

Evaluation of E-Commerce Problems in Bangladesh (Consumer's Perspective)

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Abstract

This paper is used to examine the problems of e-commerce in Bangladesh at Dhaka city. It also tries to find out the overall problems of e-commerce that actually customers are facing to purchase online products. This paper is prepared by analyzing various research studies carried out on e-commerce problems. A survey of 101 online consumers represents their problems that they are actually faced. This paper based on 2 technical and 9 non-technical problems. Basically this paper is prepared by SPSS software and analyzing secondary data. However Using judgmental sampling procedure and firstly is tested the reliability test of collected data and data are analyzed using Likert Scale (5 point rating scale). The finding of the study shows that, data are more reliable. This paper also shows that there is sever problem on trial when a consumer purchase product. Besides there are significant problems on reliability, privacy, absence of paper based document, touch and feel problem etc. at the time of purchase.

Keywords: E-commerce, Literature Review, Major Problems, Recommendations, Dhaka, Bangladesh.

1. INTRODUCTION

E-commerce or Electronic Commerce is a term for business transaction that is performed via internet. Using e-commerce consumers can exchange goods or services electronically without any hassle. Now a day, numerous numbers of companies are selling their tangible and intangible goods through e-commerce. This paper has analyzed the major problems of ecommerce in Bangladesh. Internet users in Bangladesh crossed 77 million marks as the first eight months of 2017. BTRC officials said the number of internet subscribers have crossed 80 million in October 2017. There were 3.5 billion internet users around the world in 2016. About 45% of the global population accessed the internet in 2016. Most of the internet users of the globe are located in South and East Asia. China had over 721 million internet users in 2016; it was more than double the amount of third ranked U.S. with nearly 290 million internet users. India ranked second in the number of internet users; Brazil and Japan placed in the top 5.¹ In year 2005 Bangladesh entered into a new era of internet connectivity. According to the latest statistics released by the Bangladesh Telecommunication Regulatory Commission (BTRC), over 93.6 per cent or 68.6 million users browse the internet through a mobile phone. Internet Service Provider (ISP) and Public Switched Telephone Network (PSTN) users were increased to 4.62 million.² The government committed that broadband network will be extended along with high bandwidth 2021. The political government of Bangladesh declared Information Technology as a thirist sector, so to exploit ICT potentials in economic development government launching different promotional activities.

2. LITERATURE REVIEW

E-commerce sector carries huge prospects to the business sector as it is possible to take order for products and continue transaction anytime. It makes the economic activities more dynamic and

flexible. Statistics says that, total sales of e-commerce business has already been reached \$22.049 trillion US dollar in 2016 (Worldwide Retail and E-commerce Sales: eMarketer's Estimates for 2016–2021, July 18, 2017). In addition, it is estimated that currently e-commerce is more than 300 crore taka industry in Bangladesh and it is growing very fast (Rahman, 2016). We can categorize e-commerce business in 6 types:

- B2B (Business to Business)
- B2C (Business to Consumer)
- C2C (Consumer to Consumer)
- MC(Mobile Commerce)
- FC(Facebook Commerce)

There are no available studies about negative attitude towards on online shopping in Dhaka city. There are a lot of research paper on e-commerce problem in Bangladesh and other countries but there are few research on e-commerce problem specially faced by consumer in Dhaka city. So this paper will help Actual and potential businessman in both online and offline to take necessary steps for building positive attitude to expand their business via internet. People has some negative attitude about online shopping.

Though e-commerce has many opportunities in Bangladesh, there are many challenges that e-commerce businesses are experiencing. One of the major challenges experienced by e-commerce is technology and the flow of information within the same business and from business to consumers (Ladan, 2016). In addition, security issues and challenged need to be emphasized before starting the business because thousands of hackers are waiting to steal your information especially credit card information (Ladan, 2016). On the other hand, customer satisfaction needs to be the highly prioritized as there are countless competitors are out there. In order to satisfy the demands of consumers, e-commerce business essentially be able to respond to consumer needs and perform activities accordingly in a quick, reliable and secure manner. In addition, e-commerce business must follow security standards and disciplines to achieve and hold the consumer trust and confidence in order to sustain in the market (Ladan, 2016).

Adequate guidelines for security systems and networks for e-commerce system are available for developers to develop e-commerce system. However, numerous number of virus programs are already running and new viruses are being spread by hackers to get access most of the authentication and authorization of e-commerce system (Ladan, 2016). In this paper, different security threats and challenges of e-commerce business has been discussed with available solutions.

Security and trust are basics for making an environment favorable to e-commerce business. Unless ensuring consumer protection, consumer's data protection and countering cybercrime e-commerce sector is not fulfill and cannot attract potential consumers (E-Commerce Policy Framework for Bangladesh, 2017).

On the other hand, growth of e-commerce is reliant on the existence of secure, user-friendly and cost-effective payment methods (E-Commerce Policy Framework for Bangladesh, 2017). Secured monetary transaction technologies are so much important to create faith among the purchasers (E-Commerce Policy Framework for Bangladesh, 2017). Presently, the e-commerce market volume is Tk 400 crore taka per year (E-Commerce Policy Framework for Bangladesh customers. Around 90% of online purchasing orders are done by cash on delivery method (E-Commerce Policy Framework for Bangladesh, 2017). This sector will be accelerated more if we can introduce something like Paypal payment method (E-Commerce Policy Framework for Bangladesh, 2017)., 2019). However, currently in Bangladesh, cash-on-delivery is the widely used payment method among

3. METHODOLOGY

The methodology employed in attaining information about problems of e-commerce in Bangladesh at Dhaka city through a survey specially on university students both under gradated and post gradated students. The survey questionnaire is designed and distributed to targeted respondents 101. Questionnaire is designed into two parts. First part is taking consideration in technical problems of respondents. The second part of the questionnaire is required the respondents to rate various non-technical problems which affects customers. There are five point rating scale is used to know the level of problem of consumers. These scales are as follows: 1= Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree.

Table 1: E -commerce problems evaluation (Consumer’s perspective)

S.L		1	2	3	4	5	Mean
	Technical Problems						
1	Problem of privacy issue	09	14	44	22	12	62.8%
2	Problem of security issue	07	18	39	24	13	63.8%
	Non-Technical Problems						
3	Problem of complex buying behavior	10	35	20	21	12	37.4%
4	Problem of first time experience	20	36	17	19	09	32.20%
5	Problem of absence of paper based document	11	13	22	34	21	88.20%
6	Problem of reliability	12	9	23	30	27	90.0%
7	Problem of payment system	18	33	19	23	28	34.0%
8	Problem of rapid evolving changing	19	41	25	09	07	29.0%
9	Problem of touch and feel online	10	22	12	34	23	87.6%
10	Problem of trial	11	13	17	24	36	99.6%
11	Problem of the use of internet	07	12	17	44	21	63.8%

Table 2 : Reliability Test

Reliability Test:

Case Processing Summary				
		N		%
Cases	Valid		101	100.0
	Excluded ^a		0	.0
	Total		101	100.0

Reliability Statistics	
Cronbach's Alpha	No. of Items
.725	101

Reference value of Cronbach’s Alpha :

This table shows that finally it is more reliable when Cronbach’s Alpha value is .725

4. ANALYSIS AND FINDINGS

This paper has taken a few important demographic information those indeed influence the customers regarding the selection or evaluation of e-commerce problems. Among them gender, educational qualification, family income (monthly) and age are of most important for this study. All the respondents are under and post graduate students of different university. They are male (60.39%) and female (39.61%) in gender category and age 20-28 in age category and their family monthly income 30000-1,00,000 and more.

In terms of the problem of privacy issue, the study found that 44 respondent's perceived atmosphere to be "Neither agree nor disagree". About 22 respondents agree with this privacy issues while 14 respondents disagree. A few, 9 respondents rated with "strongly disagree" and 12 respondents rated the problem of privacy issue as "strongly agree". The mean score is 62.8%.

In terms of problem of security issue, the study found that 39 respondent's perceived atmosphere to be "Neither agree nor disagree" About 24 respondents agree with this security issues while 18 respondents disagree. A few, 7 respondents rated with "strongly disagree" and 13 respondents rated the problem of security issue as "strongly agree". The mean score is 63.8%.

In terms of problem of complex buying behavior, the study found that 20 respondent's perceived atmosphere to be "Neither agree nor disagree" About 21 respondents agree with this while 38 respondents disagree. A few, 10 respondents rated with "strongly disagree" and 12 respondents rated the problem of complex buying behavior issue as "strongly agree". The mean score is 37.4%.

In terms of problem of first time experience, the study found that 17 respondent's perceived atmosphere to be "Neither agree nor disagree" About 19 respondents agree with this while 36 respondents disagree. A few, 20 respondents rated with "strongly disagree" and 09 respondents rated the problem of first time experience issue as "strongly agree". The mean score is 32.2%.

In terms of problem of absence of paper based document, the study found that 22 respondent's perceived atmosphere to be "Neither agree nor disagree" About 34 respondents agree with this while 13 respondents disagree. A few, 11 respondents rated with "strongly disagree" and 21 respondents rated the problem of absence of paper based document issue as "strongly agree". The mean score is 88.2%.

In terms of problem of reliability, the study found that 23 respondent's perceived atmosphere to be "Neither agree nor disagree" About 30 respondents agree with this while 09 respondents disagree. A few, 12 respondents rated with "strongly disagree" and 27 respondents rated the problem of reliability issue as "strongly agree". The mean score is 90.0%.

In terms of problem of payment system, the study found that 19 respondent's perceived atmosphere to be "Neither agree nor disagree" About 23 respondents agree with this while 33 respondents disagree. A few, 18 respondents rated with "strongly disagree" and 08 respondents rated the problem of payment system issue as "strongly agree". The mean score is 34.0%.

In terms of problem of rapid evolving changing, the study found that 25 respondent's perceived atmosphere to be "Neither agree nor disagree" About 09 respondents agree with this while 41 respondents disagree. A few, 19 respondents rated with "strongly disagree" and 07 respondents rated the problem of rapid evolving changing issue as "strongly agree". The mean score is 34.0%.

In terms of problem of touch and feel online, the study found that 12 respondent's perceived atmosphere to be "Neither agree nor disagree" About 34 respondents agree with this while 22 respondents disagree. A few, 10 respondents rated with "strongly disagree" and 23 respondents rated the problem of touch and feel online issue as "strongly agree". The mean score is 87.6%.

In terms of problem of trial, the study found that 17 respondent's perceived atmosphere to be "Neither agree nor disagree" About 24 respondents agree with this while 13 respondents disagree. A few, 11 respondents rated with "strongly disagree" and 36 respondents rated the problem of trial issue as "strongly agree". The mean score is 99.6%.

In terms of problem of the use of internet, the study found that 17 respondent's perceived atmosphere to be "Neither agree nor disagree" About 12 respondents agree with this while 44 respondents disagree. A few, 07 respondents rated with "strongly disagree" and 21 respondents rated the problem of the use of internet issue as "strongly agree". The mean score is 63.8%.

5. RECOMMENDATIONS

1. Bangladeshi e-commerce sites should provide greater layers of security & privacy issue for their payment procedures.
2. There are every department like accounting, marketing, finance, management; economics should be more concern by integrating e-commerce topics.
3. The government should provide the necessary support to e-CAB (E-commerce Association of Bangladesh) so more people can be trained in this sector.
4. E-commerce businesses require high-speed internet, which is absent in the rural areas
5. Trial problem is big problem in e-commerce especially any dress or necessary goods. So ecommerce company should badly monitor on it to remove this problem
6. The government should take the internet as a fundamental element of business, particularly e-commerce business. It must ensure low-cost, high-speed internet for rural people to turn its vision of Digital Bangladesh into reality.
7. Bangladeshi e-commerce sites should focus more on timely deliveries.
8. Bangladeshi e-commerce sites should not only update and evolve, but also address the growing concerns like managing increased visits and purchases during the holidays, payment methods.
9. Effective IT security system should maintain by adopting latest IT technology.
10. Bangladeshi e-commerce sites should aim to improve customer service and address areas of concern to reach out to the part of the population which is not opting for e-commerce yet.
11. To penetrate into the global market, the government has to reform its regulations regarding online transactions and upgrade the entire system.
12. The Bangladesh Bank should formulate policies to ease the loan process for e-commerce entrepreneurs

6. CONCLUSION

E-commerce business has altered many traditional manner of transaction and brought revolutionary change in the economy. Citizens of Bangladesh are now enhancing their standard of living using internet. Suppliers can now get the order by online ordering system and consumers also save much of their time by doing online trade. Many of commercial activities of large corporations as well as super markets are using website to receive orders from consumers and sending particular goods to them. Last few years statistics says that this sector has good

growth rate. In order to make it sustainable both government and entrepreneurs needs to be more conscious and take proper steps.

In this paper current e-commerce platform business issues, challenges and their optimum solutions regarding Bangladesh has illustrated briefly. In order to gain customer satisfaction and trust e-commerce platform business should be more service orientated. E-commerce companies should ensure security and provide the best service to their customer otherwise this sector cannot grow more.

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APPENDIX-1

Personal profile of the respondents (N=101)

Profile		Frequency	Percent	Valid percent	Cumulative Percentage
Sex	Male	61	60.39	60.396	60.396
	Female	40	39.61	39.604	100.0
Age	20-22	32	31.68	31.68	34.1
	23-25	24	23.76	23.76	55.44
	26-28	45	44.55	44.55	100.0
Education	BBA	41	40.59	40.59	40.59
	MBA	60	59.41	59.41	100.0
Family Income (Monthly)	Below 30000	10	09.90	09.90	09.90
	30000-50000	28	27.72	27.72	37.62
	50000-70000	45	44.55	44.55	82.17
	70000-90000	12	11.88	11.88	94.05
	90000 or more	6	5.94	5.95	100.0
Division	Dhaka	31	30.69	30.69	30.69
	Chittagong	14	13.86	13.86	44.55
	Khulna	08	07.92	07.92	52.47
	Barisal	09	08.91	08.91	61.38
	Mymensingh	12	11.88	11.88	73.26
	Rajshahi	21	20.79	20.79	94.05
	Sylhet	06	5.95	5.95	100.0

APPENDIX-2

1. Problem of privacy issue

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	9	-2	-18
Disagree	2	14	-1	-14
Neutral	3	44	0	0
Agree	4	22	1	22
Strongly agree	5	12	2	24
		∑f= 101		∑ fd= 14

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 3 + (14 / 101) = 3.14 \\
 &= 3.14 \times 20 \\
 &= 62.8\%
 \end{aligned}$$

2. Problem of security issue

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	7	-2	-14
Disagree	2	17	-1	-17
Neutral	3	39	0	0
Agree	4	24	1	24
Strongly Agree	5	13	2	26
		$\sum f = 101$		$\sum fd = 19$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 3 + (19/101) = 3.19 \\
 &= 3.19 \times 20 \\
 &= 63.8\%
 \end{aligned}$$

3. Problem of complex buying behavior

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	10	-2	-20
Disagree	2	38	-1	-38
Neutral	3	20	0	0
Agree	4	21	1	21
Strongly Agree	5	12	2	24
		$\sum f = 101$		$\sum fd = -13$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 2 + (-13/101) = -2.87 \\
 &= 1.87 \times 20 \\
 &= 37.4\%
 \end{aligned}$$

4. Problem of first time experience

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	20	-2	-40
Disagree	2	36	-1	-36
Neutral	3	17	0	0
Agree	4	19	1	19
Strongly Agree	5	9	2	18
		$\sum f = 101$		$\sum fd = -39$

$$\begin{aligned}
 X &= A + (\Sigma fd / \Sigma f) \\
 &= 2 + (-39 / 101) = 1.61 \\
 &= 1.61 \times 20 \\
 &= 32.2\%
 \end{aligned}$$

5. Problem of absence of paper based document

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	11	-2	-22
Disagree	2	13	-1	-13
Neutral	3	22	0	0
Agree	4	34	1	34
Strongly Agree	5	21	2	42
		$\Sigma f = 101$		$\Sigma fd = 41$

$$\begin{aligned}
 X &= A + (\Sigma fd / \Sigma f) \\
 &= 4 + (41 / 101) = 4.41 \\
 &= 4.41 \times 20 \\
 &= 88.2\%
 \end{aligned}$$

6. Problem of reliability

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	12	-2	-24
Disagree	2	09	-1	-09
Neutral	3	23	0	0
Agree	4	30	1	30
Strongly Agree	5	27	2	54
		$\Sigma f = 101$		$\Sigma fd = 51$

$$\begin{aligned}
 X &= A + (\Sigma fd / \Sigma f) \\
 &= 4 + (51 / 101) = 4.51 \\
 &= 4.51 \times 20 \\
 &= 90.2\%
 \end{aligned}$$

7. Problem of payment system

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	18	-2	-36

Disagree	2	33	-1	-33
Neutral	3	19	0	0
Agree	4	23	1	23
Strongly Agree	5	08	2	16
		$\sum f = 101$		$\sum fd = -30$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 2 + (-30/101) = 1.70 \\
 &= 1.70 \times 20 \\
 &= 34\%
 \end{aligned}$$

8. Problem of rapid evolving changing

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	19	-2	-38
Disagree	2	41	-1	-41
Neutral	3	25	0	0
Agree	4	09	1	09
Strongly Agree	5	07	2	14
		$\sum f = 101$		$\sum fd = -56$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 2 + (-56/101) = 1.45 \\
 &= 1.45 \times 20 \\
 &= 29\%
 \end{aligned}$$

9. Problem of touch and feel online

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	10	-2	-20
Disagree	2	22	-1	-22
Neutral	3	12	0	0
Agree	4	34	1	34
Strongly Agree	5	23	2	46
		$\sum f = 101$		$\sum fd = 38$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 4 + (38/101) = 4.38 \\
 &= 4.38 \times 20 \\
 &= 87.6\%
 \end{aligned}$$

10. Problem of trial

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	11	-2	-22
Disagree	2	13	-1	-13
Neutral	3	17	0	0
Agree	4	24	1	24
Strongly Agree	5	36	2	72
		$\sum f = 101$		$\sum fd = -2$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 5 + (-2/101) = 4.98 \\
 &= 4.98 \times 20 \\
 &= 99.6\%
 \end{aligned}$$

11. Problem of the use of internet

Level	Value of X	Frequency	d = X-A	fd
Strongly Disagree	1	7	-2	-14
Disagree	2	12	-1	-12
Neutral	3	17	0	0
Agree	4	44	1	44
Strongly Agree	5	1	2	2
		$\sum f = 101$		$\sum fd = 20$

$$\begin{aligned}
 X &= A + (\sum fd / \sum f) \\
 &= 4 + (20/101) = 4.19 \\
 &= 3.06 \times 20 \\
 &= 63.8\%
 \end{aligned}$$