Alam Nayeem
Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

Imtiaz Alam Nayeem

Lecturer,

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship titled "A Study on Startups Growth in E-commerce Industry and Its Impact in Bangladesh".

Dear Sir,

This is my gratification to present this internship report entitled "A Study on Startups Growth in E-commerce Industry and Its Impact in Bangladesh" under your supervision. This report is a requisite of BUS400 course which is essential to obtain the Bachelor of Business Administration degree from BRAC Business School.

I sincerely hope I am able to prepare the report according to the academic standard. I would like to show my gratitude for your complete guidance. Without your tremendous support, it would be really difficult for me to prepare the report.

Sincerely yours,

_____

Shadman Rahman

16104093

BRAC Business School

BRAC University

Date: June 20, 2020

Non-Disclosure Agreement

This agreement was made and entered into by and between Backpack Technologies Limited and the undersigned student at BRAC University, Shadman Rahman.

1. The two parties agree that the internship report, in draft or final form, is not considered to be a confidential document and the internship report may be shared with other parties by the student, employer or faculty advisor. The faculty supervisor will maintain a copy of the internship report for at least one year (in case of a grade review), at which time the supervisor may elect to destroy the file copy.

2. The two parties agree that all documents and data provided by the employer to the student in the course of the internship remain the property of the employer, but except where expressly requested by the employer, these will not be treated as confidential information by the faculty supervisor and the student.

3. The three parties shall not be prohibited from disclosing any information obtained during the internship if such information was in the public domain.

_____   _____

Saddam Hossain   Shadman Rahman

Head, Customer Support Team   Student, BRAC Business School

Backpack Technologies Ltd.   BRAC University

Acknowledgement

Executive Summary

The number of unemployed graduates is increasing day by the day. In most cases, they are wasting years after years in search of jobs. However, the recent smart graduates are not waiting for jobs anymore. They try to do something by their own. E-commerce industry creates a platform for them to start their own business in a very easy way. The young e-commerce industry is emerging rapidly day by day. This report presents how e-commerce startups are rising and creates new business opportunity. Also, it focuses on the current market scenario and the areas of perfection in this sector. Despite some challenges, e-commerce startups are doing a great job and contribute to the economy. To conduct the study data has been collected from primary and secondary sectors. Moreover, the charts and graph show the visual representation of data that are also interpreted in the report. Above all it can be said that, this day is not so far when Bangladesh will be able to compete with the largest e-commerce stores.

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List of Acronyms

BTRC   Bangladesh Telecommunication Regulatory Commission

CEO   Chief Executive Officer

CS   Customer Support

LTD   Limited Company

Chapter 1

Overview of Internship

1.1 Student Information

This is Shadman Rahman (Student ID: 16104093), a regular student of BRAC Business School. I have been studying in BRAC University since 2016. I have completed all the courses of my BBA program where my major and minor are Finance & Computer Information System respectively.

1.2 Internship Information

1.2.1 Period, Company Name, Department/Division, Address

I have completed my internship from Backpack Technologies Ltd. I worked there in the Customer Support team. My internship period started at 25 January, 2020 and it lasted till 30 April, 2020. I was posted in the main campus which is located at   278 Rd No 19, Mohakhali DOHS, Dhaka 1206.

1.2.2 Internship Company Supervisor Information

Mr. Saddam Hossain, head of Customer support played the role of my internship supervisor during this three months internship period. He is a very nice guy. He supports me a lot so that I can fit in my work. In fact, his cooperation and support helped me a lot to adjust with the organisation.

1.2.3 Job Scope

Because of being a Silicon Valley company, Backpack maintains the international standard of delivering service to the customer. For this, every employee even the intern needs to be trained for few days to adjust with their policy. On the joining day at office, my supervisor inaugurates me with the all department's colleague. He helped me a lot to give a brief idea about the operation of the entire department. Due to a leading peer to peer platform in the country, Customer Support team have to handle a huge pressure in each day. All the tasks are distributed in roaster basis. I had to work a shift of 8 hours per day. As a Customer Support intern my responsibilities were,

- Educating customers about the services and help them to make the best use of the services served by the company.

- Proactively communicating with the customers who are having issues with the service and following up on them to the point they are satisfied.

- Doing calls and answering e-mails on a daily basis addressing to the queries of the customers and providing them solutions. In this process I usually use some CRM tools, like Zendesk, X-lite etc.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

Backpack always welcome the idea of each and every employees regardless their position. The organisation picks the best idea even if it comes from the entry level's employees. As a Customer Support intern, I always had the privilege to talk with the customers directly. Besides

solving the customer queries, I talked with the customers after they received their product. This helped me to get some valuable feedback from them. Whenever I found a place to improve, I collaborated cross-functionally and communicating it to the Business development team. During my internship period, my feedbacks helped the engineering team to introduce a new tool that helped the customer to get instant notification about the stage of their order. It also helped the Customer Support team to communicate proactively in a very easy way. Furthermore, whenever company launched a new segment I was the first person among the other team members who could able to convince the customers to purchase our service. Apart from these, I always tried to help my colleagues if I get the opportunity. Two of my team members wanted to learn more about Google Sheet. Due to having previous experience, I could able to help them to acquire this new skill which is used as an alternative of Excel nowadays.

1.3.2 Benefits to the Students

Internship is the learning spell for any undergrad student. In this phase, a student gets an opportunity to introduce the working environment and culture of corporate. Backpack always promotes learning over anything. I could practise so many stuffs that I learned in my undergrad life. For instance, maintaining professionalism, staying calms in a critical situation and solving the problem and ensuring effective business communication. Besides, I learned some new things such as how to prepare a business proposal and present it to the business partner, how to sell a product, how to raise fund from the investors, how to balance the inflow and outflow of money. Although I was in the Customer Support team I could able to see the operation of other teams during my break time. The colleagues were so cordial in sharing their tasks and responsibilities with me. In addition, I had no binding to talk with CEO as well as other top level managers at any time as there was no strict maintenance of hierarchy. They taught me how to be prepared for

the next stage of my career. Moreover, Backpack gave me the opportunity to learn more about business practically in addition with job experience. Apart from all these, I got an industry standard remuneration as this was a paid internship program.

1.3.3 Problems / Difficulties

Backpack has a structured system of training before onboarding an intern. In the very first day of my office, I was given different playbooks where all the tasks were listed in a detailed way. These playbooks helped me a lot to get a brief idea about my responsibilities. However, I have faced some challenges when I started my work because the whole system of organisation is based on some custom made tools. I couldn't able to do my work without the usage of these tools. It gives me a hardship to get familiar with the tools and do proper implication of them in the right time. Nevertheless, the tremendous support from my colleagues help me a lot to clear out all my confusions.

Another major challenge I faced to adjust with the corporate life. During my academic life, I could get enough time to maintain social life after my university or study. On the other hand, due to having roaster basis work in internship, I needed more time to complete my chores as these were completely unfamiliar to me. Therefore, I didn't have enough time to meet with my friends and giving enough time to family. However, after few weeks I became used to with my work and I think this helped me to do my every task on time.

Chapter 2

Organization Part

2.1: Introduction

The main goal of report is to complete the Bachelor of Business Administration Undergrad internship program. This report is essential in BRAC University to complete the Bachelor's degree as well. Every student needs to prepare the report after completing the three months internship program. After the completion of the entire academic courses student are set to different organization through a standard hiring process for the internship program. The three months internship program introduces a student with the working environment of corporate. During the four years academic life student can gain knowledge on different business theories and tactics. Internship creates a platform for the student to apply those theories and see how they work in real business scenario. I had the opportunity to complete my internship at Backpack Technologies Ltd. The report defines the overall operation of Backpack Technologies Ltd. By this report I am going to showcase what I have seen and learnt throughout my entire internship period. Moreover, this report shows the outcome of learning at Backpack technologies Ltd.

2.1.1 Objective:

- To get introduced with Backpack Technologies Ltd.

- To showcase the overall operations of the organization.

- To manifest the overall learning during the entire internship period.

To conduct the study data is collected from both primary and secondary sources. To get data from primary source, I need to take the interview of my supervisor Mr Saddam Hossain, Head of Customer Support Team at Backpack Technologies Ltd. Besides, the CEO of the company Mr. Fahim Aziz shared with me how he got the idea of starting Backpack and how he turns this business into a leading peer to peer marketplace.

For secondary data, I need to collect information from the organisation website which is https://backpackbang.com/. Also, I have to studied different documents of the organisation to get some additional data.

2.1.2 Limitation:

- Required financial data could not be managed due to strict confidential issue.

- Absence of few latest data and information.

- Inexperience is one of the major limitations in this report.

2.2: Company Overview

Backpack is a silicon valley based peer-to-peer marketplace that connects travelers with shoppers with a view to delivering products across markets in all continents. It's a platform that links shoppers and travelers with a view to offering outstanding foreign shopping and traveling experience. It is similar to the situation when anyone asks their relative to bring an item from overseas by paying him earlier. Likewise, Backpack connects shoppers with travelers who are

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interested to bring shopper's requested items while travelling. Backpack always provides fast, reliable and hassle-free experience to shoppers and travellers. Backpack was founded in Jan 01, 2014 by two young fellows named Sakib Hasan Sauro and Fahim Masoud Aziz. The company's Head Office is situated at Mohakhali DOHS, Dhaka.

How Does Backpack Work:
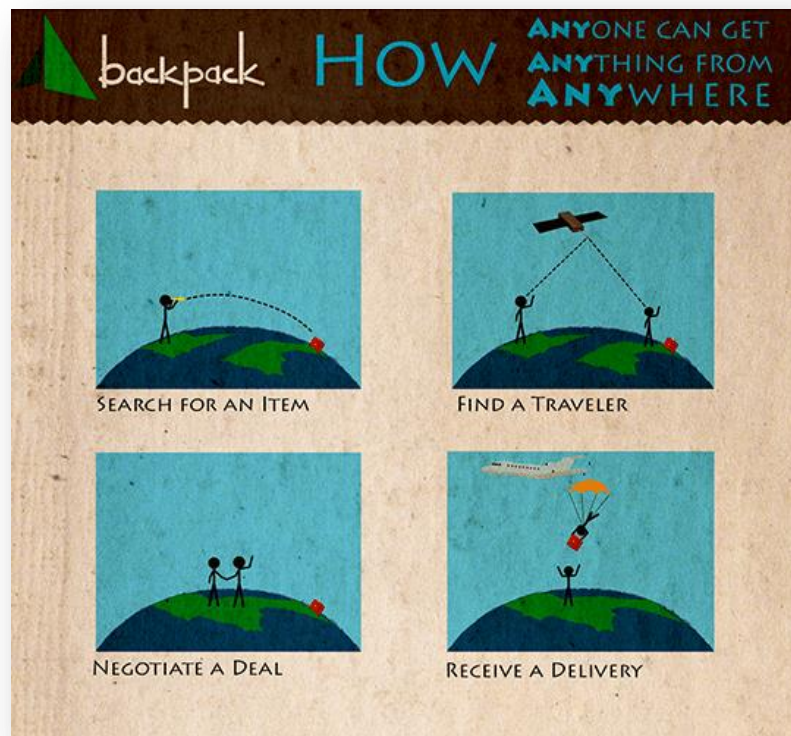
To get the Backpack service shopper needs to provide the link of his desire products through his Backpack account. Backpack reviews the items and sends the total price to the shopper. Shopper finds the price of his needed item and pays at checkout; Backpack purchases the items within the next 72 hours after payment and connects the items with a traveler who has a close flight date.

Subsequently, the purchased item is delivered to a traveler who brings it for shoppers in his luggage. After arrival of the traveler in Bangladesh, delivery team collects the item from the traveler and delivers it to shopper's address. On the other hand, traveler shares his travel information and defines his preferable item categories to carry. Then they wait for a "backpack request". Finally, they receive the products from the seller, bring the items in Bangladesh, deliver to backpack and earn money. Receiving order confirmation from shopper to delivering the items, the entire procedure generally takes 16 days; simple yet magical!

2.2.1 Types of Business:

Backpack is a kind of E-commerce business. It has become one of the leading key players in terms of bringing overseas products in Bangladesh.

2.2.2 Vision:

Backpack is founded with a vision to provide every citizen of the world with a choice; the choice of buying organic, authentic and cost effective products with minimum friction (Indipendent, 2014).

2.2.3 Mission:

The mission of Backpack Technologies Ltd. is to legally deliver overseas products that shopper's always cherished but couldn't get due to the unavailability in the local markets.

2.2.4 Value Statement:

Help to make a better, more original globalized world.

2.2.5 Business Objectives

✓ Provide the best e-commerce service in Bangladesh

- ✓ Be consistent in ensuring shopper satisfaction

- ✓ To earn wide profit margin

- ✓ Ensuring sustainable growth rate

2.3: Management Practice

After starting its journey in 2014 Backpack Technologies Ltd. grew rapidly. Today in this country, Backpack is leading the online marketplace for overseas product.

2.3.1 Hierarchy of Backpack

```
                              CEO

                              CTO

  Head of      Head of      Head of      Head of       Head of      Head of
  Engineering  Accounts &   Traveler     Customer      Purchasing   Delivery
  Team         HR Team      Acquisition  Experience    Team         Team

  Senior       Senior       Senior       Senior        Senior       Senior
  Executive    Executive    Executive    Executive     Executive    Executive of
  of           of Accounts  of Traveler  of Customer   of           Delivery Team
  Engineering  &                                       Purchasing

  Executive    Executive    Executive    Executive     Executive    Executive of
  of           of           of           of            of           Delivery
  Engineering  Accounts &   Traveler     Customer      Purchasing
               HR                        Support       Team
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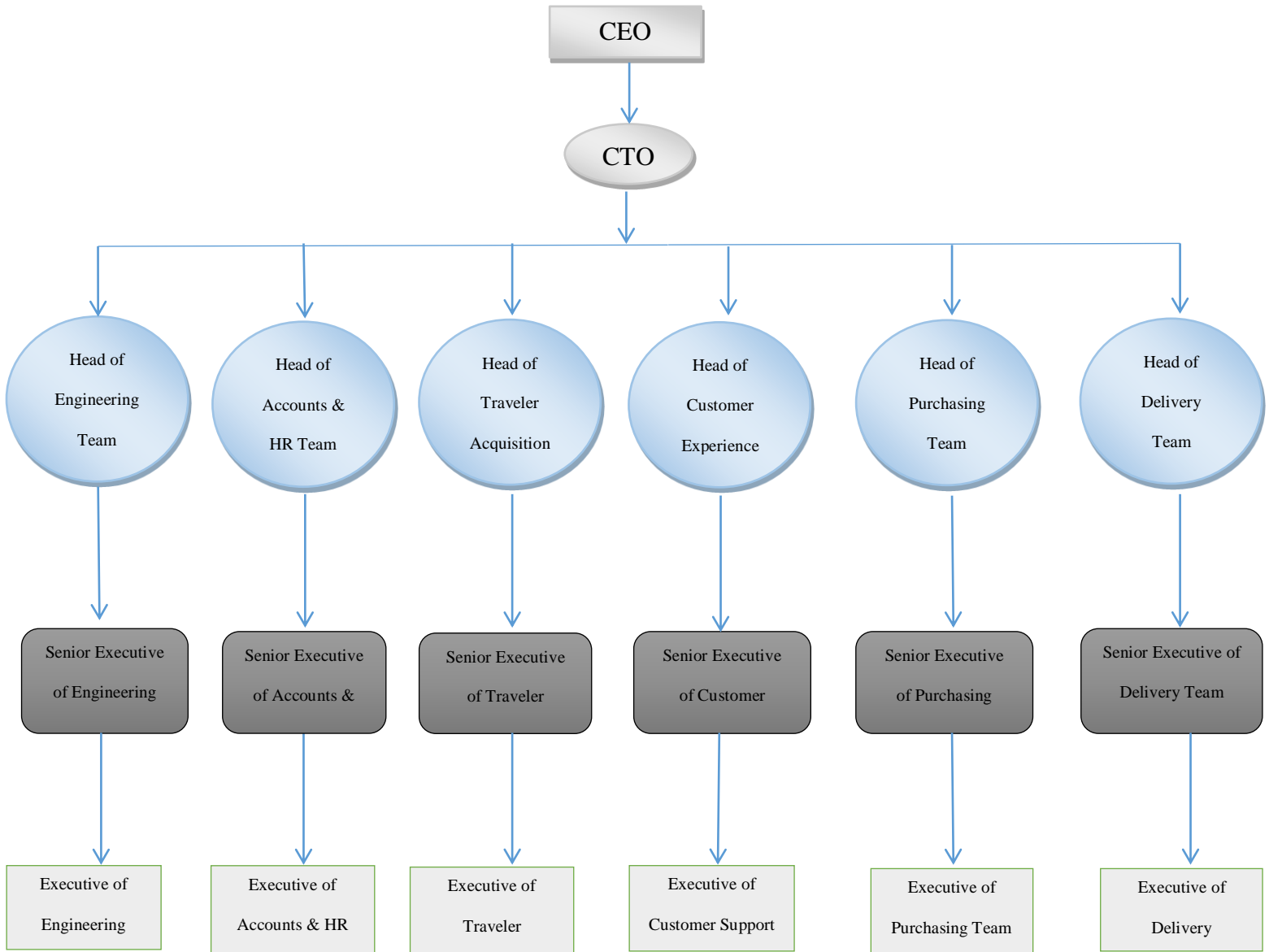
Figure 1: Hierarchy of Backpack

Although there is an organizational ladder present in the organization, it is not maintained strictly comparing to the other corporate organization. According to the CEO, everyone is equally important in the organization. The decentralized structure of Backpack helps the employees to accomplish their responsibilities independently and develop them.

2.3.2 Corporate Culture

Backpack is one of the most casual organizations in Bangladesh. There is less maintenance of hierarchy in the organization. Also, there is no sir or no madam inside of the organization. Everyone calls each other bhaiya or apu. Also, everyone can challenge each other's ideas regardless their position. If anyone can come up with a better idea and can defend it smartly, it will always be accepted. Making mistake is always appreciable here till it gives learning. Anyone can come to the office in casual attires. Backpack doesn't care about what employees wear or how many hours they work, as long as an employee can move fast, get things done and continue to learn and grow with the team.

2.3.3. Office Environment

There's no particular desk assigned for an employee. One can work in any of the place where he or she wants to. The office is designed in a way to give a feel like everyone is working at home. There is a table tennis board in the office which the employees use during their leisure time. Also, there is a good collection of books which helps the employee to broaden their knowledge. There is a particular place for prayer room and the organisation always motivates employees to do their prayers in time.

2.4: Marketing Practice

2.4.1. Marketing Mix

The 4 important factors of marketing mix Backpack uses to promote their service in the market.

- **Product**: Backpack does not produce any product. It is an online platform where people can purchase products from any US, UK or Indian online store. They can bring any product that can be carried through a traveller's luggage. Shoppers can request various categories of products except those which have legal restrictions in the customs.

- **Price**: To make the pricing simple and transparent, Backpack shows the price breakdown for all items in their platform. The total price shopper pays for an item is broken down into three parts - Seller takes, Traveler takes and Backpack takes. When the three parts are added, shopper gets total price charged for an item, no hidden fee or anything.

- **Place:** Backpack doesn't have any physical store. Shopper can order all the products through their website. The web address of Backpack "https://backpackbang.com/." can be considered as the place of Backpack. However, when the product arrived at Backpack office shopper can't collect the product from office as well.

- **Promotion:** Backpack conducts different promotional activities to capture the attention of existing and new shoppers. They mainly use the online platform to promote the service. In addition, they showcase their regular offers and deals in the social media sites like Instagram and Facebook. Backpack also preserved its personal email database. It helps them to reach thousands of shoppers through email. Besides, when any appealing offer is available they share the message to shoppers through SMS and calls. Backpack also gives the opportunity to their shoppers to get overseas products in discount in the Clearance Sales event. In that case shopper doesn't need to wait for 16 days as the

products are already in stocks. Moreover, if a new user opens his account with the existing user's referral link, there is credit reward for both the user.
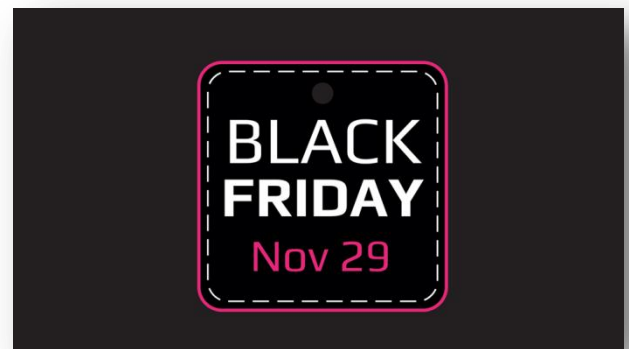
2.5: Financial Performance and Accounting Practice

2.5.1. Company Growth

Analysis of financial performance indicates the current financial position also it helps to asses the future financial perfromance. In this report the analysis of profitability and growth are going to shown. Due to having less data financial analysis can't be conducted in broader way.
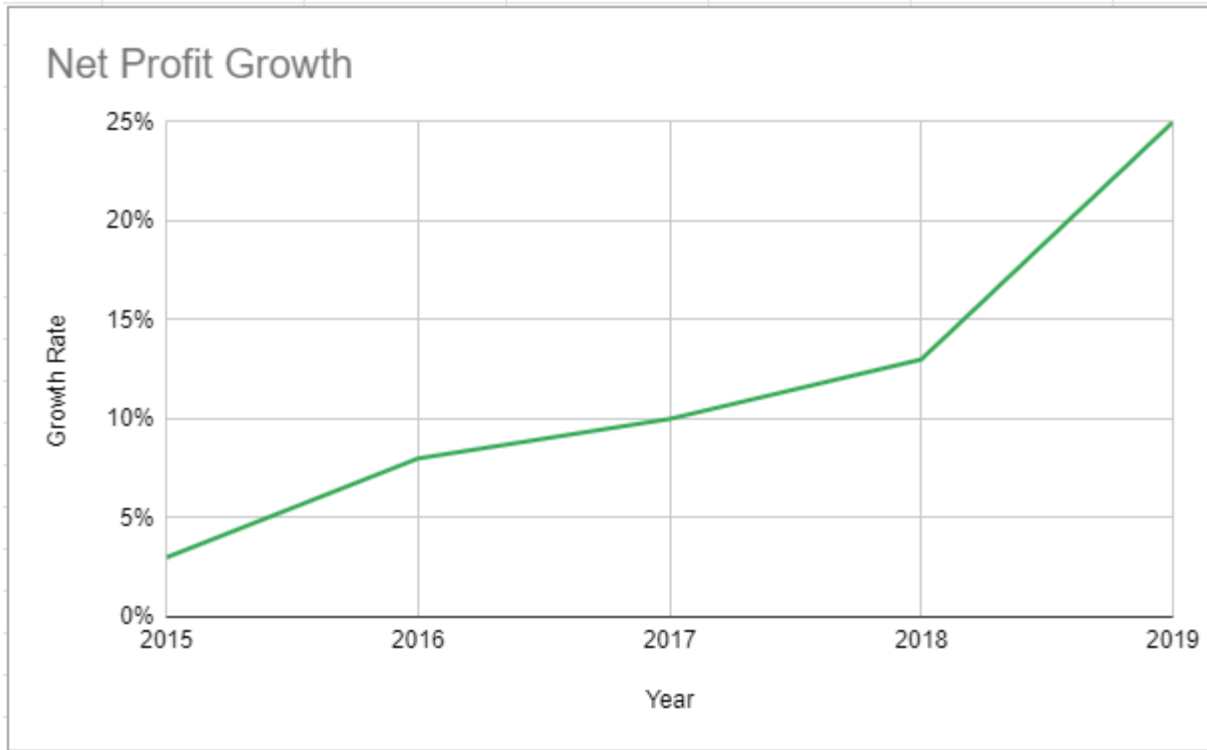
Figure 2: Net Profit Growth Rate

Backpack started gaining profit during the year of 2015. From then the high volume of sales help the company to gain more profit year by year.
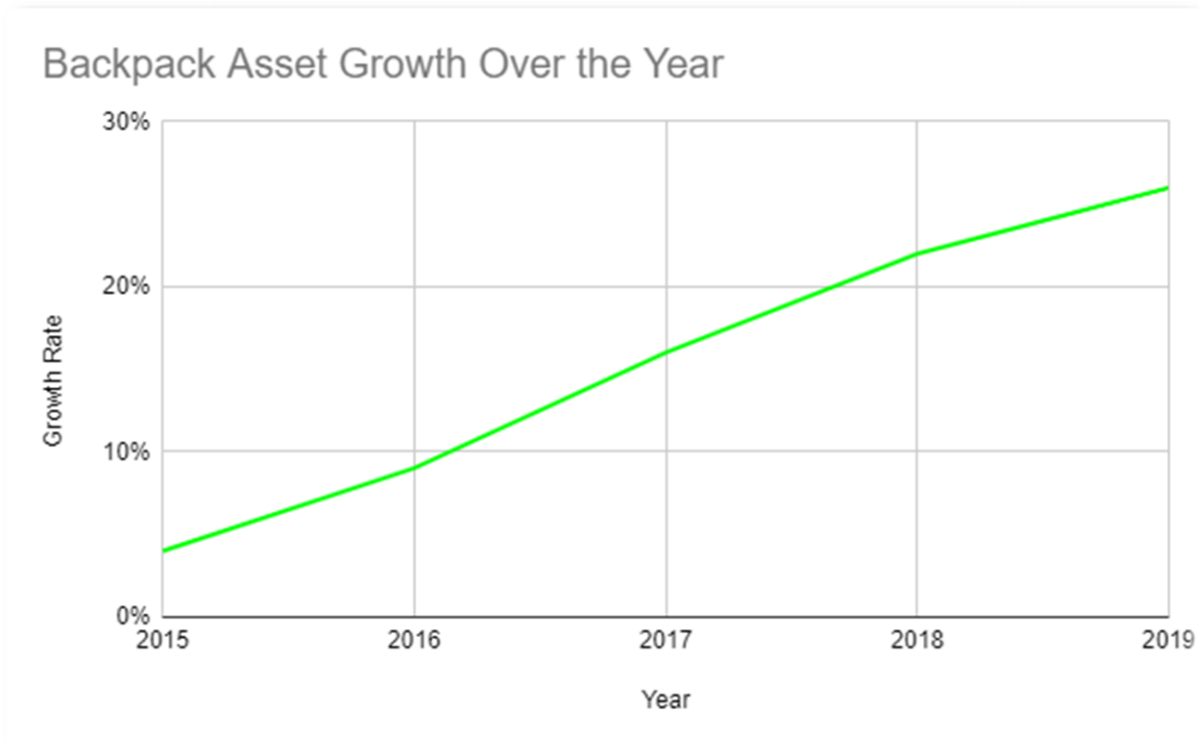
Figure 3: Backpack's exponential growth over the years.

After the starting of 2014, Backpack started to capture the market because of being the only trusted source of getting overseas product in Bangladesh. After entering the market there was a massive response from the shoppers that helps the company to grow faster than ever.

2.5.2. Accounting Practise

Backpack is a private limited company. All the financial statements and accounting data are kept in highly confidential manner. The organisation do not share their accounting policy and the record of numerical data with the external party. Therefore it is strictly recommended not to share any of their confidential information in this report.

2.6: Operations Management

2.6.1. Teams

Backpack runs the whole operation by dividing it into team. There are 5 teams at Backpack who controls the major operations of the organization.

● Engineering Team

● Purchasing Team

● Traveler Acquisition Team

● Delivery Team

● Customer Support Team

2.6.2. Teams Role

Table 1: Different teams and their responsibilities

Team	Responsibilities
Engineering Team	✓ Upgrading tools to make the process easier. ✓ Maintaining the existing tool. ✓ Providing website maintenance service.
Accounts & HR Team	✓ Keep record of all the transaction. ✓ Maintaining payment and refund issues. ✓ Hiring new employees and ensure proper facilities to the existing employees.
Purchasing Team	✓ Purchasing & connecting all items with traveler's flight. ✓ Confirm Purchases orders after getting seller confirmation. ✓ Confirming shipment from the seller with tracking information and updating the shipment tracking info in lifecycle.

Traveler Acquisition Team	✓ Onboarding new travelers. ✓ Maintaining communication with the existing travelers. ✓ Confirming the shipment from seller's end to traveler's address.
Delivery Team	✓ Tagged items after receiving from the traveler. ✓ Coordinating Home deliveries inside and outside of Dhaka. ✓ Communicating with shopper with delivery queries and issues. ✓ Making sure shopper pick up items are delivered
Customer Support Team	✓ Solve Customer Queries over phone & mail ✓ Managing social media posts and advertisements ✓ Adjust weight and dimension of shopper's requested product and give them the final price of the item

Team roles are divided in the above way. However, any team member is always welcomed to take part in another team's meeting, discussion. Sometimes it is found that a team pick the best solution from the members of other teams.

2.7 Industry and Competitive Analysis

2.7.1. SWOT Analysis

Strengths

- Brand value

- Funding form Silicon Valley

- Foreign products

- Custom tools & technologies

- Various payment method

- Young and energetic employees

Weaknesses

- High maintenance cost

- No products in stock

- Require additional time to deliver

- Limited human resources

Opportunities

- Bringing products form more countries

- Technological Advancement

- Work on varieties of project in addition with core operation

Threats

- Increasing competitions

- Shutdown of border on pandemic or any global crisis

- Product lost due to different reasons

2.7.2. Porter's five forces analysis

1. The threat of new entrance: High

Any organization can easily get into the market if they have prior experience and sufficient funding. This service is under e-commerce industry therefore it is not very much difficult to enter the market.

2. The threat of substitutes: Moderate

Backpack is mainly known for providing authentic overseas products. They bring products from the giant e-commerce industries of the world. Backpack substitutes are more likely the local e-commerce stores. Sometimes the product can be available in the local online stores but quality may not up to the mark. However, when shopper needs the product urgently they may purchase the product from the local online shops.

3. The bargaining power of buyer: Low

There is very limited service provider in country that bring overseas product. Although there are so many e-commerce store in the country, some shopper always prefer the international products. In most cases, price is not a concern for them rather they are focusing more on the quality. Apart from this, purchasing product from the top e-commerce site in the world such as amazon keeps the customer for a longer period.

4. The bargaining power of supplier: High

Backpack gets products from the top e-commerce stores of the world. In the case, the suppliers have a huge demand throughout the world. Therefore, the bargaining power of supplier is very high. If they want to stop selling products to Backpack, it will not create that much harm to them.

5. Competitive rivalry: Low

Backpack is the first peer to peer platform where shoppers can purchase product from the largest international e-commerce store of the world. Backpack has been taking the place of market leader in this industry. The number of competitor is very little and the operations of the competitors are not that much vast. Therefore, it can be said that Backpack has been ruling the market for so long.

Chapter 3

Project Part

"A Study on Startups Growth in E-commerce Industry and Its Impact"

3.1 Introduction to the study

Origin of the study:

The internship program of BRAC Business School is a part of BBA course curriculum. The main goal of this program is to provide an opportunity to get introduced with the real life business scenario and the culture of corporate. Students can get the advantage of applying their theoretical concepts which were taught in their academic courses through this internship program.

Background of the study:

Every year millions of students complete their graduation and they are struggling in search of government and non-government job. According to World Bank latest report, more than third of these graduates remain jobless one or two years after their graduation. Therefore, it creates a great uncertainty in their career.

To get rid out of this uncertainty, every year many students come up with an idea and try to shape it in a business. These businesses can be very small comparing to the market but this starting helps them to become bigger day by day. In most cases, these ideas are ready to solve a problem in the country. From solving a problem to get a shape in business, the term Startup has evolved.

The number of startup has been growing rapidly since 2013. Different ideas are getting shaped in business mostly in Dhaka and Chittagong regions. Many of the new entrepreneur choose e-commerce while it comes of a startup. By the help of advanced technologies and the social media platform these e-commerce startup has get an exponential growth in the market.

Scope of the study:

This report is primarily based on secondary data. However, it includes little primary data where few startup founders were interviewed. It was really impossible to collect all the primary data related to the study during this global crisis. However, I tried my best to collect the recent information from different authentic available sources. During my internship at Backpack Technologies I got an idea of different Silicon Valley startups throughout the world. It shows me how youth are engaging more on getting a solution of a problem. The CEO of Backpack helped me a lot to conduct the study. Moreover, my supervisor helped me a lot to take interviews of few founders from different emerging startups. Their valuable perceptions towards rising of startups crate a scope for me to conduct the research.

Limitation of the study:

The findings of this study have to be seen in light of some limitations.

1. The first limitation was time constraint. It was not possible to conduct in-depth research due to shortage of time.

2. Lack of prior expertise in publishing academic reports individually.

3. Problem of having limited access of primary data as companies keep their financial, growth and other details strictly confidential.

4. Due to COVID-19 pandemic, taking the interview of different startup owners was quite impossible. So there are lacking of recent information and data.

Significance of the study

This study has eminence in the attitude of successful e-commerce startup owners and the new startup owners in the market. From successful startup owner's perception, they might know how they are contributing in comparison with the traditional companies and shopping mall. Furthermore, the new comers in the industry get influenced by the success of the early comers. It will motivate them to grow faster to compete with the market. Moreover, the study will encourage the student to do something by their own instead of working under someone. The research will help them to know the contribution of e-commerce startups in our economy. In addition, more people are losing their jobs during this national crisis of COVID-19. This pandemic gives a realization that there is no guarantee of corporate job if the company faces difficulties in running their business. From this paper, the unemployed people can be interested to settle up their own startup by utilizing their experience in relevant industries.

Objective of the report

The main objective of the report is to complete BUS400 course in BBA program. In addition, there is some other objective to conduct the research.

1. To show the current condition of e-commerce industry in Bangladesh.
2. Define the contribution of e-commerce startups in developing the economy of Bangladesh.

3. Focusing on the platform that helps to raise the e-commerce startups.

4. To show the growth of e-commerce startups over the years.

3.2 Methodology

This is a qualitative research is a combination of both primary and secondary data. Most of the information was taken from secondary sources. However, I tried to get as much as primary data from different successful and new comer startup's owners and top management in the industry.

In order to get the primary data, founders and co-founders of 30 e-commerce startups were interviewed. We asked them about their current condition in the industry. We also ask them who are their top investors and what difficulties they are facing to run their business. Besides, we wanted to get their prediction about the future of their businesses. After taking the interview I got a brief data about their perceptions towards the emerging of e-commerce startups. However, the primary data was not sufficient to conduct the research therefore I need to take secondary data as well.

Due to pandemic there was very little scope to collect a good number of primary data. Therefore I need to rely more on non-primary sources to collect the relevant information that is needed to conduct the study. To gather the secondary information the used resources are as follows:

- Newspaper

- Official Websites

- Magazines

- Published articles

3.3 Findings and Analysis of Data

Current Scenario of Startups and E-commerce Industry

The startup culture started its journey back in 2013. By the age, it has brought a remarkable success in the country. More youths are throwing out fear and expressing their entrepreneurship skill through their bravery entrance to the market. Although the success rate varies person to person, business to business they try to get an experience by this journey.
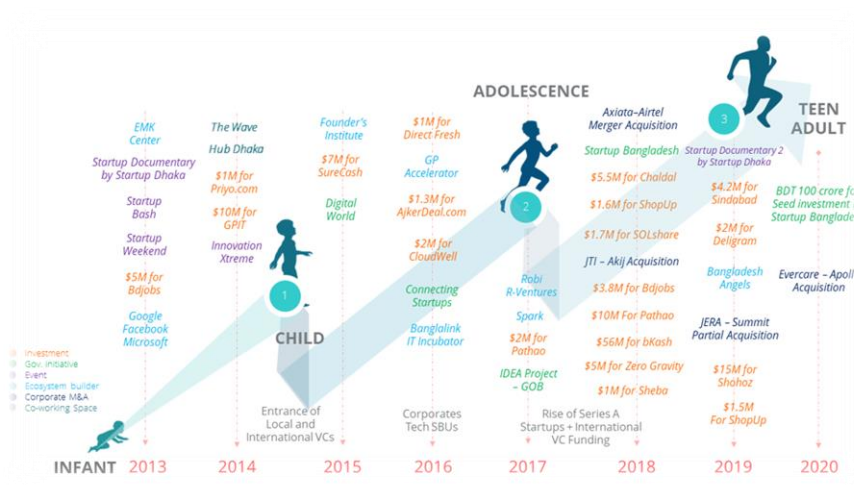

Figure 4: The journey of Startup Ecosystem in Bangladesh

Success of startups varies industry to industry as well. In comparing to the other industry e-commerce industry is absolutely to rise. Fastest internet connection and the huge number of internet user help to e-commerce industry to grow rapidly. Besides, the keen interest and availability of products help the new entrepreneurs to jump the e-commerce industry. In most cases, due to having less investment or no need of physical place and skillset in IT; e-commerce industry gets the top priority to the new entrepreneurs.

In addition with e-commerce, f-commerce industry is capturing vast market day by day because of getting more customers. The new comers in the industry find it very easy to increase their sales through f- commerce. It's a very useful platform for them to get instant orders through messages and deliver it without any hassle. They can get popularity through different social media campaigns.

Growth of E-commerce Industry
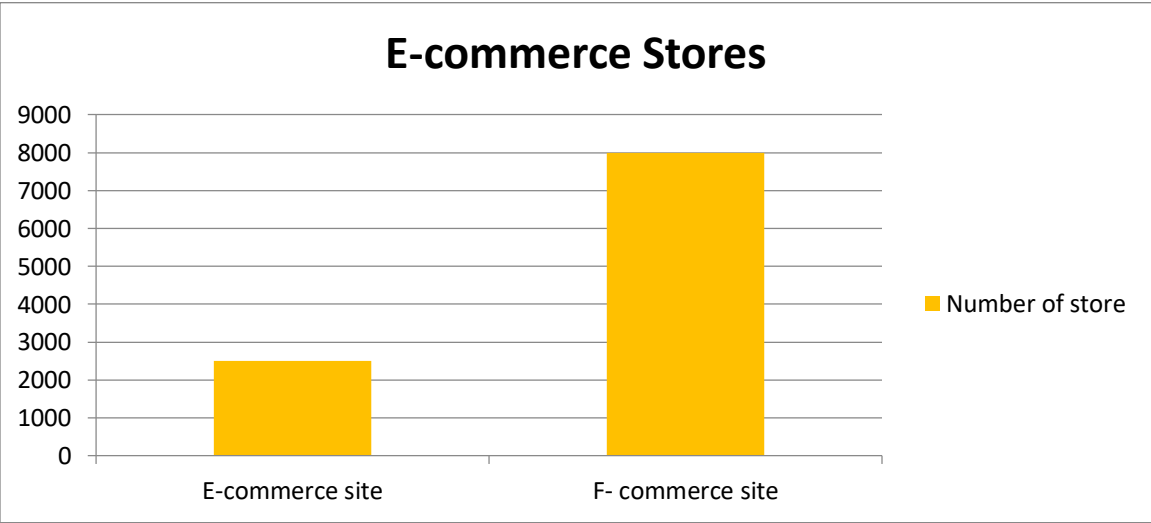

E-commerce Stores

Figure 5: Comparison between e-commerce startups and f-commerce startups

According to the BTRC officials the number of internet subscribers crossed 93 million. The number of e-commerce startup sites is close to 2500 whereas the number of f-commerce is more likely 8000 (export.gov, 2018).

Table 2: Top e-commerce and f-commerce stores of Bangladesh

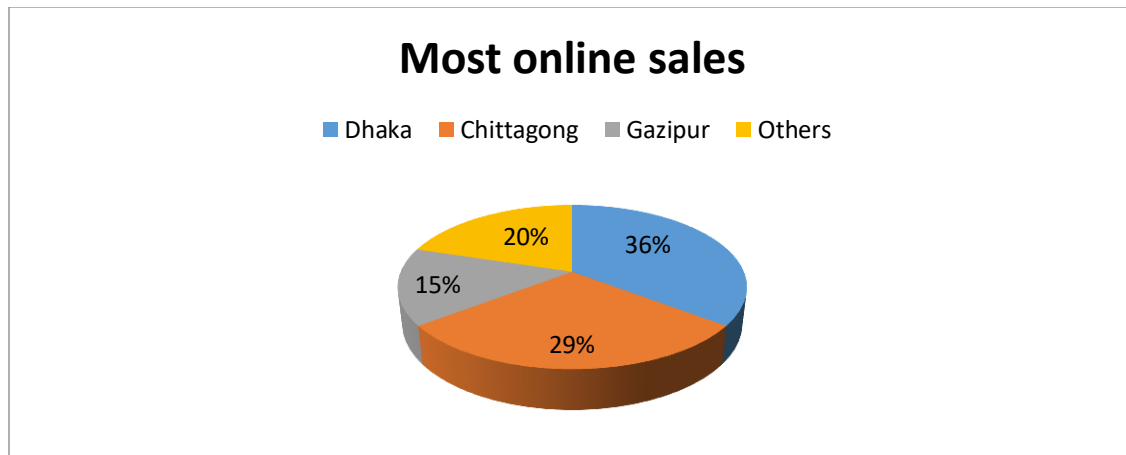| E-commerce store	F-commerce store
Bagdoom.com	Shopup
Othoba.com	Poter Bibi
Priyoshop.com	Rupanzel's secret
Chaldal.com	Gorur ghash
Backpackbang.com	Goynar Baksho

Figure 6: Most online sales based on different region of Bangladesh

According to the data of E-Cab, 80% of total sales occurred in Dhaka, Chittagong & Gazipur (e-CAB, 2018). Because of having good internet connection and availability of smartphone online shopping is quite popular in these regions. However, the market of e-commerce in the rural areas is increasing day by day.
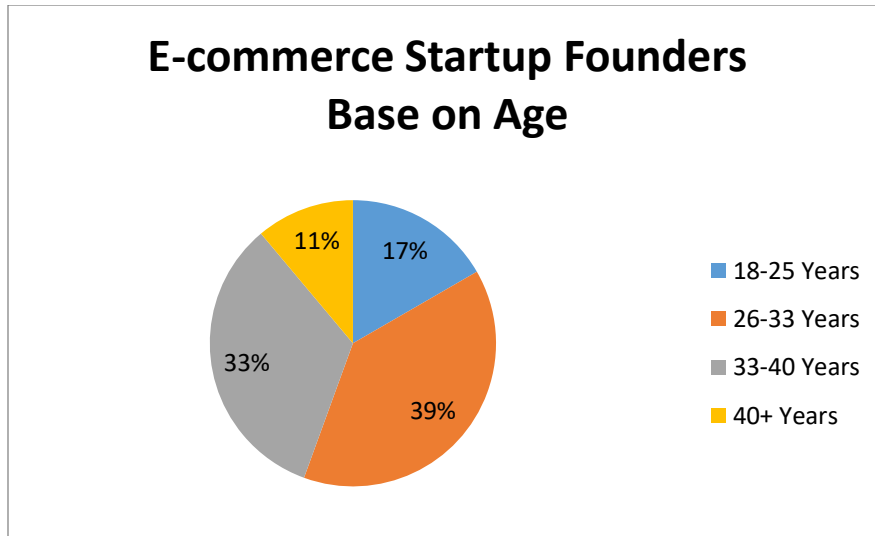
Figure 7: Percentage of E-commerce founders based on their age

According to the interview of 20 e-commerce startup founders, 39% startup founders are in young age who just completed their study and start career. On the other hand 17% entrepreneurs are in 18-25 years age; who are running their business beside their studies. In few cases, they are more successful than the mid aged entrepreneurs.

E-commerce Contribution to the Economy

Although the contribution of E-commerce in GDP is 0.7% of the country's total retail market (Newagebd, 2017) the e-commerce industry is flourishing faster than ever. According to Goldman Sachs, Bangladesh e-commerce market size will grow to $20 billion by 2020 (Newagebd, 2017).

In 2016, the total investment in the e-commerce industry of Bangladesh was $50 million in which $10 million was direct investment (Financial Express, 2020). The E-commerce industry in Bangladesh, made a quick growth in 2017; increasing at 70% in comparing to 2016. In 2017, the B2C E-commerce business market measure adds up to USD 110-115 million (around BDT

900 crore) against the 133,571 crores total retail market (Financial Express, 2020). The e-commerce business market will reach to BDT 70 billion by 2021 (Financial Express, 2020).

Along with the foreign investment, our government is doing a great job to grow the e-commerce industry. To uplift the number of new entrepreneurs the government introduced National Digital Commerce Policy where foreign investor can't hold the stake of over 49% in any e-commerce business in Bangladesh (Daily Star, 2018).

Major Drawbacks of E-commerce Industry

- Shortage of capital and other financial support cannot help the new entrepreneurs to reach the market.

- Absence of proper logistics and transportation support hinders the fastest delivery of e-commerce products.

- Absence of proper marketing and management skills many new business can't see the shadow of success.

- Less availability of trusted suppliers in one of the major drawback in the growth of this industry.

Key Findings

- E-commerce industry is one of the most lucrative markets for the new entrepreneurs.

- A large amount of foreign and local investments are taking place in the e-commerce market.

- A good number of customers are shifted to online shopping from traditional or offline shopping.

- Few graduates are not depending on searching jobs anymore. They can set their own employment.

- Traditional shopping stores are engaging in online besides their physical store.

- Most of the young kids are utilizing the internet service as a platform for establishing new business.

- Many recent e-commerce is broadening their service to the rural areas where it was difficult to reach earlier.

3.4 Summary and Conclusion

In this paper, I have presented the current scenario in the e-commerce industry of Bangladesh. The e-commerce industry is a very recent and uprising industry in the market. In spite of having some barriers Bangladesh e-commerce sector is flourishing by the entrance of startups and soon it will compete with the Asian market. Many foreign investors such as Alibaba, Xiaomi are showing their interest to invest in this sector. This paper also focuses on the new entrepreneurs who are struggling day to day basis to get a position in the market. A recent study shows that Bangladesh has already entered the population dividend era which the number of young age people will be very high within the next two decades (Karim, 2018). According to the recent study, the percentage of young people is 65% of the total population (Karim, 2018). This is the right time for utilizing the youth and makes them human resource. A business friendly

environment can engage more youth to the e-commerce sector which has a very high potential in the upcoming days. So the government as well as other private organization should play the vital role of ensuring proper business environment and engaging our youth in the e-commerce business.

3.5 Recommendation

- University should ensure learning business by doing business. If they can engage the youth in some little business during their study period, it will enhance their experience.

- Government should ensure a proper business environment to the new entrepreneurs.

- Varieties of e-commerce program should be conducted to make our youth more skilled and professional.

- Proper utilization of local and foreign investment can help the young entrepreneur who needs financial support.

- Strict maintenance of law can kick out the e-commerce scammers and create customer trust on the customer focused businesses.

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