

Project Report on Daraz

Intern Report Submitted to the School of Business and Economics in Partial Fulfillment of the Requirements for the Degree of Bachelor of Business Administration.

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daraz.com.bd



Letter of Transmittal

22nd September, 2019

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Subject: Submission of Project report

Dear Sir,

I would also like to tell you that I am delighted to present the Project document on "Analysis on daraz.com.bd." I attempted my utmost to fulfill all the study requirements you gave. Finally, I am thankful for your invaluable moment and assisting me in preparing this project document that gives me a great understanding of digital e commerce industry and its process

Yours Sincerely,

Md. Akibul Islam

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Acknowledgment

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Executive summary

In this report, I have tried to analysis on online retail industry and later I specifically focus on daraz. At the beginning, I tried to analysis on completely industrial situation of online retail industry. Then I tried to focus on Bangladesh e-commerce situation and opportunity of online business in recent time. After that, I give overview of daraz and give a brief description of alibaba take over daraz. After that, I tried to describe marketing mix of daraz and then I go for analysis part. In my analysis part I describe SWOT analysis of daraz by which strength and weakness of daraz can be clarified. Then I describe business model of daraz as well as its industry structure. Also I describe the value chain of daraz. In addition, most importantly, I describe which type of marketing strategies and digital e commerce strategies daraz follows. At last, I give the daraz social marketing process with its 5 steps. And after that I conclude my analysis

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1. ONLINE RETAIL

We are not in a place where we can live a day without internet. Customer buying behavior tends to shift more to online for the development of internet. Online retail industry has been grown largely over the last few decades. The availability of internet makes people life easier. Now people can order and shop from anywhere from one country to another. Online retail refers the sales of goods and services through the internet. Online retailing can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services. Online retailing allows the company to sell over online and turned the physical store into online store. On the other hand Strong distribution channels are must and valuable to electronic retailing as these are the avenues that move the product to the customer and ensure the ultimate goal.(1)

1.1 How online retailing Works

Online retailing incorporates large and wide scope of industries. buyer data investigation, web based marketing strategy and also product feature shows in online are some of the similarity between online shop. Also If your brand value is not strong customer will not buy from you as its online retail and there are thousands of options and websites people can buy over online. So strong brand value is must for online retail company. Websites should be meaningful, handy and attractive, easily passable, and frequently restructured to meet up consumers' varying demands. Not just the website for the customer fulfillment of satisfaction there must be value added product need to be sold by the business with a competitive price . As people can easily compare price of a product over internet Competitive price should be followed by online retail company and do not support one business over. (1).in online retailing the most important thing is distribution channel which need to strong, waiting long for the product which customer has ordered may switch customer mind. Transparency in business practices is also important, so consumers trust and stay loyal to a company. (1) By several ways organizations can work together and do income on the web. Evidently, the main earnings source of online retailing company is through the offers' of their item to shoppers or organizations. Notwithstanding, both B2C and B2B organizations could acquire income by selling their administrations through a membership based model, for example, Netflix, which charges

a month to month expense for access to media content. Income can likewise be earned through web based promoting. For instance, Facebook gains income from advertisements set on its site by organizations hoping to offer to Facebook clients. (1)

1.2 Various types of Electronic Retailing (E-tailing)

Business-To-Consumer (B2C)

In online retailing, B2C is the most familiar term. Business-to-consumer retailing is the most common to most internet users. Nowadays purchase over online has developed largely rather going physically to the store and buy the preferred product. So here retailers build their own online website and allow customer to buy through internet rather than going to physical store. Either it could be from producer or storehouse where the product could be shipped to the customer. Key necessities of a successful B2C retailer is maintaining good customer relations or dealings and transparency should maintained. At the same time offering various attractive package and special discounts is essential to meet or achieve more customers in a short period. (1)

Business-To-Business (B2B)

Business-to-business retailing refers when one company do transactional business with other company. Here usually business sell bulk of their product to another business. For example industrial company usually doesn't sell to individual customer rather it sells to other company in a bulk amount Later this business sells their product to consumer.(1)

2. ONLINE RETAILING (GLOBAL PERSPECTIVE)

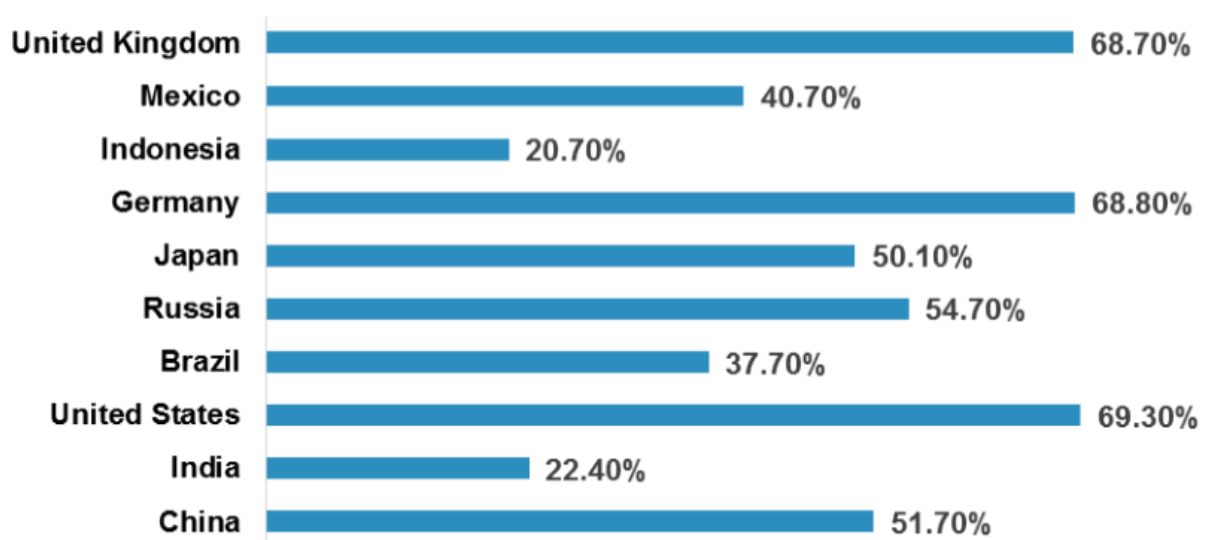
The Retail Industry is so big and it esteemed at USD 23,460 billion in 2017 also it is projected to record a CAGR of 5.3% throughout the estimate period (2018 - 2023), later it reaches USD 31,880.8 billion by 2023. The market is immense and contains items, for example, sustenance, clothing, furniture, gems, and different others. Aside from this, the stores can be arranging into the accommodation store, forte retailer, web retailing and different others. The Retail showcases developing with rivalry and getting to be tremendous simultaneously. Lots of new online retail emerges and rivalry and competitiveness increases. Developing economies of Asia-Pacific, Middle East, and Latin America have been lively in forceful the market growth towards retail market. A shopper cost, which ordinarily represents around 66% of the GDP, has been a key marker of the state of the retail showcase. Normally anything on the internet has a stretch out nature, here online retail broaden nature is a key driver towards the growth of the market. Mobile phone viability and developed web his one of many reason to strength the online retail.. It is being enlarge to revolutionize the industry. Likewise, Internet of Things (IoT) is reshaping the retail business value contrast among on the web and block and non online shop can influence the online retail industries. (2)

In the internet business, online retail is the largest fragment subject to closing the purchaser's equipment, apparel and embellishments. As in the United States. The U.S. Department of Commerce, internet retail deals usually amounted to \$194 billion in 2011. This figure grew to 262 billion dollars by 2013, an increase of 13.4 percent over the previous year. Fifty distributors account for 80% of this market internet players generally profit from the velocity and components that have expanded the choice of web consumers and have been altered to make the internet market so competitive. Eventual deals are huge... (3)

Web based Retailing is the most best and fills in as an innovative method for shopping as of late. Accessibility of web with developing infiltration of Smartphone's and cell phones and the internet providers, online business has filled in as a noteworthy shopping medium on the planet. In spite of the fact that the division's market size significantly increased in the course of the last three financial years, to a minor 1.5% of web retail the hard and fast

retail bargains in by far most of the countries wherever all over the world. Portable first destinations, devoted application, developing installment technique, and distinctive device are making shopping on innovative cell phones significantly less complex. It has been assumed that electronic business speaks to about 33% of online retail bargains in the United States. (2)

Smart Phone Penetration (%), by Country, 2016



2.1 The fastest growing retail industry in Asia Pacific was expected

the retail market has formed into one of the greatest and up 'til now creating buyer showcases around the globe as provincial and urban nuclear families saw a reliable advancement of unimportant occupations, the burning through force of the Chinese populace has also extended fundamentally and. It is exceptionally focused and differentiated, and the pieces of the overall industry of the main Chinese retail chains were retreating in the course of recent years. In India, government arrangements, as FDI

up to 100% permitted in single-brand retail and FDI up to 51% in multi-brand retail is additionally expected to fuel up the challenge in the nation's retail showcase. (2)

Japan gloats about 52,417 solace stores and 240 retail chains in their retail feature. It is driven by M&A's and extended cross-periphery hypothesis and widespread joint effort, which are showing open entryways for the country to make neighborhood markets and expansion benefits by generation arrange in Asia. (2)

2.2 Retail Industry Major Players:

Many major players in retail actually lead in the retail market. Best Buy Co. Inc., Wal-Mart Inc., Metro Group AG, Carrefour SA, The Kroger Company, The Home Depot Inc., Tesco, Alibaba Group Holding Limited, Amazon.Com Inc., Costco Wholesale Corporation, Inter Ikea Systems BV, and Target Corporation, among Others. (2)

2.3 Retail Industry Reports Reasons for Purchase

- To know about the current perspective and situation in the new emergent retail market
- Match the current market viewpoint with the dimension of porters five-power model.
- The kind of store that is depended upon to direction the market
- to check in which part the fastest improvement occurs in the retail market
- To know what are the most recent techniques and formula used by the online market leader
- Specialist support of three month, nearby the Market Estimate sheet (in surpass desires).

3. ONLINE RETAIL (IN BANGLADESH PERSPECTIVE)-

In the influence of modernization people, tend to be more internet things dependent. Online retail grows very fast with the development of internet. In Bangladesh, online retail growth becomes significant. Internet nowadays is accessible and people become dependent on it so it becomes so easy for growth of online retail globally. By and by use of modernization in each part has been exceedingly standard recently. In this season of globalization, we can scarcely find any part working without using innovation. Another horizon has been opened up for business, to be communicating electronic exchange by none other than one and simply internet web. Online retail business incorporates the utilization of the Internet in the advancing, prominent evidence, portion, and transport of thing and organizations all are finished by electronic business utilizing the web. Bangladesh has the large population of 165 million and it has 33% online customer which is really potential for online market in Bangladesh online retail become more popular for easy access of web and mobile payment method and its helping g online retail development largely. (4) In our country lots of online business has already been developed-, for example, chaldal.com, rokomari.com - that convey practically all food supplies. As of late, conventional store chains Shwapno and Meena Bazar offer, more choices to online essential food item customers. renown online retail in Bangladesh are daraz, pickabo, public square, menna bazaar mounting their online retail trade for focused interest in Bangladesh. Everyday 30000 request for online necessities item for customer has been received by online business where 65% are from Dhaka the capital, Chittagong and Sylhet and The rest of the solicitations start from outside metros, as shown by data from genuine executives.onsistently the purchases produce Tk 700 crore in turnover. The market size was about Tk 200 crore 4-5 years earlier, said some industry managers previously. "Online buying becomes so popular in Dhaka city and it becomes a necessity for the people. Development of internet shopping create job for young people who can earn easily from online. Online shopping or business created 50,000 occupations for people which are great. Even the female who cannot go out for the religious binding or for the family norms they also started business in online to established their career. Though the delivery on the expected time hadn't been that great but recently in online

shopping it has improved... In addition, at present, the quantity of mix-ups has declined and the general administration standard has improved. (5)

3.1 Current e- commerce and online retail scenario in Bangladesh

Purchaser energy boosted and client requirements influenced the internet company. Under the shadow of the web, many companies have already begun their company. The Internet connects the public to organizations. In 2017, the B2C E-trade market reported that the total retail advertisement for BDT 900 (110-115 million USD) was compared with 133 571 crores. Indeed, the Indian internet market continues to reach USD 17 and the Bangladesh-based market continues through a stage that passed 5 to 6 years ago. As can be seen from the data opened with the Association of the Bangladesh Online Business (e-CAB), the market level of the e-exchange passed the TK 17.0 billion mark in 2017 by TK 4.0 billion each of 2016. The measure on the market is based on reaching Tk 70 billion in 2021. The Asia-Pacific exchange company affects 71% of APAC consumers making internet purchases. In this district Bangladesh is a remarkable player. A total of 50 million dollars was placed or invested in that part of the internet retail company. The total of 10 millions dollars has also been put in by overseas investors. daraz as of now put their means in Bangladesh years prior and they are developing and developing. 72 percent a month in Bangladesh what is made by e retail. Before long, 35,000 people and 25,000 humble and medium achievements (SMEs) are joined with this division. The proportions of electronic business areas and E-trade pages are 2,500 and 150,000 independently. The proportion of development evaluated at 15,000 to 20,000 at the retail level each day. (4)



E-commerce platforms of Bangladesh

As leader in internet retail in Bangladesh, Daraz has been following the Bangladeshi organic frameworks for almost 40% of total retail markets, while in his shortlisted 43 fresh organizations, which he is properly following; Chaldal has also been one of the top retail investors in Bangladesh as an on-line retail company. (4) Our administration has not yet taken on an indispensable task to boost Bangladesh's online business segment only by distant economic experts.. To help the home-created financial specialists, the administration revealed the hotly anticipated National Policy for Digital Trade. This fresh strategy does not empower distant economic experts to participate in any e-commerce company in Bangladesh at more than 49%. This approach was employed to secure and assist the economic experts in the neighborhood. (4) The arrangement also requested that the business elements of the Internet clearly show the subtleties of the products sold on the web, also the law has been established for customer safety purchase and payment assurance in online. There is presently a draft online business strategy. It is forwarded to the office for its final approval.

3.2 Bangladesh leading Towards a Bright Future in E-commerce Sector

By 2020, a market expert has been able to prove that Bangladesh's e-commerce industry is going to flood to US\$ 20 billion by 2020, as Goldman Sachs says, when the Indian market in e-commerce requires \$69 billion to accomplish. More foreign investors are investing in internet retail in Bangladesh. Big corporation like IFC Alibaba have also already entered the Bangladesh industry since they see their potential in Bangladesh's internet retail and other internet-oriented companies.

On-line business has had a significant economic impact, and nowadays, Bangladeshi people are more reliant on the shop as their very simple and safe exchange has been improved and suppliers are receiving a thousand requests from 100 m customers for the item, a nice indication for the company market. In line with public regulations, online business attempts as product safety, money transaction security and other personnel. Online businesses also start to demonstrate their company more details internet, so that both low and low transpire client transparency for products (4).

4. THE VALIDATION OF THE REPORT-

here in this report I have prepared my analysis on daraz of the part of my project under my course instructor. I have used my knowledge about the study on daraz from the last couple of months and I try to apply the knowledge to make my project report. From the last couple of years the experience I have gathered from the university I also applied that on my report intelligently. I have major in marketing and have a great willingness to work about the digital e commerce company. So I have chosen to work on daraz . Here I try to focus on various medium that daraz use as their digital e commerce site as well as how daraz work as online retail in our country. In addition, I try to apply my marketing knowledge to show how daraz use their marketing strategy and become so successful over the years

5. OVERVIEW OF DARAZ –

Three siblings, Marc, Oliver and Alexander Samwer, formed Rocket internet in 2007. Their headquarter situated in Berlin. The firm produces online startups and asserts shareholdings in various design of retail company. Their business model is referred as a venture developer. In more than 50 nations, they operate with their venture. It is one of the highest increasing incubators for start-ups. In emerging nations, Rocket works some of the companies they undertook were Hellofood, Food Panda, Delivery Hero o Lamoda, Zalora, Jabong, Namshi o Lazada, Jumia, Daraz o Carmudi, Jovago, Everjobs etc. euro 8 billion in April 2015 according to the company report. It has split its operations into three areas. For example: Asia asia web group, Africa web band, Middle East web group.

Daraz has first come to our country at 2015 as a B2C venture and it has never stopped. It has started their journey as listed brands product on their site like LG, Samsung, Toshiba, yellow, noir and so many others. Daraz is one of the most reknown ventures for rocket internet as daraz recently acquired by Chinese e commerce giant alibaba. Alibaba thinks it is profitable as well as expands their venture over worldwide, it is a great step. Alibaba thinks that with their expertise technologies they can take daraz into another milestone in online retail company worldwide. Daraz operate many other countries beside the Bangladesh and Pakistan. Accumlately it has been assumed that daraz market has over 460 million customers worldwide. Daraz Co-CEO Jonathan Doerr believes together alibaba and daraz can influence the entrepreneur to serve the region and provide the best quality product as an online retailer.

Bangladesh as a growing economy country has been improving in digital ecommerce a lot. Bangladesh as a country is also going with the flow of globalization. Here the communication over internet has improved immensely. For the internet, growth in Bangladesh and it has created a scope for digital e Commerce Company and online e Retail Company to take a step also in Bangladesh people wants to cut cost of their daily life purchasing. They always try to minimize the cost in terms of buying and want the average best product. Online shopping facilitates the scope for buyer to cut cost and buy easily. To buy over online can cut cost of going to the shop also reduce the hassle. People can choose easily from the listed product and thousand of product can be compare in

online easily which virtually impossible in physically going to the store. Online retail like daraz , kayumu, pickaboo helps the customer to avail these offer and makes customer easy as ever.

Daraz exactly take their opportunity and take the chance to start their business in Bangladesh. It has started and now with the help of the digital e commerce facilitation it becomes the no 1 online retail in Bangladesh and its expanded day by day through worldwide. There are so many competitive online retail companies in our country and daraz with the challenge of competition stands top with their hard work. They have not only categories of product like electronics, fashion but they also have sub categories of those categories. And consumer services need not get their desired products to such a large number of pages. You can only access a single portal with all types of products and facilities. Other services such as free return policies, invitation vouchers, discount card and voucher choices, such as cash-on-delivery, bkaash, Bank Transaction and EMI are provided by Daraz Bangladesh. Daraz Bangladesh offers inexpensive rates and large products to us, enabling us to enjoy an incredible shopping experience straight at the roadside. In addition discount code, voucher code, return policy makes daraz different and acceptable to customer. their strategy makes them stand top in the retail market in Bangladesh

As Bangladesh has huge population but not all the people even almost the large portion of people does not know about the use of internet. They do not know about the online shopping facility. Still people want to match with their choice to the globalized world and want the modern product. So daraz is playing vital role to access and get the most modern and available useful product for consumer. At the same time government, educate people about internet make availability of internet through the rural area helps online retail company daraz to expand their business in those areas. Now people can get any item over daraz and it becomes easier for people. In addition, their return policy and other policy favor the customer and help to retain their sustainability in the online retail market in Bangladesh.

Mission:

The task of the company is to become the biggest economic engine in the world outside the United States and China. New business designs, unexploited economies and businessmen are identified. Foster and attempt to build the company.

Vision-

Their visibility is to catch on the industry the highest proportion of internet customer retail

Objective-

Their objective is to offer the finest item at the highest cost. The recent products should also be introduced in the customer industry.

5.1 Competition analysis of Daraz -

To run a business you always need an eye on competition because they can make you down in the market. You always need to work on strength and weakness of competitor. In terms of doing business to online, the competition is huge. In addition, in online retailing there is no exception. There are several companies start online retailing even if they are small but still give big competition to large companies. Daraz competitors are Kaymu. Though they both are subsidiary but they give competition each other as they are infidel identity and wants to be the best in the market. In addition, Pickaboo gives a hard competition to Daraz as they are growing largely even if they come recently. They also give similar offer like Daraz and try to grab the customer. Bagdoom has emerged also try to grab the market. Though Daraz are at top sites in Bangladesh and almost has 60 percent people has chosen Daraz as the top sites but they always need to look their competition as they are growing also. Daraz is continuously work on their website design, adapting new and easy payment method and works for customer satisfaction, which is the more important.

5.2 Categorization-

There are 11 classes in the Daraz Bangladesh page, and each section has subcategory that helps consumers look for products and facilities that they want. The range of classifications includes women's fashion, men's fashion, phones and tablets, audio & cameras, computers and games, appliances, home, sports & traveling. The page concentrates in the original step on the fashion industry as it was mainly concerned with making the customer comfortable with buying internet fashion products. The page gradually attempted to catch each classification when the page evolved and acquired confidence. In addition, daraz always goes with the trends and they try to modify and add new things to attract customer. Addition to the travel and hotel resort package offer for the customer is a big example of that.

- Tours and travel categories- it has been added recently by daraz and it has a very good feedback from customer. Customer now can confirm their hotel and resort from daraz website and then all the processing like air tickets, visa, and so many others will be taken from there. Adding innovative things always take a company to one-step ahead of competitor. Daraz is exactly doing that.

Vendor and acquisition process-

Daraz as works as a b2c vendor. They are not manufacturer of the product, they acquire seller who wants to get sell by their website, daraz puts other companies item in their sites and facilitates selling. daraz main aim to acquire the seller in terms of ongoing demands and trends. Daraz terms and condition need to be followed by the seller and the must have an agreement. Here daraz is the second party where seller is the first party. After that, agreement seller allows showing their product on daraz websites and daraz will allow and promote the product of the seller.

Seller centre here works as medium for both parties. Both daraz and seller can have access on posted item on daraz. Therefore, they both can update and add products with the limits and convenience. However, all of these work based on agreement, terms, and

condition. Usually daraz give necessary information to seller by mail. Usually it takes not more than 7 days to list a product on daraz by a seller.

Payment procedure-

Payment procedure is one of the main concerns to any business. Usually seller who are listed their product on daraz they will get their product selling price within 30 days. But in terms of hotel and travel categories the payment can be made within 7 to 14 days. Usually daraz use the banking payment system to seller, which is safe and comfortable for the both parties. Daraz always try to secure the seller in various ways, as they are responsible to sell their product.

5.3 Marketing mix of daraz-

Marketing mix refers product, place price and promotion, people, process and physical evidence. In marketing mix, one element of the mix complements others; if it goes wrong and imbalanced, the company may loss their business. Marketing mix of daraz have been discussed below-

- **Product-** you can shop almost everything in daraz. Daraz offers a large categories of product. Daraz is, above all else, an online commercial center. On Daraz One can search through categories like Clothing, Footwear, Jewelry, Watches, Mobiles and Accessories, Jewelry, Books and Media, Electronics, Footwear, Watches, Mobiles, Computers, Electronics, Home and Living, Health and Beauty, Toys, Kids and Babies, Books and Media, Sports and Outdoors and many more. Customer can search on websites of daraz and then they can choose which things to purchase. They can see the information of the product like price, shipping information and payment method and so on. Customer additionally can hunt down their desired items by utilizing keywords as a part of the search. In addition, customer can have the access of advanced search option where they can search product customize based on their choice. If you have to deliver as a company, you must register as a Daraz seller, by which you can obtain a Daraz e-shop. When you give Daraz something, they earn

Daraz a certain amount in the ultimate selling cost. With the exception of this committee, there is no booking charge for agreements. Daraz operates an online business centre that enables Seller to deliver anything on the Internet essentially.

- **Place-** any online business place refers a virtual place where the business runs over online. Daraz as online retailer runs on online and their business place refers their sites - <https://www.daraz.com.bd/>
- **Price-** as an online retail any company need to set a competitive price otherwise the product will not be sold. Here price actually set by seller in daraz website. Therefore, seller need to maintain the law and terms and cannot give illogical price. Whenever any sells occurs daraz will get the commission of sold product . that's how daraz earns
- **Promotion-** to survive in the end every business needs promotion. Daraz as an online retailer promote itself very well especially in facebook. They have a facebook page where they promote new product listed on their websites. They also create content and advertising video on their page and post it. They regularly communicate with the consumer through their official daraz facebook page and getting feedback from the customer there. In addition, they do promote themselves on youtube and twitter. They have also tele promotion by sending sms to customer to aware about daraz new offer. They have an intelligent criteria where agent can get commission that agent purchase on behalf of customer and that agent will get commission. So here, agent promotes the daraz to the customer. Also the most popular search key app google you can find daraz pretty easily by searching keywords.
- **People-**
Daraz has more than 1000 staff. . They deliver via third parties. They are connecte with shipping businesses. For example: Sundarban Poribahan, Pathao, bidyut, 5 stars, etc. They also set up 19 hubs outside Dhaka.

- **Physical evidence-** as daraz is an online retail so they do not have any physical shop but the brand, which has been listed in their sites, has the identity they are-They do not have a physical shop. But the brands which consumers can purchase through the website are:
 - Bata
 - Yellow
 - Apex
 - Samsung
 - Huawei
 - Miyako
 - Shimizu
 - Sony
 - Dorjibari
 - Beauty Bazaar
 - Pearl
 - Timezone
 - RB
 - P&G
 - Microsoft (Lumia)
 - LG

- Redmi
 - Noir
 - Walton
 - O2
 - Occult
 - Sports World
 - Body Shop and many others.
- **Process-** Online shopping is easy and less time consuming and its process has been maintained by various software. daraz has a very developed process module. They are –
 - **Center of Sales:** this software enables the vendor by working with the request individual from Daraz to change their inventory and price. It also enables the Daraz marketing squad and business development group to organize bids and retain the revenues, inventories and management of stocks.
 - **CRM:** This technology enables the customer service department effectively compensate for incoming and outgoing calls. Other software includes zendesk, LMS, ZOHO for inner and client communication agents. CRM:
 - **Module Warehouse:** The warehouse and order management system are in place to render product collection, inventory and distribution simpler.
 - **The module of delivery:** it supports the third portion to provide the business with monitoring and position of the shipments.

- **process steps by step where customer purchase from Daraz-**
 - customer enters the website of daraz and can put a order what they want
 - After that customer department or customer service of daraz receives the order and enable the process
 - Then daraz team picked the ordered product from seller
 - Then the quality and the authenticity of the product checked by daraz QC team
 - Fastest daraz delivery and also third party delivery team works to deliver the product to customer
 - And finally customer received their ordered product

5.4 Major department of Daraz-

Every department is important in terms of the organization success but you need some cooperation between the department and work together with various departments towards the success. Marketing department may have some innovative idea and promote daraz, the same time business development department may think about future growth, and adding new business. at the same time content and web design team may try to shape the daraz website and content towards the daraz customer preference. Daraz various departments are-

- Business Development
- Category Management
- Content Graphic & Design
- Customer Management

- Engineering
- Human Resources & Communication
- Marketing
- Sales & Account Management

6. ANALYSIS OF DARAZ

6.1 Swot analysis-

Swot analysis is very important for a company. Swot refers strength, weakness , opportunity and threat. So if a company does swot analysis they can know their strength and try to stick with it. Also they can know the weakness and can improve it. In addition, they need to consider the opportunity available for them to take. In addition, competitive threat and other threat and challenge may exist. In addition, business external environment and internal environment need to be analyzed. Swot analysis of daraz has given below-

- **External environment-** external environment refers the situation outside the organization but it will make impact for your organization though the company has not controlled it by themselves. For example for daraz Bangladesh political situation or policy can be external environment what they cannot control but still effect the business. If Bangladesh govt says, no retail business can be run over online so daraz business could be stopped. that's how impactful external environment is. it has two parts-
 - Macro environment- it refers to the biggest factor, which cannot be change by company small action. For example if Bangladesh economy is poor daraz has nothing to do with it. It is a large factor and cannot be changed.

- Micro environment- it refers to the external factor, which is small. For example if supplier policy change daraz may not have anything to do with it but they can have some conversation with supplier to fix it as it is a small external factor.
- **Strength of daraz-**
 - It has a very attractive website and as compare to competitors.
 - It has easily navigable website, which can relief customer from any kind of hassle from purchasing product from them.
 - It becomes stronger by the acquisition from alibaba and their advanced technology and policy.
 - It listed branded product like noir, Samsung , Toshiba which gives a great value to consumer.
 - It gives a very quick delivery of the product to consumer
 - Warranty has been assured for most of the product.
 - QC team of daraz has maintained and checked quality of the seller product, which is impressive.
- **Weakness-**
 - Advertising policy need to be improved
 - Advertising that is more aggressive needs to be included for daraz as it has run over country where it has not developed with internet in the rural area.
 - Some of the product not going under the return policy like magazine.
 - Permanent employee and path is tough so there is high turnover rate.

- Running their business in a high competitive online retail industry, this is hard.

- **Opportunity-**

- As Bangladesh has a potential e-commerce market so Daraz can grow more here
- For urgency, urgent delivery can be made
- Adding new features like increasing return policy may add value
- Daraz can serve and focus more on rural areas where internet started to arrive in village parts of Bangladesh.

- **Threat-**

- Large number of competitors like Picakaboo, Bagdoom etc are giving tough time.
- More online retail has arrived in the market and gives hard competition for Daraz
- Unstable political situation as well as policy may impact Daraz
- Not all parts of Bangladesh have internet availability so Daraz may not reach those parts as it is an online retail

6.2. Business Model analysis of retailing-

Every company likes to profit and there is no exemption from internet retail business. In Every company likes to create profits. A company system is a collection of operations scheduled for gain on a market (sometimes referred to as company procedures). A business model is not possible to be similar to the business strategy, although in some cases it is very close in that the business model considers the competitive environment

openly. A business plan is a paper outlining the business model of a company. A company strategy requires the social climate into consideration always. A business model for e-commerce is aimed at. There are eight elements of a business model. We will relate these eight elements of business model with daraz business model that how they use these elements in their planed business model-

- **Value proposition-** value proposition generally refers how the company product or services fulfill customer demands or need. Customer wants safety and quality product to fulfill their demands. Daraz here first ensure their online listed product is 100% genuine and their product is quality product. Daraz arrange their value proposition with the elements, which are – Trust, security and convenience. By purchasing daraz you are defiantly purchasing trust as their product is trustworthy. In addition, the product they listed is genuine and secured at the same time. In terms of convenience daraz delivery system is prompt and also very safe. They deliver their product on time. Their 7 days return policy of a purchase product makes their value proposition stronger and it keep engage customer to become loyal for the company as a customer.
- **Revenue model-** instead of buying product and later sells to customer daraz act as trustee between buyer and seller. Thousand of product has been listed in daraz for sell to customer, which is safe and secure. Daraz revenue model here is getting profit from the commission of the selling product that has been listed on the website for sell. That is how they make profit.
 - **Advertising revenue model-** Advertising revenue model refers something where company has the forum for advertising and take fees from the advertiser who has posted their advertise on their website. Daraz allows advertising in their website for sell but rather taking fees on advertising daraz take fees on sales commission, which has been described in revenue model.
 - **Subscription model-** Company providing information or facilities costs the entry charge for some or all of its facilities. For instance, in the digital version of Consumer Reports, only subscribers with a \$6.95 monthly subscription fee and \$35.00 annual fee can be given online or mobile

access to premium content such as detailed ratings, reviews and recommendations. Daraz provides different products offering unlimited subscription or premium subscription. For instance, Daraz provides antivirus services where customers can be subscribed daily if the premium membership is additionally charged.

- **Fremium strategy-** it refers when the companies give away a certain level of product or services for free, but then charge a subscription fee for premium levels of the product or service. Here daraz is not foolwing the freemium strategy but their 7 days return policy is charge free. So it's a free service that darz gives which is mentionable.
- **Transaction fee revenue model-** a company receives a fee for enabling or executing a transaction. Here daraz allows other people to income from home. For example- if daraz product sales occur from other website references daraz will give commission to that website holder.
- **Sales revenue model-** companies derive revenue by selling goods, content, or services to customers. Here daraz sales revenue model is based on commission what they get from sales product of other company. They act as a medium between buyer and seller that ensure the quality and later they earn revenue from commission on sales product.
- **Market opportunity-** This describes what market space does the company intended to serve and what is its size. Daraz knows their market opportunity as well as strength weakness very well. That is why they are successful since 2014 in Bangladesh as a online retailer. As internet Grows faster than ever and all people has Smartphone so daraz aware of that and make an android ios app for mobile user to access their website easily. That is how strongly daraz knows their market opportunity pretty well.
- **Competitive environment-** it refers to the other company selling similar product and operating in the same market place. Daraz competitor here are rokomari.com, ajkerdeal, pickaboo.com, Banglashoppers and so many other e commerce sites. Here daraz analyze their other competitor by-
 - How many competitors are there for daraz?
 - How large their competitors operations are

- How profitable those competitors are
 - How competitor price their
 - How competitor makes strategy that is different from daraz.
- **Competitive advantage-**
it can achieve when a firm can produce or deliver a superior product and offer lower price than their competitors offer. Daraz for example have competitive advantage offer physical shop because daraz can offer their product price lower price than the physical shop. Daraz can do it because by selling the product in online daraz don't need to bear the shop cost and other cost associate with physical shop. Therefore, it is a big competitive strategy. In addition, 7 days return policy, safe and secure payment procedure as well as quality product listed on their website give daraz a competitive edge over others.
 - **Market strategy-** it refers the plan that how a company enters the new market and new strategy. Every organization has a different marketing strategy and daraz here is not an exception. Daraz started in Pakistan then comes here in Bangladesh also adapt various new strategy. Some of the elements of their strategy are-
 - Launching online campaigns
 - Giving vouchers
 - Giving discount cards
 - Promotions in social networking sites
 - Promotions in different websites'

Therefore, daraz here implement these elements into their strategy as they enter into new market in Bangladesh.

- **Organizational development-** Dependent upon the size, every affiliation requires a type of dynamic structure to alleviate the activity properly. Without lawful schemes, achieving operating policies and meeting goals is highly hard for the partnership. Daraz is a global association and readily engaged in its operation, with the right kind of persons. Daraz Bangladesh's actual subsidiaries are

registered under: administration, business development, customer services, customer services, factors that affect the customer experience of Daraz Bangladesh 12, commercial, category management, graphics, design, human resources, IT, issue and resolution finances, on-site management, marketing and public relations. Operations. All this is gone.

- **Management team-** The Daraz management team includes Samia Rehman Khan (Head of Global Initiatives), Nida Yousuf (Director Human Resources & Administration - Daraz (Alibaba Group)), and Ehsan Saya (Managing Director - Daraz (Alibaba Group)).they are the major responsible person for daraz to mke the business model work.

6.3. Industry value chain analysis of retailing-

For any sector, Worth Chain shows the organization of a sector and its revenue and benefit growth policies. The supporters are independent of the value chain and the current market situation is the location for company methodology. The company approach shows how the company draws competitors, distinguishes and fragments customers, and reacts to the true state of the industry. (6)

Key Activities:

Retailers invest huge energy and exertion molding the shopping background (through store formats and additionally web architecture) and discovering chances to expand portion of offers and in general request size. Promoting endeavors are centered on purpose of-offer, up selling, and strategically pitching, urging clients to buy more than what they initially started looking for. Key for the customary retailer is deciding the right promoting blend, offering precisely the correct items in the correct sizes and hues, alongside reciprocal items. At last, retailers are presently concentrating on buy and client examination to all the more likely comprehends purchasing propensities and tastes. Deal with the expense and extreme cost to clients; center around critical thinking for the client, giving a valuable administration that addresses the issue at a reasonable cost. In this article we will talk about the structure obstructs for worth chain of Retail Industry. The

retail worth chain is part into two particular segments: the purchase side of the chain, and the sell side of the chain.

Purchase Side of Retail Value Chain:

The buying part of the value chain involves the suppliers ' supply of goods from retailers and costs for framing and selling. The purchasing side of the chain, which includes capabilities for cooperation between a dealer and its providers, is highly familiar to retailers. Given the low edges, distributors are very expensive. They try to achieve markets of magnitude to overcome critical retail printing set costs. The computerized retailer switches over a lot with usually small fixed costs and the ability to create deals without significantly increasing costs. Premium distributors valued more. The price system attaches almost the pressure, as the customers have to think that they accept more than they pay, or potentially use the organization without leaving their governments. The cost buildings include management drills, stock management, product, and merchant review.

The Sell Side of the Chain:

The sales part comprises a retailer who shows these products to customers. The usual sales intervention scheme underlines the proposal of housing. In the past every range provides an alternative motivation: retailers ' price for comfort, retailers ' value and value, and the inferior retailer's value and value. The chain's selling part includes the capabilities to assist the retailer and its customers to cooperate. Now and then called the committee the customer line, the sales part includes the retailer's proactive understanding, meetings and addressing the needs of its customers before an activity begins. The chain is selling part.

- **Deals Channels:**

Customer connection includes working with the customer via various web-based or isolated lines. Standard retailers use two basic canals: bricks and mortar retail stores and their own sites. These distributors are now and then working with various mass traders to distribute their own-labeled products.

- **Deals Operations:**

Deals include capabilities that legally promote, support or sell an item or administration. Most standard distributors concentrate on the mass market, but some explicitly goal parts such as shopping gadgets, house products and office products. Premium distributors constantly aim specific segments within the mass market, despite the reality that they produce brands that intrigue the mass market on a regular basis. When products or administrations close, the largest source of revenue for usual traders is to profit. Some distributors also collect discounts and incentives from producers as an end result of luxury shelf room (or location) and advertisement.

Client Relationships and Sale Analytics:

Customer and business exams include the collection and dissection of customer information, concerns and requires. This can provide a full business picture for a retailer. Customer links depend on the type of retailer for the standard dealer. In relation to the retailers, convenience and price is mainly related to self-management roper-contract management, whereas the bottom level retailer underlines employee assistance and post-contract management. Computerized distributors focus exclusively on self-government.

6.4 Industry structure analysis-

It mentions the essence of the industry's games and the comparative negotiating authority of five powers. The composition of the sector: competition between current rivals, the menace of replacement products, obstacles to the introduction of the sector, providers' negotiating capacity, and customers' negotiating authority (Porte, 1985). You define the general company climate in an sector and the total profitability of doing company in this setting when discussing the framework of an sector. The relatively strong of these competing powers may alter the e-commerce framework and how it influences the composition of the sector

Porters (1980) five-power model provides a mechanism for dividing a concentrated role in an enterprise framework well known. As Porter stated, an industry's attraction and, thus, the ordinary long-term profits of companies that work on it depend on five competences. The combination of this forces determines the economic value of individual competitors and customers, suppliers and substitute manufacturers between important on-screen personalities in the enterprise. Every energy can have a large or adverse impact on profitability. Doorman points out that even in a lame sector, companies are able to gain stronger advantages than anticipated through the transmission of sepa technologies

Nalebuff and Brandenburger (1996) expanded the structure by including a sixth power called "complementary." Complementary are associations offering corresponding items or administrations that upgrade the estimation of the business' yield. The changed model is exhibited in Figure 1.

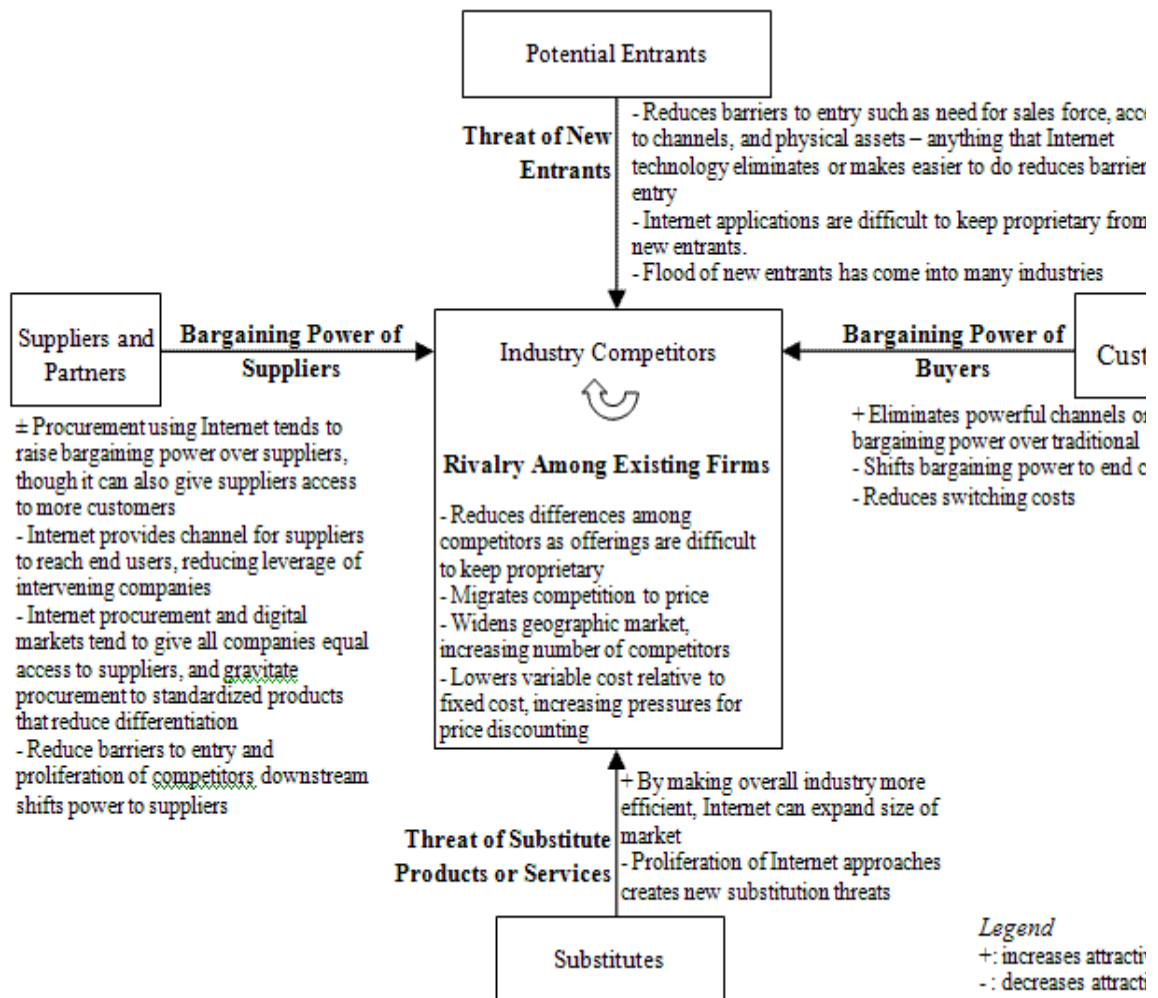


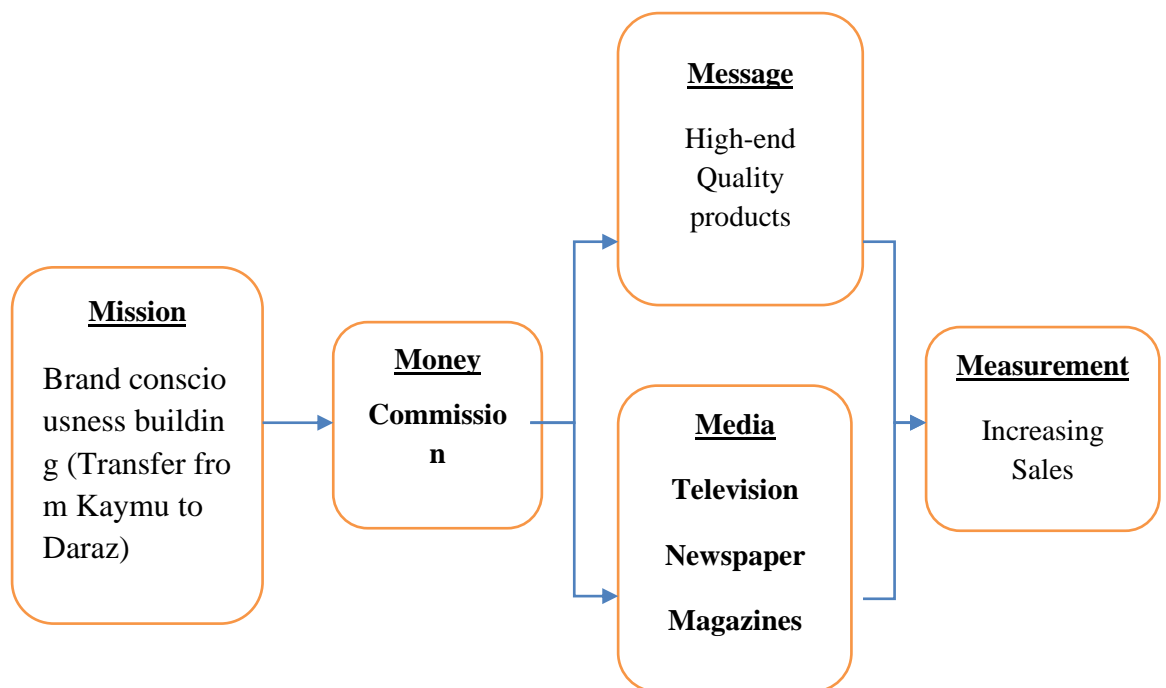
Fig- how e retailing influence industry structure

Figure above has been described how online retailing influence and shape the industry structure. From general retailing to online retailing it changes buyer behavior and shape the industry structure into a new shape. (7)

6.5. Digital commerce and Advertising strategies followed by Daraz-

Any firm's focus is to sell their product to customer. To sell the product customer need to aware of the firms product and business, to persuade customer firms need advertising and promotion. In addition, there is no better option than digital commerce and advertising. Daraz is currently adapting six marketing communication mix as its mode of communication-

- **Advertising-** The organization uses advertising to talk to the dispersed buyers of topographies. Some are shabby and some are very expensive. There are distinct kinds of advertisements. It is performed to give brand awareness or to educate people about the brand, and whether Daraz's two should occur. Daraz's current advertising objective is to educate customers to understand their constant transformation from Kaymu to Daraz. It has shifted its target industry not like Kaymu, but to be the leading customer and has to establish itself as an institution, which has "100% accredited products



Quickly depicting the 5Ms of Daraz:

- **Mission** - A definitive mission of Daraz is to build its deals. Be that as it may, the ongoing mission of Daraz is to mindful its clients about the rebranding from Kaymu to Daraz.
- **Money** - Daraz is in the development period of the Product Life Cycle. Along these lines, it as of now has an immense client base. So as to keep up its development and separate itself from its rivals, it has been experiencing forceful advancement procedures. They are contributing an immense sum on publicizing which they bring about by means of commissions.
- **Message** -The message that Daraz needs to impart to its client is that they give "top of the line quality items at sensible cost".
- **Media** -They have chosen distinctive media] so as to stream their message, for example, Television, Newspaper, Magazine, Social Media and some more.
- **Measurement** - The effect of all the above expressed 4Ms is estimated through the deals. The expansion in the deals will extend that the above taken choices are successfully done. On the off chance that not, at that points the choices should be updated.

To make its clients obvious about the rebranding, Daraz has been spending a decent sum in its promoting. Daraz has been giving Television Commercials just as print promotions, for example, paper promotions, leaflets, etc as its mechanism of notice. It is additionally dynamic in different online life, for example, Facebook, Instagram, Google Display Network, and so on and utilizing it as its promotion stage in less expensive rates.

- **TVC some international and local channels be like-**

- Fox,s- How to rock
- TLC- America got talent
- MTV- Club land, MTV Unplugged
- Radio- Abc radio 89.2, colours fm 101.6 fm, radio today 89.6 fm
- Billboard- Gulshan and dhanmondi
- Print advertisement- prothom alo and daily star.

- **Sales promotion-** there is several offers for daraz to increase their sales. Daraz uses their sales promotion very carefully.they give-

- Give a membership id [urchase above 100 tk
- Up to 10% discounts on eid , puja and other various occation.

- **Direct Marketing**

Daraz additionally uses Direct Marketing as its IMC devices so as to impart to its clients. It intends to construct a long haul association with its clients in this manner, utilizes client direct (CD) channels to reach and convey its administrations to its clients without the utilization of any mediators. Direct advertisers can utilize different channels to arrive at its clients and if there should arise an occurrence of Daraz, it utilizes the followings:

- **Direct Mail-** Daraz continually sends messages to its related client in the event of any offers and limits in their offered items. For moment, in each Black Friday Sale it sends a regular postal mail to the client as an update.
- **Catalog Marketing-** Daraz has its own site where it executes the index promoting system. The site's inventory comprises of gatherings of

numerous things together wanting to sell at any rate one thing to the beneficiary.

Intuitive Marketing

The most up to date and quickest developing channels for correspondence and offering to clients straightforwardly are by means of electronic and Daraz is likewise in no less position in this issue. A portion of the primary classes of Interactive Marketing that Daraz uses are-

- **Websites** -Daraz has planned its site in the thought of consistently subtleties. Its site exemplifies their motivation, history, items and dreams and has figured out how to make it alluring on first review and fascinating enough to make the recurrent visits. The individual pages are perfect and messages are discernible with an awesome utilization of hues. They additionally have a talk area where the clients can post their questions and the organization will answer it inside 24 hours.

The site is additionally simple to use with respect to the accompanying reasons-

- The webpage downloads rapidly.
- The first page is straightforward.
- It is anything but difficult to explore to different pages that open rapidly.
- **Mobile applications**- Daraz additionally has its own versatile application possible for both android just as IOS clients and contains indistinguishable highlights from the site. The versatile application likewise pursues a similar idea of inventory displaying.
- **Display Ads for Suppliers**- Daraz has likewise been utilizing the idea of showcase promotions where it puts the logos of their marked providers' organization in their sites to get the certainty of the clients that their items are 100% real.

- **Search Ads-** Daraz's intelligent showcasing additionally comprises of the Search Engine Optimization and Search Engine Marketing systems as its advancement instrument. It puts its online promotions on the website pages that show results from web index questions. This builds the advancement of the Daraz's site by expanding its perceivability in internet searcher result pages through paid publicizing.
- **Internet marketing-** daraz use social media marketing in facebook , twitter also in youtube. It use pop up ads also for internet marketing. At the same time it uses search engine marketing by google yahoo and other platforms.

6.6. Social marketing strategies followed by Daraz-

Social marketing strategies and are different from other strategies of a firm. Normal marketing strategies used to sell the product and attract customer to buy the product but social marketing strategies used to engage customer with the brand and create a great communication level with customer. Daraz use social marketing strategies carefully. As we, all know mobile phone apps are very popular in recent times daraz has apps in play store where buyers can get all the info and can make a purchase. Daraz use Facebook , twitter and YouTube as their social media platform . Here they interact with the customer and thousand of customer query has answered. In addition, various offers in their page make customer engage towards the product. For example, daraz listed a new brand product and create a poll to assume the price to the customer. If customer gives a right answer they will get some discount on that product. That is how smartly daraz use social marketing day by day. Also the agent marketing where agent can place order on behalf of actual customer and can get a commission. Here daraz create a social network between agent and customer and their brand. Social marketing process has five steps and here we will associate this steps with the Daraz social marketing process-

- **Fan acquisition-** it refers to involve your customer through social network. Daraz here by their facebook page involve their customer as well as taken their opinion. Various attractive offers have given where customer shows interest on their sites.

Here daraz sometimes create contest and give coupon to gather fans and attract them. In addition, various product related content has been shared to gather customer interest.

- **Engagement-** the next step is engagement, which is the main part of social marketing process. Customer need to have some engagement with the brand where later it will create a long run relationship and trust with the brand. Daraz here share various photo and ask opinion from their customer which is a very good way of engagement. In addition, they create contest where customer give answers of the question and get engaged with the page and social networking of daraz.
- **Amplification-** it refers to influence new people to come their page, like, and share the content and the page. Here daraz can give content like a photo and ask a customer on the page to share and get discount so later the customer will share it to his facebook id. Then his facebook friend will see it on homepage and may take part to like the daraz page and that specific content. That is how daraz gather new visitors and large the social network of their brand.
- **Community-** it refers a place where a group of people share their thoughts in a page where the like already. It helps one community member to others, if any community member face any problem regarding daraz , sometimes daraz admin doesn't need to answer at all rather their community member can give the answer and can give the solution. That is how the community works.

Therefore, what daraz is doing in terms of social marketing is referred to facebook marketing. However, they promote themselves in youtube and other social media like twitter but facebook is the main medium for them to communicate with people and get connected. In Bangladesh most of the people nowadays use facebook. Therefore, daraz here use their facebook page very creatively, involve fans, and share contents for them. So not only they are going with the flow of globalization they are doing things smartly.

7. RECOMMENDATION

As daraz is already leader in online retail Bangladesh there is not much to recommend them but still they have the scope to do some good thing which added value both for the business and customer in the long run some of the recommendations are-

- Daraz can have some more clear policy of contracting with seller
- Also posting item on daraz need a large verification and long time, this is a problem for seller. So more quick response needed in terms of posting item on their sites
- Daraz turnover rate is high so more permanent employee need to be increased as well as more facilities to employee need to be given.
- Credit sales need to be increased also installment payment need to be increased
- Focusing on sales over rural are needed for the survival of the long run and expand the business.

8. CONCLUSION

Daraz is one of the most popular online retail in Bangladesh. However, there is a lot of competition but daraz stands top for their efficiency in online market. Their expansion is noticeable in Asia and they will expand more in near future. In addition, daraz create job opportunity and encourage fresher's, which is amazing. Daraz quality control check of product is appraisable and they ensure the best quality product. Therefore, in this kind of developing economy daraz will do good with their customer oriented strategy. Though there are space and opportunity, they need to take more to become stronger in online retail market. They started their journey from 5 to 6 years ago in Bangladesh and already their all of the growth and service is phenomenal. Hope daraz grows more and serve quality product towards the customer day by day to make peoples life easier than before.

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