SHOPPER SURVEY ON E-COMMERCE IN BANGLADESH

PERCEPTION, DEMAND & USAGE TRENDS

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OVERVIEW

BACKGROUND

- **3G roll-out and expanding growth**
- **Smart phones and technology adoption**
- **Businesses understand citizens are time-saving shoppers**

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SCOPE

- A study to assess the existing state of perceptions, usage trends and demand

- Shoppers who purchase physically at malls
  - to consider high-potential customers
  - to understand buying behavior and expectations

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SURVEY TECHNIQUE

Quantitative survey technique

- **400 interviews of shoppers**
- **4 different locations of Dhaka city:**
  - ***Dhanmondi, Mirpur, Uttara & Gulshan***

Qualitative research component

- **Key-Informant Interviews (KIIs)**
- **15 industry experts**
- **Incl. eCAB members**

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FINDINGS

KNOWLEDGE LEVEL

Levels of e-Commerce Knowledge

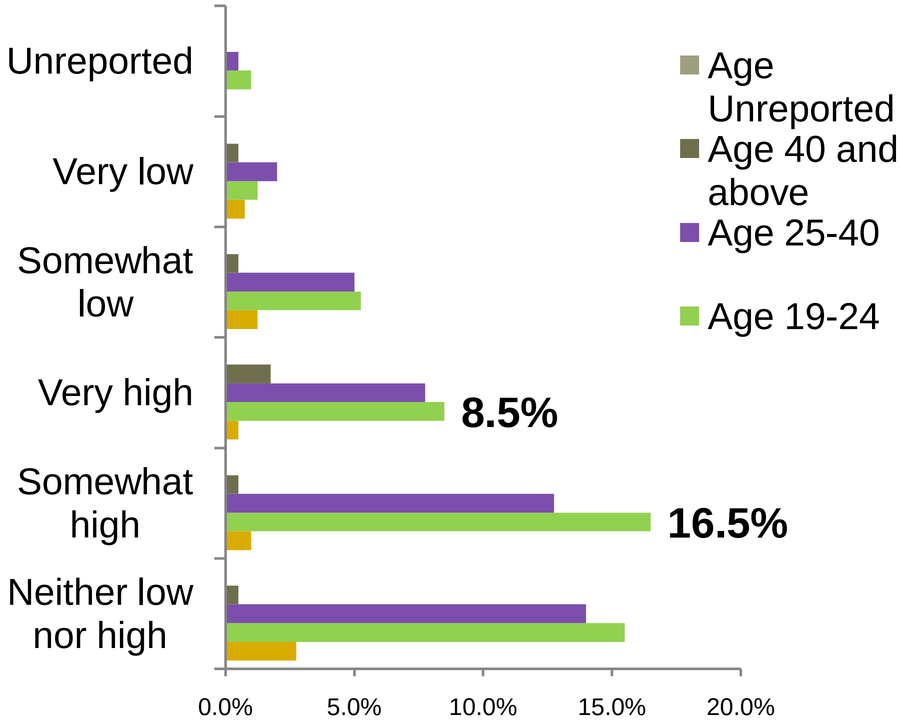
- ***Half the shopper respondents (49.3%) rate their knowledge as somewhat or very high***

Level of Knowledge on E-commerce	Total
Neither low nor high	32.8%
Somewhat high	**30.8%**
Very high	**18.5%**
Somewhat low	12.0%
Very low	4.5%
Un-reported	1.5%

49.3%

KNOWLEDGE LEVEL

Age-wise, 19-24 yr olds are most likely to know about e-commerce



Also, higher knowledge levels among:

- **Male**
- **Students**
- **Higher educated**
- **Higher income**
- **Less women are aware**

ACCESS TO AND USE OF INTERNET

Most Frequent Users

- 25-40 yr-olds
- High income groups
- Graduates
- Dhanmondi

Internet Access

72.0%

20.5%

Duration

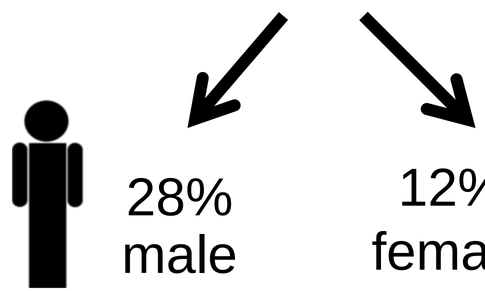
2-4 hours

41.0%

4-6 hours

21.8%

2-4 hrs



28%
male

12%
female

DEVICE BROWSING

Device Usage

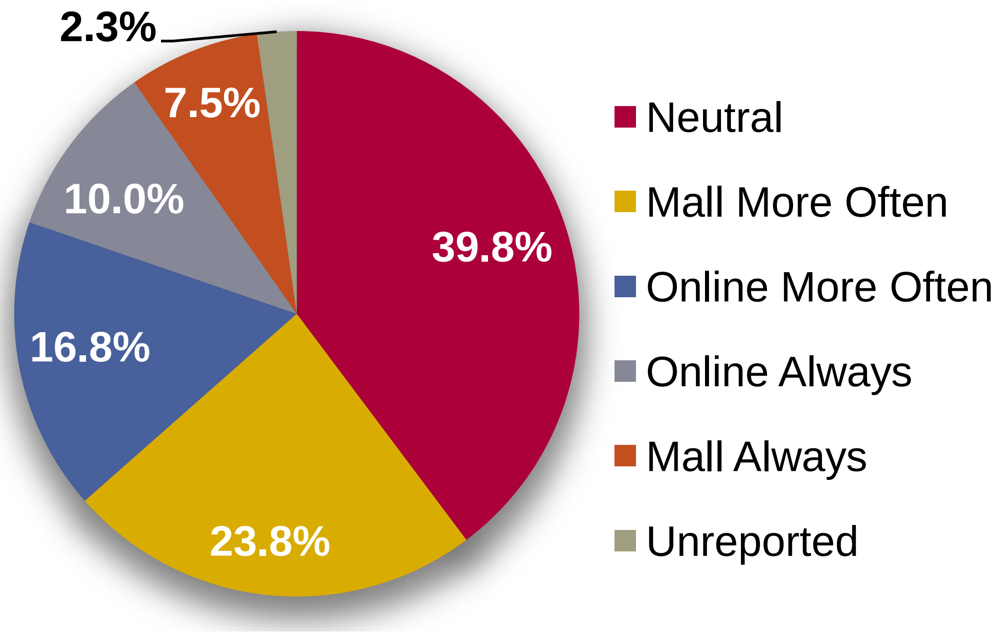
- **58.5% use mobile**
- **27.3% use laptops**

- Mobile Web-browsing Education
- Laptop Web-browsing Income

MALLS VS. ONLINE

People prefer shopping malls!

- **Higher proportion prefer malls (23.8% to 16.8%)**
- **Shop online**
  - graduates
  - post-graduates
- **Shop in malls**
  - higher income



TRAFFIC

Quick Poll:

- Visited e-commerce websites 1-5 times last month?
- Bought 1-2 times last month?

Shopping website traffic:

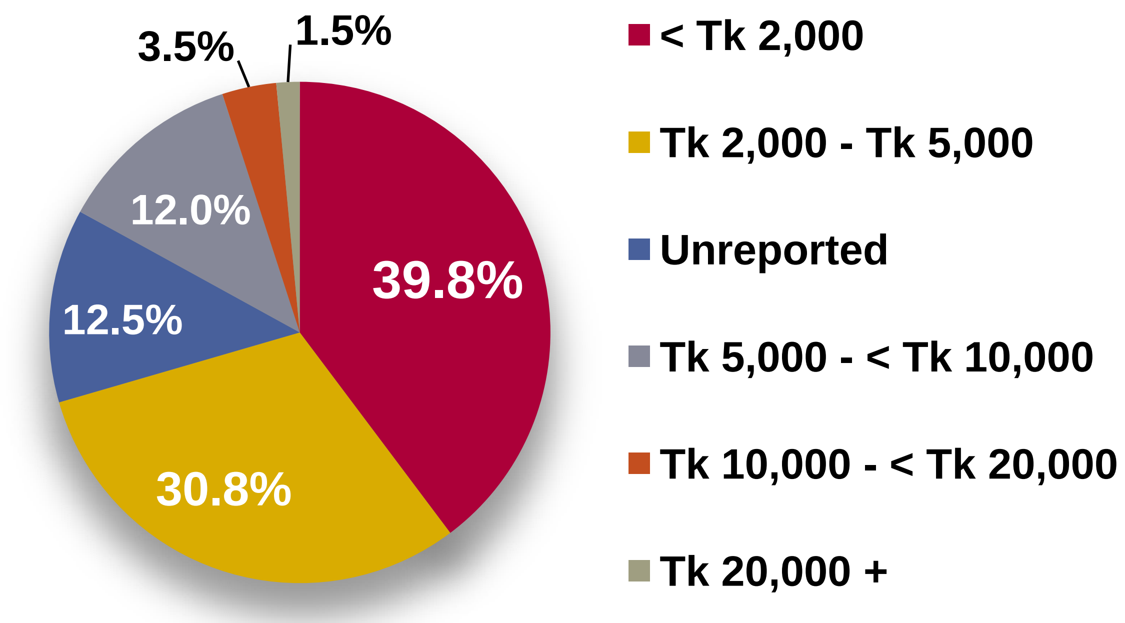
- 70.8% visit 1-5 times a month
- 69.3% buy 1-2 times a month

Traffic Demographics?

- Dhanmondi respondents purchase 1-2 times a month
- Gulshan respondents purchase 3-5 times
- ***70.8% shop only on weekends***

SPENDING

70.5% of e-commerce users spend less BDT 5,000 a month



Dhanmondi respondents most likely to spend >BDT 5,000

MOTIVATION FOR ONLINE SHOPPING

- **63.3% buy for themselves**
- **18.8%** buy for **family**
- 3.8% buy for friends

- **52.3%** buy for personal **needs**
- **31.0%** buy for personal **luxuries**

PRODUCTS BOUGHT ONLINE

Often spend
OVER BDT 5,000

Spending:

- Mostly up-to BDT 5,000
- Higher value transactions low

Clothing and Accessories	Electronics	Cosmetics	Shoes
53.5%	33.8%	18.0%	17.5%

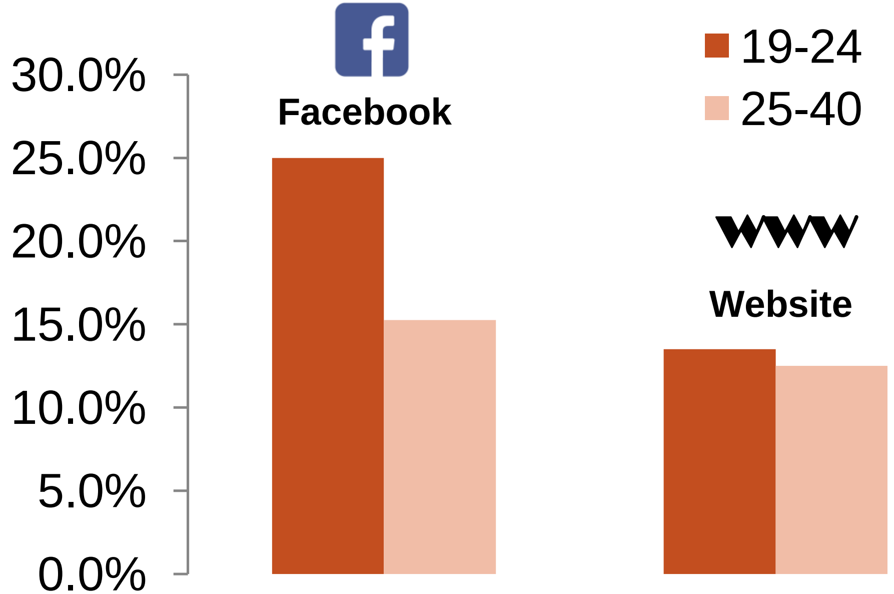
Jewelry	Groceries	Sporting Accessories	Books
10.0%	7.8%	6.5%	5.0%

F-COMMERCE & E-COMMERCE

Do you shop through Facebook? **Yes!** **43.5%**

OR directly through E-commerce website? **29.3%** **www**

19-24 yr-olds prefer Facebook-commerce!



EASE OF NAVIGATION

Ease of navigation of websites/pages

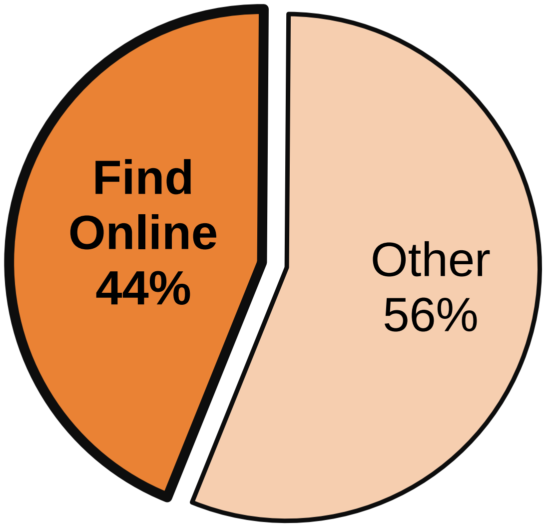
- **22.8% always easy**
- **31.8% usually easy**
- *Scope for improvement*

Higher educated people find it easy
(an expected result)

PRODUCT AVAILABILITY

"I find my desired products online"

- 18% always available
- 26% product usually available



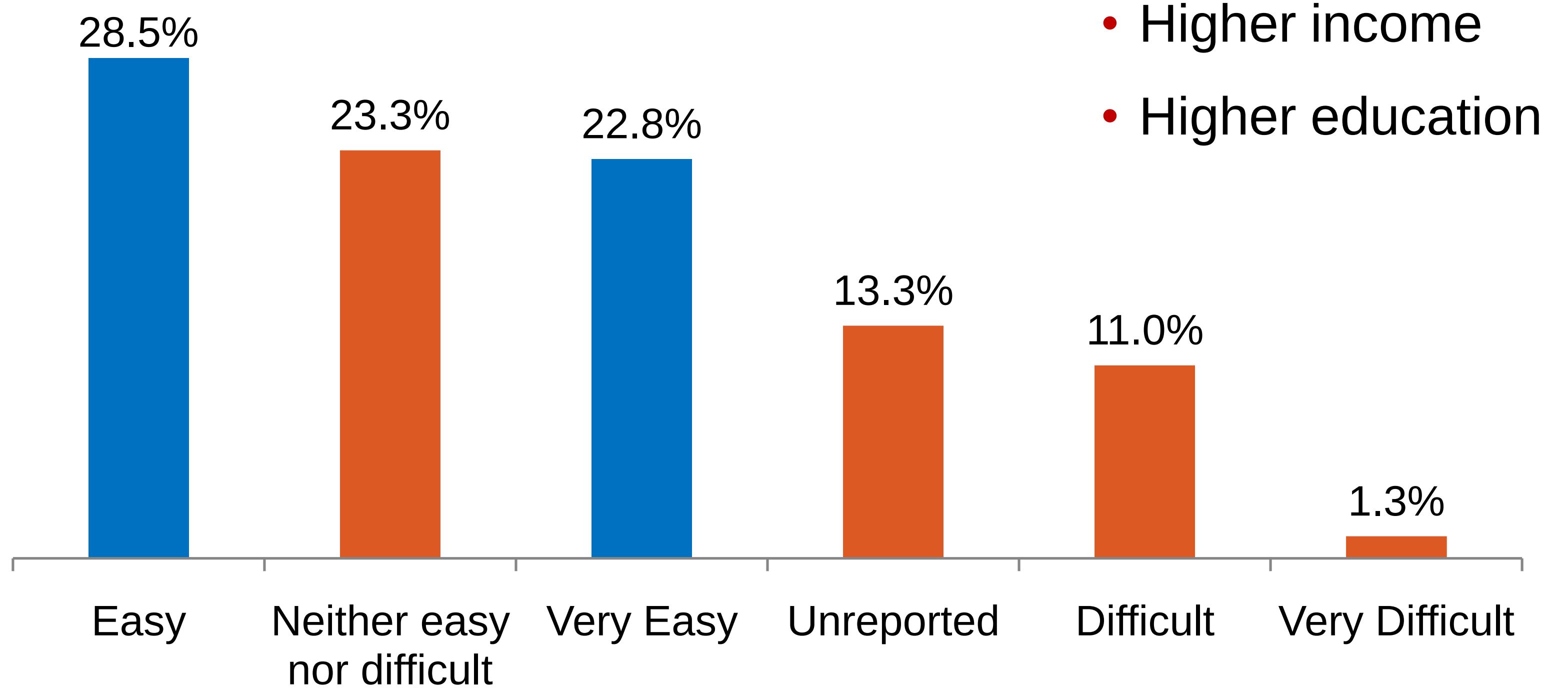
Female shoppers less likely to find what they want to buy

- Important demographic segment
- *Focus needed*

EASE OF ORDERING

Easy?

- 51.3% find it easy/very easy



Who found it easy?

- Higher income
- Higher education

CUSTOMER SUPPORT

“Call Customer hotline at ….”

- 13.8% always and 21.5% usually looked for customer support

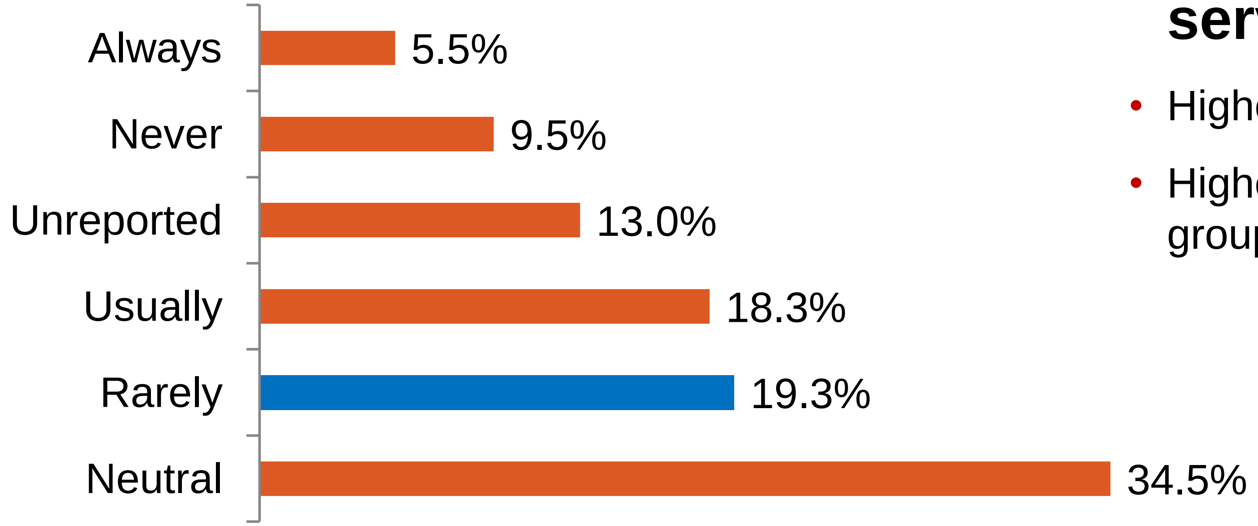
Who wanted customer support?

- Higher educated groups
- Higher income groups (BDT 65,000 +)

CUSTOMER SUPPORT

“Good Morning! How may I help you?….”

- **19.3% rarely receive Customer Service!**
- **Only 5.5% always received it**
- ***An important finding***



Rarely received customer service

- Higher income groups
- Higher educated groups

WEBSITE REVISITS

Revisiting the same E-commerce websites

- 25.5% revisit websites
- 16% revisit less frequently

- Frequency of revisiting
  - Will rise over time

Those who revisit

- Males
- 19-24 yr-olds
- Students
- graduates

ADVERTISEMENTS

Almost a quarter (28.3%) click on Advertisements

- 24.3% Spend: 1-2 mins
- 13.8% Spend: 2-5 mins

To find the right products in ads

- 33% neither likely nor likely (indifference)
- 19.3% usually find products

Gap exists between advertisements & reality

Digital Marketers should review:

- quality, location, timing, other strategies
- demographic & usage data
- *To improve advertised promotion*

POST-SALE

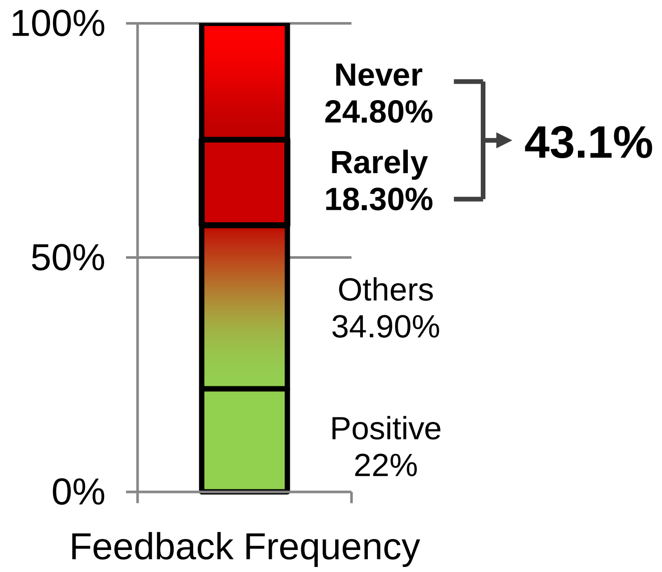
After Sales Service

- 23.5% never received
  - Likely they did not seek service

Shopper Feedback

- 43.1% sluggish to provide feedback

Feedback culture needs to be encouraged



DELIVERY

Communication medium

- 61.5% experience delivery men

Timeliness

- 43% are positive; 30.8% are neutral

Timeliness	Total
Neutral	30.8%
Usually	**23.0%**
Always	**20.0%**
Unreported	14.0%
Rarely	9.8%
Never	2.5%

43%

Delivery Charges

- Paid BDT 50-100

Further service sectors:

- Services like Amazon Prime or express delivery

OVERALL SATISFACTION

Customer Satisfaction

- ***42.5% Positive response***

Satisfaction	Total
Neutral	34.3%
Satisfied	**29.5%**
Unreported	14.8%
Very Satisfied	**13.0%**
Dissatisfied	7.0%
Very Dissatisfied	1.5%

42.5%

SATISFACTION ACROSS PARAMETERS

- ***Shoppers least likely to be satisfied with packaging and after-sales service***

“Satisfied” or “Very Satisfied”	**Total**
Packaging	38.0%
Payment System	49.3%
Delivery System	45.8%
After-sales Service	23.8%

BUSINESS FRAUDS

- ***Encouraging: Only 16% experienced frauds.***
- ***Among those, more than a third reported to authorities***

Steps Taken	Total
Did not do anything	7.3%
Report to Authorities	**36.3%**
Report to company management	18.8%
Paid but did not receive	14.4%

RECOMMENDATIONS

TARGET MARKET

Behavioral Change Communication Required

- Awareness level can be reinforced
- Video Tutorials
- E-commerce fairs
- Partner with development agencies
- Investment in communications: TV Ads, Radio, Agents

19-24 and 25-40 year olds are avid consumers..

- Comfortable with technology
- *Target specifically 25-40 yr-olds: young & mid-career professionals*

TARGET MARKET (CONT'D..)

Target 25-40 year olds.

- Assess this segment's consumption
- Strategic partnerships with large high-profile employers
- *Employer-schemes such as discounts or coupons*

Dhanmondi: A lucrative region.

- Focus on Dhanmondi youth
- Universities, schools, hospitals/pharmacies
    - *Partner with these institutions*

TARGET: WEBSITE REVISITS

Website revisits – An Area of Improvement

- Low statistics found – revisits talk success
- Generate returning customers through:
  - Loyalty schemes & membership discounts
  - Partnership with Credit Cards
  - Continuously upgrade inventory
  - *Partnership with global e-commerce players to enable more targeted advertisements – future*

TARGET: WEBSITE REVISITS

Friendly User experience

- Interface design & ease of navigation
- Ease of ordering
- Availability of products

TARGET: DELIVERY SYSTEMS

Delivery Concerns are

- Delay
- Whether product reaches

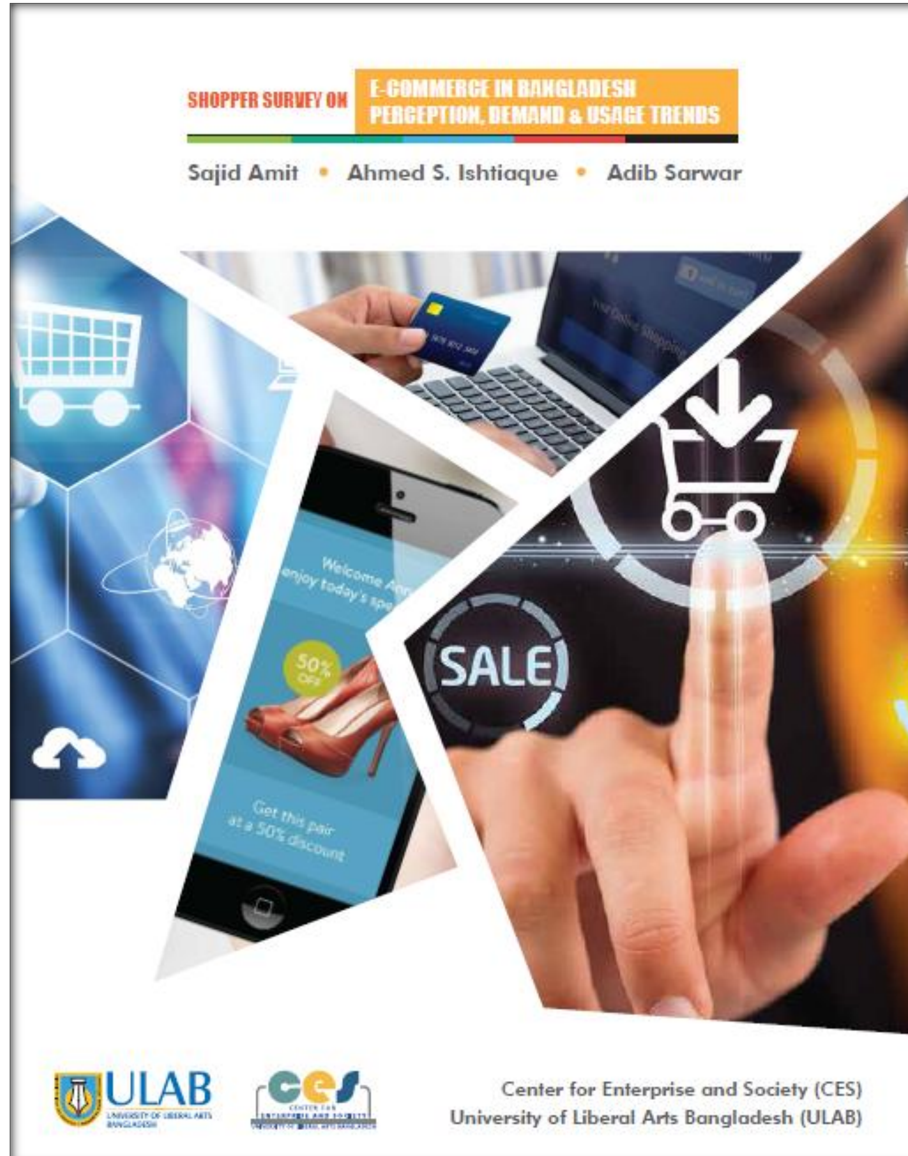
Delivery realities through third-party:

- Delayed payment to e-commerce platforms
- Sometimes payment not handed over
- Deliverer theft
- Deliverer professionalism (or lack thereof)

ENTREPRENEUR RECOMMENDATIONS

- Continued government support
- E-CAB establishment welcomed
- Popularize internet at rural levels
  - Through educational institutions
- Lowering internet price
- E-commerce space at the IT Park
- Protection from foreign competition

THANK YOU!



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