

Consumers in Bangladesh turning to mobile for their shopping

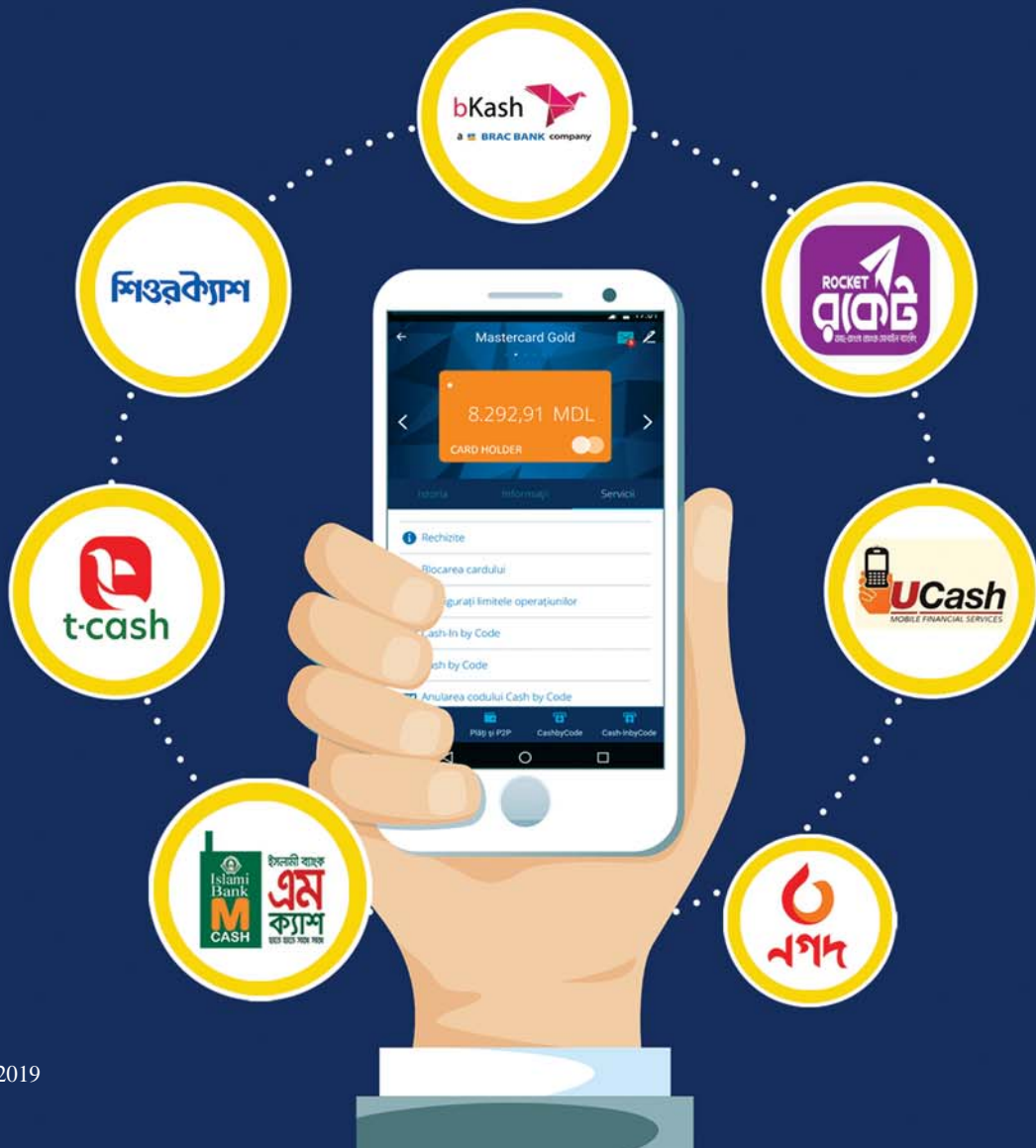
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The doorbell rang for sometime at a house in Malibagh Railgate area, which made Zinnat Zaman peek through the peephole.

A man was at the other side of the door, with a package several kilogrammes of rice, lentil, milk, tea, sugar and some other items in his hand.

Zinnat opened the door and the deliveryman handed over the bill for the package.

She had ordered the consumer items from an online store. The order was placed at 10:00 am for delivery between 11:00am or 12:00 noon.





The goods arrived 45 minutes late, but she did not mind considering Dhaka city's traffic chaos.

However, Zinnat was satisfied with her online transaction restocking her kitchen supplies without leaving the house.

"Usually, I place orders to various e-commerce sites sitting in my office or house without spending hours in the market to buy essential commodities or other products," said Sonia Ahmed, a banker, who is shopping from digital marketplaces for a considerable period.

"It is not always possible to get a supporting hand. Here, you get deliveryman who delivers products to the security guards of the apartment if payment is made electronically," she said.

Like her, a growing number of professionals and housewives are doing their shopping online to heave a sigh of relief from the inconvenience of sitting through a traffic jam to get to a bricks-and-mortar store.

Sofia Khanam, another banker, said online shopping and home delivery has made her life easier.

Meanwhile, there are more than 100 e-commerce sites which deliver almost all groceries.

Supermarket chains like Shwapno, Meena Bazar, Agora et cetera have joined the fray, providing more options to online grocery shoppers.

Today, buyers place the orders daily and most of the orders are generated from Dhaka and nearby areas, Chattogram, Sylhet and some other cities.

The rest of the orders come from outside metros, according to data from major operators.

Online purchase is a need of the time, especially in Dhaka.

The burgeoning growth of online shopping has also opened job opportunities for youths.

Digital wallet payments bring extra convenience to shoppers by offering flexible payment additions and accelerating exchanges. Digital wallets offer the consumers the convenience of payments without swiping their debit or credit cards. Instant Cash availability and renders seamless mobility is also a unique feature of these digital apps, for instance the balance in your bKash wallet can be very easily transferred to your bank account as and when you want. Following are some other advantages of making transactions through e wallets:

Saves time: Digital wallets hold the amount in the electronic form so as to ease the payment process where users can make online payments without entering any card details.

Ease of use: As digital wallet is like one click pay without filling details about card viz card number and passwords every time, It allows user to link digital wallet to accounts and pay right away so that the consumers face no issues to enter the details every time a transaction happen.

Security: There is a good amount of security when payments are made through e wallets since the wallet does not pass the payment card details to the website. These virtual wallets allow users to lock their wallet.

Convenient and information stored under one roof: As digital wallets helps to eliminate need to carry the physical wallet they are highly convenient.





Attractive discount: Cash back and discounts are being offered by most of the players.

Financial inclusion is one of the foremost challenge facing Bangladesh. Digital payment can act as accelerator to financial inclusion. Increasing availability of mobile phone and rollout of 4G networks are the critical enablers of digital payment in Bangladesh. It is further supported by the coordinated efforts of industry, regulator and government.

At the starting phase of e-commerce, Cash on Delivery (CoD) used to be the most popular method of payment, ascribing to a lot of reasons. People used to prefer paying after they receive the product since there was still a credibility issue in the market.

However, tables have turned now. Major e-commerce companies have successfully cast away the doubts of mass people regarding the product quality by putting increasing effort in quality control. In the course of time, people are gradually shifting away cash payment. Although a substantial portion of the demand side still pay with cash, the rising popularity and wide penetration of Mobile Financial Services (MFS) are the new preferred method of payment for e-commerce market.

According to the e-commerce entrepreneurs, their customers are taking comfort in paying with bKash, thanks to its occasional cashback offers. Especially, during festive season, sales through MFS shoots up.

Benefits of bKash include financial inclusion, faster, more secure, more confidential and less costly transactions; savings, empowerment of the poor and women, positive impacts on financial markets because of low default, allowing impersonal transactions, positive impact on trades, services, market expansion, and ultimately having an economy wide impact.

Rocket by Dutch Bangla Bank Limited (DBBL) follows the suit after bKash. Online payment platforms like iPay, uPay have already tagged with some major e-commerce companies.

Of late, Chinese smartphone maker Xiaomi officially announced its entrance to Bangladesh with a view to establishing an e-commerce platform within the next couple of years. Xiaomi's mi.com is the eighth largest e-commerce venture in the globe and third in China and India. Having discerned the potential in Bangladesh e-commerce space, they have an intention to scale it up through their platform.

The digital space of Bangladesh has properly piqued the Chinese e-commerce titan's interests. In May 2018, Chinese tech giant Alibaba has expanded its footprints in Bangladesh after it snapped up online marketplace Daraz. Thanks to the deal, Bangladeshi customers will be able to purchase products directly from Alibaba's vast marketplace without paying the high shipment charges and customs duty. With Alibaba's involvement, Daraz's total merchant number will expand significantly from existing two lakh.

In Bangladesh, rapid internet penetration, spread of cheap feature phones/smartphones and a vibrant youth pool brought more shoppers into this fairly nascent e-commerce ecosystem. Also, the thriving mobile financial service across all the parts of the country is reinforcing the e-commerce space of Bangladesh as the most preferred payment method. Having realized the untapped opportunities in this market, the Chinese smartphone maker Xiaomi already announced to open an ecommerce plant in Bangladesh.

(The writer is a member of BJFCI and a Senior sub-editor at the Daily Sun.)