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## **E-commerce In Bangladesh: Evolution And Types**

E-commerce is used all over the world and now it is becoming famous in Bangladesh. E-commerce is still in its early age in Bangladesh and is in the process of developing. Recently due to technological advancement in Bangladesh and increase in use of smartphones the number of users in E-banking and E-retailing sector is showing an upward trend. But compared to our population size it is not enough because E-commerce services are still available only in some major cities in Bangladesh. But now Covid-19 has placed a revolutionary effect in our E-commerce sector. Because of lockdown and social distances people are getting more interested in E-commerce services recently. The number of E-banking users and online shoppers has increased in the last few months. Many banks are expanding their E-banking services for their customers and banks which didn't had any E-banking system they are also going to start provide E-banking services. Now people prefer to order online rather than visiting the market that's why the number of consumers in E-retailing sector has also increased in last few months. E-commerce sector in Bangladesh should grab this opportunity and expand their operation.

Before we start discussing elaborately on E-commerce sector, at first we must know what E-commerce really means, in which market segment it operates and types of E-commerce are operating in Bangladesh. Electronic commerce or e-commerce is a business model that lets firms and individuals buy and sell things over the internet. E-commerce operates in all four of the following major market segments:

- Business to business
- Business to consumer
- Consumer to consumer
- Consumer to business

### **Type of E-commerce in Bangladesh**

Currently, three types of e-commerce are popular in Bangladesh. They are-

- Business-to-Business (B-2-B)
- Business-to-consumer(B-2-C)
- Consumer-to-Consumer (C-2-C)

We know in Bangladesh E-commerce is still in the developing phase, though it has started in the late 1990s (e-cab, 2016). During the time of late 90s, small numbers of non-resident Bangladeshi used E-commerce services to send gifts and books to their dear ones in Dhaka. After that later in the year from 2001-2008, it experienced a little growth due to lack of knowledge and infrastructure. After that the situation of E-commerce in Bangladesh started changing in 2012-2013 when the two E-commerce sites Akhoni and Ajkerdeal introduced themselves to the E-retailing sector of Bangladesh. After starting their operation in Bangladesh Akhoni and Ajkerdeal has received good appreciation from the consumers mainly in Dhaka city. The outcome of the E-commerce ventures not only encouraged business entrepreneurs to invest also encouraged to grab the market in foreign countries. Besides local investors and some foreign investors like Olx, Daraz, and Kaymu has joined the competition along with locals.

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There has been a decent growth in E-commerce in the last couple of years as a result lots of E-commerce service providers has launched their own services. As an example a site like rokomari.com, who have adopted a similar business strategy like Amazon, rokomari.com started to sell books in Bangladesh. Another example is Bikroy.com, they adopted a unique business model. They provide both buying and selling options for the consumer goods in their platform. Recently the FMCG and grocery sector has also stepped into the E-commerce industry in Bangladesh Like othoba.com, Pickaboo and chaldal.com. Recently in Bangladesh renowned business conglomerates and business groups of the country have showed interest in joining E-commerce trade. Besides online food delivery services is also getting a very positive response from food lovers. For high traffic congestion and inadequate driving condition in Dhaka and other major cities consumers prefer to order food online then visiting the restaurant. Hungry Naki and Food Panda are two very well-known food delivery E-commerce platforms in Dhaka and Chittagong (International Trade Administration, 2017).

E-commerce entered late in Bangladesh comparing to other developing countries. It entered in the late 90s in Bangladesh and the history of E-commerce since late 90s are described below.

- Late 90s: As I have mentioned before E-commerce started in the late 90s in Bangladesh. The earlier E-commerce sites were actually gift sites targeted towards the Non-Residential- Bangladeshis (NRB) living in abroad. All of the sites were based in abroad and had branches in Bangladesh (e-cab, n.d.).
- Year 2000-2008: During this time period in Bangladesh, the E-commerce sector observed a slow growth and there were very few E-commerce websites but there were no system for online transaction and it was the first condition for E-commerce in Bangladesh. In addition in Bangladesh, high cost of internet services and low penetration means that few people knew about these E-commerce sites. According to Bangladesh Bank, payments and transactions by credit cards were nearly Taka 11 billion in June 2008 and it is one of the lowest in the world. Bangladesh had only about 400,000 credit card holders from June 2008 to the end of June 2009. After that from the year 2008, things started to look bright as Bangladesh Bank took various initiatives including implementation of e-Payment Gateway (e-cab, n.d.).
- Year 2009: After all these years the real change came in 2009 when Bangladesh Bank allowed online payment in the country and by officially opening up the E-commerce sector in Bangladesh. In this timeline another major development was the introduction of WiMax internet in Bangladesh, it became quite popular in the country (e-cab, n.d.).