ISSN NO. 2320-5407

RESEARCH ARTICLE

Prospects of E-commerce in online market place of Bangladesh: Lessons from the operations of Kaymu.com.bd

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Manuscript Info	Abstract
	Internet is a globally interconnected network that includes millions of people, corporate body and government. Online marketing has become the storefront process for many of the world's largest companies. Online marketing is a part of e-business. It can be learned as digital marketing, web marketing. E-marketing or internet marketing is the marketing of products or services over the internet. The e-markets of tomorrow may have little resemblance to the markets of today. To evaluate the overall prospect of e-commerce in the online marketing business is the main goal of the study. Here, one of the biggest names of the online marketing arena is Kaymu.com.bd has been chosen for the case study. This case, mainly deductive approach of research is followed along with the appropriate combination of inductive method. The commercial feasibility often an online market place and acceptability of on consumers has been attempted deriving in this study with the help of financial results and other indices of its overall performance. The results and analyses indicates a potential growth in business through great success story of Kaymu.com.bd and at the same time, the regulatory and other strong challenges are still found to be threatening. Finally, the study illustrates the significance of setting booming and retaining online market place in Bangladesh from the experiences of Kaymu Bangladesh.

INTRODUCTION

This is the era of information and communication technology. The leading concern of electronic revolution in this 21st century is to establish and ensure a better, easy and comfortable way of– management, communication and development with the use of information technology. E-commerce has become a buzzword of present information technology. It is the process of conducting all forms of business through computer network and digital communication. Increasing domestic and global competition, economic downturn, rapidly changing market trends, and volatile financial markets have all added to the pressure on organizations to come up with effective responses to survive and succeed. Furthermore, easing of international trade barriers, economic liberalization, globalization, and deregulation have led to several challenges for organizations in developing and newly industrializing economies like Bangladesh.

E-business refers to the complete transformation of business process, distribution channels, and organizational structures to create a high performance company that efficiently uses computer and network technologies, especially the internet to execute transactions with customers and trading partners. E- Commerce tends to connote the sales component of an e-business transaction.

On the other hand, E-commerce is a way of conducting business over the Internet. Though it is a relatively new concept, it has the potential to alter the traditional form of economic activities. Already it affects such large sectors as communications, finance and retail trade and holds promises in areas such as education, health and government. The largest effects may be associated not with many of the impacts that command the most attention (i.e. customized product, elimination of middlemen) but with less visible, but potentially more pervasive, effects startup incubations. Kaymu is the leading online marketplace for emerging markets. Kaymu replicates the e-bay model in emerging countries. Kaymu is a venture of Rocket internet, which is one of the largest e-commerce focused venture capital firms & the startup incubators. The company's business model is to identify successful internet ventures from other countries & replicate them in predominantly emerging markets. Kaymu operates an online marketplace enabling and customers to buy & sell basically anything online. The internet is an international network of networks that has opened an entity new vein of customers' communication allowing companies to share information at lighting speeds around the clock (Ishtiaque, 2000). In today's competitive market, most of the market vastly use online & then transaction is conducted electronically. But in case of online things related material market we are far away from US, Europe even India, Malaysia, Singapore & Thailand. In spite of having lots of problem Bangladesh should give special art towards technological development with IT infants to compete & survive in this field. This paper is organized into ten sections.

The objective of the paper the basic concept on e-commerce is illustrated in section 2. In section 3, an overview of e-commerce infrastructure is presented. In Section four is devoted to describe the emergence of the e-commerce in Bangladesh. The potential of implementing e-commerce is provided in section five. In section six, an overview of e-commerce is presented enlighten the factors such as, process of e-commerce, business markets, features, present infrastructure & appearance of e-commerce in Bangladesh. In section seven, focuses on each forms and terms of online material selling marketing. In section eight we presented the major findings covering the evolution of kaymu.com followed by its overview business model, management strategies & financial analysis. Analysis of the study has been approached in section four. This paper concludes with chapter ten.

The major principle of the paper is to provide an effective structure of implementing e-commerce in developing countries considering Bangladesh. In this paper we discussed about the role of online book store sector for implementing e-commerce.

Objective:

The general thrust of this study is to evaluate the commercial feasibility and overall prospect of e- commerce in online book store. In the light of this main objective, specific objectives (Malhotra, 2007) of the study are as follows:

- To evaluate present status of e-commerce.
- To identify key success factors of ecommerce
- To find out the main advantage and disadvantages of online of book store
- To identify the major challenges faced by online market place
- To gain the lessons that can be taken from the experiences of kaymu.com to set up online market place in Bangladesh.
- To explore & develop some strategies and techniques of online marketing in order to improve business in Bangladesh.

Methodology:

This paper is based on both primary data and secondary data. Primary data obtained through expert interview & discussions from the e-commerce experts. In a business research like the one undertaken here, the correct approach for the research methodology is generally preferred to be a sensible blend of two basic approaches: Deductive approach & Inductive approach (saunders et. Al, 2003). Deductive approach involves the development of a theory and eventually some hypothesis, which are to be tested through extensive and structure methods of scientific research. In case of the inductive approach, the analysis of the collected data results in the development of a theory. The sequential steps to conduct this study as shown below:
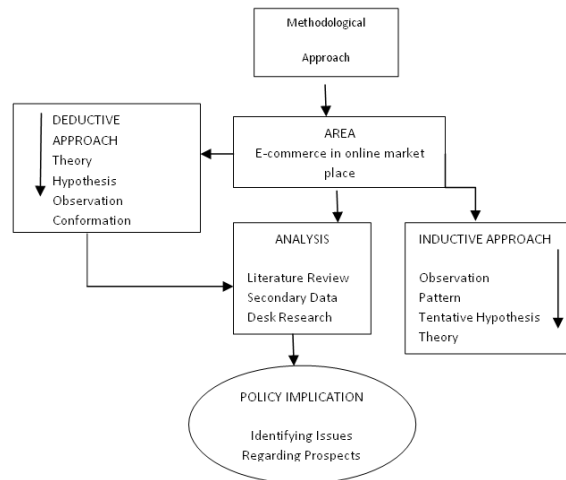
Figure1- Methodological Approach to policy implication prospect and challenges.

In this Study, many the deductive approach of research followed with the appropriate combination of inductive method. At first the theoretical framework of this study is developed on the basis of classic & modern theories of e-commerce. Then the case of Kaymu.com.bd is chosen to be evaluated. Therefore, the result of the study follows logically from premises i.e. available facts.

The study is basically explorative in nature because no previous study focuses on this issue. By definition, an exploratory research involves familiarity with a phenomenon, investigation of problems on which little formal knowledge is available, and achieve new insight into it. (Malhotra, 2007).

The necessary financial data and relevant business information have been collected from the annual reports of Kaymu.com.bd and various authentic news, reports. Simultaneously, to make this paper more informative different published text books, related journals, reports, seminar papers, magazines and research worked have been consulted. Literatures were generally collected from said sources and the internet.

An extensive review of literature helped to make logical representation on the topic of the study that also ultimately helped to shape up a comprehensive view about the prospect & challenge of online market place. The overall commercial feasibility of a successful online book marketing place in terms of e-commerce has been attempted to be derived with the help of financial result report & other includes of its overall performance.

Literature Review
   a. *Concept of online marketing:*
      Online marketing also called business one- marketing. Online business includes buying & selling of goods & services, servicing customers and collaborating with the business partners & conducting electronic transactions within an organization. E- Business is carrying out the goal of business through utilization of the internet (Ferrell, 2009). E- Business is the continuous optimization of a firm's business activities through digital technology (Strauss & Frost, 2009). E- Business involves attracting retaining the right customers & business partners. Online marketing is the use of information technology in the process of enacting, communication and developing value to customers & for managing customer relationship in ways that benefit the organizational & its stockholders (Strauss, El- Ansary and Frost, 2006).
   b. *The online marketing Domain:*
      Online marketing domain includes business to consumer, business to business, consumer to consumer, consumer to business. These four major online marketing domains have potential to apply in Bangladesh profitably.

	Targeted to consumers	Targeted to Business
Initiated by Business	B2C	B2B
Initiated by consumer	C2C	C2B

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c) B2C or business to consumer E-commerce
This is by far the most commonly discussed attempt to react individual consumers. Even though B2C is similar than other forms. It has grown extensively since 2000 (laudon & Traver,2010) The most significant characteristics of a B2 C business is it is able to create a direct relationship with consumers without the involvements of intermediaries (Turban et al, 2002). B2C are the electronic equivalent of the traditional mail, order or telephone based ordering systems (Awad, 2007)

d) Business to Business (B2B):
It basically involves transaction between companies. B2B accounts for the majority of ecommerce. Here security plays a vital issue. The B2B application already exists in the export sector of Bangladesh, especially in the Ready Made Garments (RMG) industry.

e) E-tailor:
Online retail stores are referred as a e-tailors. They come in varying size & web features. They are incidental to traditional brick and mortar stores except that the customers' gave to get into the internet to check their inventory and place an order. As the overall retail market in the US in 2000 was estimated to be huge according to laudon & Traver (2010), the marketed opportunity for e-tailing is very large. Every internet user is a potential customer in this case.

f) Content Provider:
Information content is considered to be the cause of the largest type of internet usage (Laudor & Traver, 2010). Content provider dissolute information content over the web. These may include news, music, photos, videos and artwork and so on. Retrieving paying for contents is the second largest revenue source of B2C e- commerce (Dykema, 2000 cited by laudon & Traver), content provider usually make money by changing the subscriber a subscription fee. But their websites that do not want to do it. Advertising and partner promotions provide money for the second of websites.

g) Transaction Broker:
The sites that process transactions for consumers normally handled in person, by phone, or mail are transaction brokers. Financial services, travel services, job placement services etc use this model very offer. The primary value proposition is saving money & time. Online stock brokers change lucratively low commissions to true new customers (Bakos, Lucas etc; 2000 cited by Laudon & Traver, 2010)

h) Market Creator:
Creates a digital environment where buyer & seller can interact & meet, display products & establish price for the product. Here the transactions are carried out by the sellers and buyers opposite to transaction brokers who do the transaction themselves. The market creating website has to have the potential financial resources and marketing plan to attract sufficient buyers & sellers otherwise it may not be successful. Speed and good management are other main factors in this case (Laudon & Travel).

i) Service Provider:
The basic value proposition is that the service providers offer consumers a valuable, convenient, time saving and low cost alternative to traditional services (laudon & Traver, 2010)

j) Community:
Community providing website creates a digital environment where people with similar interest can infract meet with like- minded people receive interest related information etc. Community providing websites rely on hybrid revenue sources. According to Laudon & Traver (2010). The key to develop a new community to carry out a well defined niche that is not currently being served
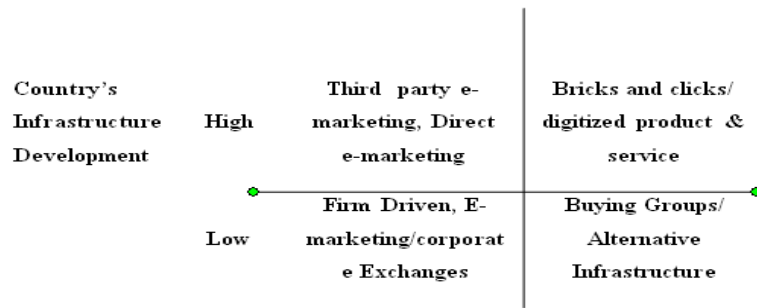
k) E-tailing Business Model:
According to Turbun of al(2002) in B2C, business models are oft6en categorized by the way of revenue generation. These includes
 a) Subscription model- those charge a monthly or annual fee for the subscription of the service
 b) Transaction fee model: they charges a service fee based on the level of transactions offered.
 c) Advertising supported models- instead of users, they charge advertising companies. This can be applied along with the previous two models.
 d) Sponsorship models- the companies who benefit or who are willing to donate beyond financial reasons may sponsor the business. This is usually "supplementary" source of income.

l) E-marketing strategy
Countries with developed infrastructure & comparative marketing institutions focus will be on reducing marketing cost & increasing reach. In these countries, e-marketing strategies that will be successful brick & click strategies. Firms that have physical presence can easily increase reach & reduce costs by developing e-marketing strategies. (Ahmed & Bunyan 2006).

Country's Infrastructure Development	High	Third party e-marketing, Direct e-marketing	Bricks and clicks/ digitized product & service
	Low	Firm Driven, E-marketing/corporate Exchanges	Buying Groups/ Alternative Infrastructure

In addition, catalog firms will utilize successful e-marketing strategies that are similar to bricks & clicks to reduce costs & increase reach. A dramatic rise in e-marketing similarities is bring that can provide products & services in a digitized format to be successful (BlacK,2004). Digitized information reduces the need to deliver products & services for the marketing firm & reduces the need to physically obtain products and services for the customer.

Theoretical underpinnings of E-commerce
I) The Process of E-commerce:
The process of e-commerce typically has the following phases
1. Attract customers' - this is usually done by providing pre-sales information on products and services. It may include on-line catalogues, price lists, product specifications etc.
2. Interact with customers - Interaction with customers is important. Customers are provided with all the information necessary before purchasing any goods. Negotiation with customers is also necessary. In this phase, a customer agrees with the terms of purchase.
3. Handle and manage orders - This phase fulfills the terms of the contract. Orders made by customers are captured. The exchange of payment and receipt and delivery logistics are done properly.
4. React to customers inquiries - It basically includes post sales services comprising of new products information, product upgrade (e.g. software) etc. It can be used to maintain continuous contact with the customers.

II) E-commerce Business Models
E-Commerce business models integrate the internet, digital communications and IT applications that enable the process of buying and selling. Models are
1. B2C (business to consumer)
2. B2B (business to business)
3. B2G (business to government)

Business to consumer: This is actually on-line shopping where the customers are provided with endless information via internet. In the websites, the customers search for desired goods by catalogs. The payment system is lot easier than conventional systems. On-line banking, on-line finance etc are important features of B2C. B2C ecommerce is unlikely to be of much use in the near future in Bangladesh because of low per capita income, a weak infrastructural and legal environment, lack of trust between business and consumers.

Business to business: It basically involves transaction between companies. B2B accounts for the majority of ecommerce. Here security plays a vital issue. The B2B application already exists in the export sector of Bangladesh, especially in the Ready Made Garments (RMG) industry.

Business to government: It involves transaction between the government and any private company. B2G ecommerce is possible in Bangladesh, but on a limited scale at this stage. The government is a major buyer of goods and services from the private sector.

III) Features of E-commerce
The features of e-commerce which make it considerably appreciable are as follows:
1. Ubiquity: E-commerce is ubiquitous, meaning that it is available just about everywhere at all times.
2. Global Reach: E-commerce technology permits commercial transactions to cross cultural and national boundaries far more conveniently and effectively as compared to traditional commerce.
3. Universal Standards: One prominent feature of ecommerce technologies is that the technical standards of the Internet

4. Interactivity: Unlike any of the commercial technologies of the twentieth century, with the possible exception of the telephone and mobile, e-commerce technologies are interactive. Consumers can interact with the content.
5. Information Density and Richness: It is the total amount and quality of information available to all market participants, consumers and merchants. E-commerce technologies reduce information collection, storage, communication and processing costs. Information richness refers to the complexity and content of a message.
6. Personalization: E-commerce technologies permit personalization. Merchants can target their marketing messages to specific individuals by adjusting the message to a person's name, interests and past purchases. The technology also permits customization.
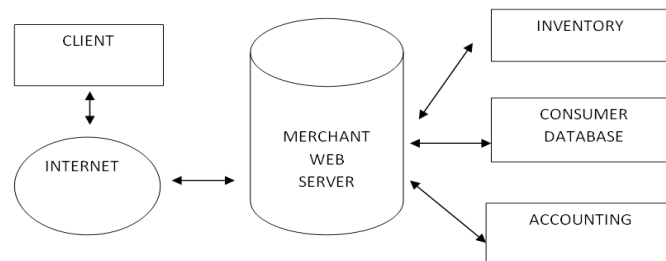
IV) E-commerce Architecture of an Organization

Figure- 2 E-commerce Architecture

Internet users in BD	Mobile Internet	ISP + PSTN	WiMAX	Total
Months				
July 2014	37846.096	1231.00	276.046	39353.142
June 2014	36412.226	1230.31	280.715	37923.251
May 2014	37417.841	1229.81	291.385	38939.036
April 2014	35646.217	1229.63	296.204	37172.05
March 2014	35336.011	1228.02	301.73	36865.756
February 2014	34603.490	1225.62	299.482	36128.592
January 2014	33985.541	1225.12	312.228	35522.889

Table-1:The Number of Internet Users in Bangladesh   (Source: BTRC website)

V) Infrastructure of E-commerce
Telecommunication network is major physical infrastructure for implementation of e-commerce. High speed, competitive international broadband access coupled with high density of local telecommunication facility is essential for growth of e-commerce. For this, institutional background and policy changes may essential. The basic requirements of ecommerce are legal norms and standards covering contract enforcement, consumer protection, liability assignment, privacy protection, intellectual property rights.

VI) Appearance of e-commerce in Bangladesh
Online transaction would increase the Gross Domestic Product (GDP) growth and thus help Bangladesh accomplish the Millennium Development Goals (MDGs). In the epoch of globalization, the Internet makes the world smaller and faster. E-commerce makes easy marketing and shopping from home. E-commerce makes possible business with customers over the internet. In e-commerce, customers can buy goods and services over the internet. Bangladesh

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already has trained IT professionals. Its graduates are working with ISPs only Tk. 6000 (90 dollar!) per month. This shows that Bangladesh already has a plenty of trained IT professionals. Introduction of ecommerce would open new employment chances in the country.

VII) Implementation of e-commerce in Bangladesh
In this era of globalization, e-commerce is a revolution in the field of trade and commerce. The prime objective of e-commerce is to establish a user-friendly, trust-worthy, effective and efficient approach of providing internet centered business transactions. A lot of focus has been given on the technical factors for e-commerce like technical readiness assessment of Bangladesh for implementing e-commerce. Numbers of government and private organizations have accomplished several project based study for technical factor assessment.

Major Findings-
Evolution of Kaymu.com.bd
The Internet — an ever- changing and extensive network of networks that is driven by its users increasingly defines business marketing tactics amidst a consumer- centric nation. Marketing and advertising online has provided consumers with the opportunity to gain information about a company's product or service. However, due to the rapidly- evolving nature of online marketing and technological innovation, issues of privacy arise stemming from lack of awareness of sly tactics to heighten consumer traffic.

Kaymu Bangladesh was launched in October 2013 and as of September 13th it is ranked as the 179th website in Bangladesh right after only 3 e-commerce sites- OLX, Ekhanei, Click BD. It has surpassed akhoni.com which is ranked 270 and biponee.com which is ranked 423 (source: www.alexa.com). A look into Kaymu's unveiling of the large market potential would tell us that Kaymu catered to an important need. Kaymu not only caters to big companies but also to individuals, giving their businesses a chance to grow by providing a medium. Kaymu is empowering regular people to sell, to earn and to succeed. Kaymu Bangladesh has recently got hold of the no.1 spot as the online marketplace in Bangladesh. This has largely been because Kaymu offers convenient, reliable and secure transactions. The convenience of shopping online is ready to eliminate conventional methods of shopping. Also, mass transit traffic jams make it convenient for products to be purchased and sold online.

Kaymu's parent company Rocket Internet is the world's largest Internet incubator. It was found in Berlin, Germany in 2007 by the Samwer Brothers (it is headquartered in Berlin). The Rocket team has been building online companies since 1999 and has created over 100 market leading companies in 50+ countries. The founders gained visibility through successful investments in Groupon, eBay, Facebook, Linkedin, Zynga, etc (either through early direct investment or through taken over target companies). The company's business model is to identify successful internet ventures from other countries (often the United States) and replicate them in predominantly emerging markets. In 2013, Rocket Internet raised close to $2 billion from investors including Russian billionaire Leonard Blavatnik, Swedish investment firm Kinnevik, and J.P. Morgan. This is in addition to nearly $2 billion that Rocket raised in 2012.

The firm, tightly controlled by its founders, is known for its aggressive approach in managing its invested ventures. It prides itself for the speed of execution and ability to hire exceptional talent. Rocket Internet operates in more than 50 countries and has more than 75 ventures in their portfolio such as the e- commerce retail companies Zalando in Germany, Jabong.com in India, Lamoda.ru in Russia, ZALORA in South East Asia, The Iconic and Zanui in Australia, the global food delivery platform foodpanda/ hellofood, the global property listings site Lamudi, Carmudi, etc. Rocket Internet"s various companies created more than 20.000 jobs worldwide. Previous ventures include, for example, Citydeal, which was purchased by Groupon for US$126M, which profited by US$90M. Rocket Internet launched 4 companies in Bangladesh last year Carmudi, Lamudi, Foodpanda and Kaymu. Kaymu as mentioned before replicates the eBay model in emerging markets and since Bangladesh is an emerging market where eBay has not been introduced yet, Kaymu decided to come in!

Business Overview
Kaymu is the leading online marketplace for emerging markets. Kaymu replicates the eBay model (online marketplace where buyer meet sellers) in emerging countries where they do not have eBay. Kaymu is a venture of Rocket Internet which is one of the world's largest e- commerce focused venture capital firms and startup incubators. The following figure shows being Kaymu's interest being starting it & its business operation in Bangladesh.

Figure-3: Why Consumers Prefer Online Shopping, Source:www.quartsoft.com

Management Strategies of Kaymu are based on its operational system for both customers and for the sellers, persuade them to come on-board with Kaymu Bangladesh stating all the benefits they will get if they get on board, educating the sellers to manage the Front-end or how they would manage their e-store, reporting directly to head of sales, managing the BD Cockpit, doing the incubation and finally transferring the seller accounts to the portfolio managers.

Lead Generation and meeting with sellers

Lead generation refers to the sourcing the respective sellers for Kaymu Bangladesh. The leads could be divided into two groups. One is online lead and another one is offline lead. For online lead/sellers we basically search on the facebook business pages, links provided by Kaymu Portugal"s lead generation department, web directory such as "Bdyellowbook.com" etc and for the offline lead sometimes the sales inters, executives often visit different shopping malls and collects different shops business card using which sales executives contact with the respective business shop owner over the cell and fix a business meeting with the owner to discuss about the business proposal in person.

Briefing the sellers how Kaymu Functions

Products are usually sold at fixed prices. So when a customer sees what s/he likes, they place an online order, they buy it, pay for it and wait for it to arrive at their doors! If they reside in Dhaka, they usually get home deliveries and many sellers provide cash on delivery even outside Dhaka (meaning customers can pay after receiving the product).

Customers can pay for an item on Kaymu using a variety of methods, including cash on delivery (this is available only in few cities at the seller's discretion), bank deposit, bKash or other mobile banking methods, etc.

The Buying Process

To purchase something, one must have an account in Kaymu. He/She simply needs to register by providing some basic information (name, address, birth date, phone number etc.). With that account they can place orders on Kaymu. Once a buyer likes something, he/she places an order online by clicking on 'buy now'. After this, a text message/email is sent with a code to validate the purchase. If the buyer validates it, the seller can see it when they log in to their account and then the seller is responsible for calling up the buyer, confirming the order, answering to any necessary queries, and deliver the product. If the buyer is unable to validate the order, a customer service agent from Kaymu calls the buyer up and validates the order. And then the seller process starts as mentioned above. This process generally takes about 3-5 working days and the buyer usually gets it by then unless there are other issues. Often, pre payment is necessary and then the delivery time becomes higher as the seller would not dispatch the product without the buyer paying first. Most sellers provide cash on delivery to buyers residing in Dhaka, meaning the buyers can pay after the product reaches their home. Some sellers provide cash on delivery facility outside Dhaka as well, but not most sellers. Therefore, most customers outside Dhaka needs to prepay via bank account or mobile banking.

The Selling Process

To sell through Kaymu, one needs to have an account as well. Once an order is placed it is showed in the account where details of the buyer is given with the product details (the one that the buyer chose). The job of the seller is to contact the buyer, confirm the order, answer queries of the buyer (if any) and deliver the product. The seller pays Kaymu a percentage commission on the final sale amount. The commission payment is made twice a month. The advantages sellers get are the fact that the products stay with them so they are not stuck with stock that hasn't sold. Also, they get free marketing via Kaymu. To get started with Kaymu as a seller, one needs to sign a simple contract paper that enlists them as a Kaymu seller. Afterwards, they need to send their product listings along with product details and images so that it can be uploaded in their e- store. Sellers can upload from the front end as well by logging into their accounts.

Educating the Seller

Educating the seller how to manage their Kaymu e-store or managing the front-end of Kaymu Bangladesh is another responsibility of the sales executives. Basically, describing the sellers that using the front-end the how the sellers will

login to kaymu account created for them and check their respective orders (if any), manage uploading/removing/editing their products pictures (listing) from the listing option and most importantly whenever they deliver any product they clicks the "Pending Dispatch" option placed on the My Sales tab.

Industry Analysis

With the rise of the internet revolution, the Bangladeshi consumers are steadily getting used to the internet cultures. Almost every large scale companies, universities, news media, etc. have their respective sites. Other than this, many E-Commerce sites are also fairly doing well in this heavily populated country, despite the scarcity of many E-Commerce technologies and lack of E- Commerce facilities (like Credit Cards, E-currency Management System, and Security Systems).

Current Market Players

Kaymu is an online marketplace with sellers who sell their products to buyers who visit Kaymu's website. It can be thought of like a shopping mall only it is online. So far, none of the e- commerce site fully follows this model. As mentioned before, Kaymu Bangladesh is ranked as the 179th website in Bangladesh right after only 3 e-commerce sites- OLX, Ekhanei, Click BD, Rokomari and bdstall.com. It has surpassed akhoni.com which is ranked 270 and biponee.com which is ranked 423 (source: www.alexa.com). ClickBD.com started its operations in April 14, 2005 as the first e-commerce portal in Bangladesh.

Revenue Source

 Kaymu Bangladesh Limited started with a modest startup capital and has identified a break even period of three years. The model is based on E-bay's famous marketplace which encourages small sellers to sell through a common market platform based online. The biggest source of revenue is through sales. Even though the products are not owned by Kaymu, they sign agreements with sellers on commission. If a seller can sell their product through Kaymu, then a certain percentage of its sale price is given to Kaymu as commission. This is by far the biggest source of revenue for Kaymu Bangladesh Limited. With a fast paced growth rate, their revenue has been doubling every month since its inception.

Current Income

 Trend Kaymu Bangladesh Limited has enjoyed steady start in an exciting market in Bangladesh. Every month, since its inception, revenue has doubled on an average.Even in real terms, the amount has gone up significantly to indicate that the model may well achieve break even before two years. The business has observed that 80% of its income is generated from 10% of its sellers, meaning the top 20 sellers generate almost 80% of Kaymu's revenue. It goes on to show the importance of good sellers with unique, well priced products for the sustainability of a company like Kaymu. However, revenue generated from business is not the biggest source of funding for Kaymu. With a big multinational at its back, Kaymu has enjoyed funds to reach the people through intensive Facebook advertising. The funding from Berlin has gone up from the third month due to high performance in this market. Currently, if the income statement is to be seen, there is no net profit as the company plans to break even at the 3rd year.

Financial analysis of kaymubd.com-

Kaymu.com.bd, Bangladesh's leading E-commerce, recently released a paper highlighting E-commerce and online shopping trends in Bangladesh. Bangladesh's online industry is still in its early days; hence, a lot of factors are yet to be determined regarding the trends of the country's online industry. Kaymu provides a detailed insight into the consumer behavior regarding shopping online. It observes that the most actively involved E-commerce users in Bangladesh are between 25-34 years and over 80% of E-commerce traffic in Bangladesh comes from three major regions. Dhaka leads the chart with 35% of total traffic, closely followed by Chittagong at 29%, and Gazipur with 15% of total e- commerce activity each year. When talking about the gender divide, the report observes that out of the total E-commerce activities carried out, males are still the majority, comprising 83% of the populace. The report also shows that that new users are being attracted to online shopping and 49% of online shoppers are new to the E-commerce experience and the rest are returning visitors.

Brand Loyalty VS Non-Brand Traffic

As per findings of Kaymu Bangladesh, hardly 16% of the total online customers would prefer to buy from the website they have ordered before (unless and until they had some issue with product quality or delivery). Rest 84% would like to conduct online research and make price comparisons, look for package deals and special promotional offers before they could finally make a decision.

Hours of Day
Bangladeshi people usually make maximum online purchases between 11:00 AM and 4:00 PM.
Peak Days & Peak E-commerce Conversion Days
Since e-commerce traffic does not define the peak conversion days, Kaymu conducted a separate research and collected facts and figures to find out that Saturday, Sunday, Monday, Tuesday and Wednesday are relatively better e-commerce conversion days in Bangladesh with Monday leading the list, followed closely by Tuesday, Sunday and Wednesday respectively.
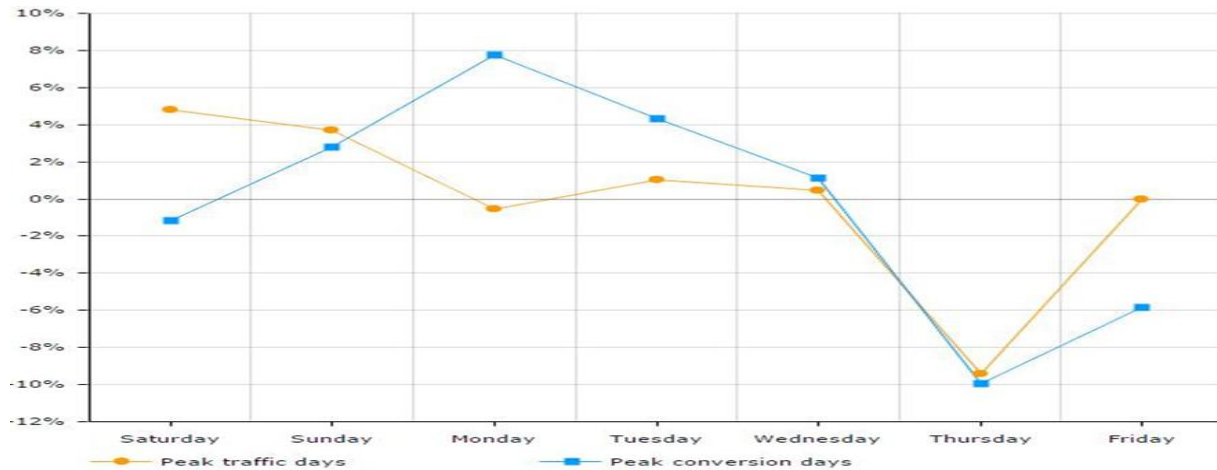

Figure-4: Correlation between peak traffic days and peal conversion days.

Occasional & Seasonal Impact on E-commerce Transactions
The special occasions in Bangladesh such as Eid-ul-Adha, Eid-ul-Fitr, New Year and Wedding Season provide great opportunities to e-commerce entrepreneurs across Bangladesh to generate adequate profits and sales. The wedding season in Bangladesh is usually during the months between November and February.
 Payment Methods
The top payment methods in Bangladesh are: Cash on Delivery ,Bank / Wire Transfer,bKash / UCash ,Credit Card
Search Query Trends
The following graph shows overall **search trends for Bangladesh** on Google.com.bd. A closer look on the trend shows more than double volume as compared to the start of 2013, which means, at least 100% growth in search engine searches across Bangladesh.
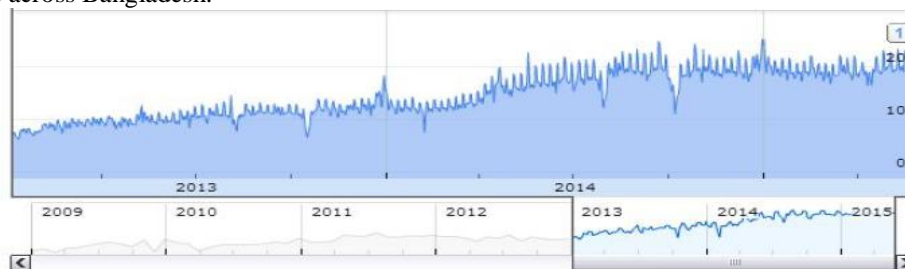

Figure-5: Fraction of Worldwide Traffic, Normalized

Conclusion
Kaymu.com.bd was an early entrant, appeared initially to have all the elements necessary to become a major player in the future of online marketing. But then again, the intense regulation of the industry created unique problems in this transition. Clearly, the potential market complications, gave good cause for concern. As a result, there have been increasing questions raised about the safety of these new marketing products and calls for numerous types of regulation of commodity Internet commerce.The secret of Kaymu.com.bd has been its ability to diversity, its product mix into high ticket categories that appeal to its existing customer base and then to use such relatively inexpensive marketing tools as Internet search engines, like Google SEO, facebook, Kaymu Bangladesh Blog Page, and newsletters for the sellers and all these are free of charge. In a total, it can be said autonomous team effort, high sales initiative through E-Commerce, prominent customer services, and continues follow up of relationship has made

Kaymu the successful e-commerce site of Bangladesh. But in spite of shortcomings, Kaymu.com.bd has exhibited some real strength and sustainability and a pathway towards a whole new revolutionary concept of pure online market place. As E- commerce is a new concept, trust & security issues can come in the way of its implementation in the online market sector. Online market business is a very much sensitive in our country as it involves the satisfaction and lives of people. But in spite of regulatory & other challenges business in online marketing environment can be feasible in our country with a large population through proper promotional campaign and market research about the actual needs of the consumers. Moreover Ecommerce operations are also very much steadily rising in our country. From all these observations, it can be concluded that the prospect of online market in Bangladesh is very positive because commodity business is already very strong, as it is customer dominated within the country. As more people go online, the demographic is changing, that is why and today internet business must plan to sell to all economic levels rather than just focusing sales effort on the reach. It is important to recognize that firms and Bangladesh Government must be prepared for a relatively high risk & long term growth strategy.

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