



Internship Report

On

E-commerce business of Kaymu.com.bd in Bangladesh

Prepared For:

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30, March 2015

To

Ms. Rahma Akhter

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Subject: ***Submission of Internship Report***

Dear Madam,

This letter is regarding the submission of my internship report, entitled “E-commerce business of Kaymu.com.bd in Bangladesh”, Kaymu Bangladesh being the organization I was attached with during the period of my internship. The purpose of this report is to learn about the operations and the business model of Kaymu Bangladesh and e-commerce in Bangladesh.

I have successfully completed my internship program at Kaymu Bangladesh and I worked there as an intern for three months. Working on this report was a great learning experience for me as I got to learn the differences between practical and theoretical work. I hope you will find the report to be objective, systematic and reliable.

I would like to thank you for supervising and helping me throughout my internship program for the completion of my BBA. The internship program has given me the opportunity to explore one of the latest and unexplored areas of business in context of Bangladesh and expand my knowledge thereby.

Sincerely,

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ACKNOWLEDGEMENT

First of all, I would like to thank my honorable faculty supervisor for internship program **Ms. Rahma Akhter** for providing me with the opportunity to observe and analyze such an interesting topic and, moreover for her invaluable guidelines, suggestions and advices whenever needed.

I would like to express my gratitude to my organizational supervisor of this Internship Program, **Ms. Farwah Tasnim**, Head of Seller Management, Kaymu Bangladesh Ltd. for his continuous support and guidance throughout the Internship period. I would also like to thank my organizational colleagues for their sincere cooperation during the completion of my internship project. My sincere thanks goes to the various personnel I had contacted of this organization for the completion of this project for their invaluable & timely cooperation and all others who have helped me to complete this internship project.

Table of Contents

1.0	INTRODUCTION	6
2.0	BACKGROUND	8
3.0	KAYMU.COM: THE LEADING ONLINE MARKETPLACE FOR E-COMMERCE BUSINESS.....	10
3.0.1	ORGANIZATIONAL STRUCTURE	10
3.0.2	Organizational Chart of Kaymu Bangladesh Ltd.....	10
3.1	BUSINESS MODEL & DEPARTMENTS OF KAYMU BANGLADESH LTD	11
3.2	JOB DUTY & RESPONSIBILITY.....	12
3.3	DIFFERENT ASPECTS OF JOB PERFORMANCE & RECOMMENDATION	13
4.0	OBJECTIVE OF THE PROJECT	14
5.0	METHODOLOGY	14
6.0	LIMITATIONS.....	15
7.0	PRESENT E-COMMERCE SITUATION IN BANGLADESH.....	16
7.1	CURRENT MARKET PLAYERS.....	17
7.2	COMPARING KAYMU WITH ITS COMPETITORS.....	18
7.3	REVENUE SOURCE	19
7.4	CURRENT INCOME TREND.....	20
7.5	SWOT ANALYSIS OF KAYMU BANGLADESH	20
8.0	FINDINGS & ANALYSIS	21
9.0	RECOMMENDATION	23
10.0	CONCLUSION.....	24

EXECUTIVE SUMMARY

This paper examines the prospect of Kaymu Bangladesh in the Bangladeshi e-commerce industry. This paper looks into the e-commerce industry in the Bangladesh, introduces Kaymu and its business model, compares it with current market players and looks to see the feasibility and sustainability of Kaymu Bangladesh.

Kaymu is the brainchild of the world's largest internet incubator Rocket Internet. It started its operations in Bangladesh at the end of 2013 and within a very short span of time, has become quite popular. Kaymu replicates the eBay model of buying and selling where sellers sell on Kaymu in exchange of a commission percentage on sales. Kaymu is an online marketplace where sellers and buyers meet and exchange goods. Buyer can order anything from Kaymu and pay via cash on delivery (especially in Dhaka) and can receive products via home delivery all over Bangladesh (some sellers take prepayment via bank account or mobile banking). Kaymu markets the brand names of the sellers via social media, e-marketing (newsletters) and Google Search Engine Optimization (SEO).

The sellers find Kaymu easy to sell through to as Kaymu does not keep their stocks neither do they handle the payment. The sellers use Kaymu as a platform to get buyers and they do the contacting buyer and product delivery on their own or by using third party delivery system. Problems arise when delivery systems become unable to take the pressure and buyers suffer. Kaymu is still on the lookout for a dependable delivery partner.

Given the fact that Kaymu is a new company in the market, this study gives a clear look at the operations of Kaymu in Bangladesh, its challenges and talks about the buyer seller experiences and comparisons with other e-commerce sites.

Part-A: The Organization

1.0 INTRODUCTION

E-commerce refers to the buying and selling of products or services over electronics system through internet or others computernetworks. E-commerce improves the efficiency and effectiveness of business, government and nonprofit organization agencies. Online transactions can effectively save a lot of time and money which often is the main reason for consumers to shop online rather than purchasing from a physical marketplace. The term commerce is viewed as transactions conducted between business partners. Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer networks including internet. E-Commerce is generally used to cover the marketing, sales, distribution, and delivery of goods and services by electronic means.

Bangladesh should have been a large market worldwide due to its high level of population but it is not so as the people in Bangladesh are not much aware or educated to use the online marketplace. Bangladesh is one of the largest market in the world as population but the peoples are not well educated enough for online market yet. Previously, people would use computers for completing educational assignments or used for governmental or private projects. Just recently, the online market boomed and now more and more people are shopping online.

Kaymu is the leading online marketplace for emerging markets. Kaymu replicates the eBay model (online marketplace where buyers 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 company's business model is to identify successful internet ventures from other countries (often the United States) and replicate them in predominantly emerging markets. Kaymu operates an online marketplace enabling end customers to buy and sell basically anything online. Kaymu's successful peer model is eBay which is the leading C2C online marketplace in the world.

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).

Kaymu's main focuses are the buyers and sellers. The sellers are the clients of Kaymu who sells products in the website and Kaymu focuses on them because the only way Kaymu makes money is if the sellers make money. By focusing on obtaining quality sellers, Kaymu ensures buyers get good products and good services from good sellers and get competitive deals from sellers and are satisfied.

This report looks into the operations of Kaymu in Bangladesh especially focusing on the issues faced by a new business and its prospect in the Bangladeshi e-commerce market. The following chapters contain more in-depth information and analysis on this matter.



Figure 1: Why Consumers Prefer Online Shopping, Source: www.quartsoft.com

The Number of Internet Users in Bangladesh

Months	Mobile Internet	ISP + PSTN	WiMAX	Total
August 2014	39328.613	1231.94	271.831	40832.387
September 2014	40787.167	1232.50	262.264	42281.931
October 2014	42589.801	1233.42	258.72	44081.942
November 2014	41513.434	1234.10	249.153	42996.687
December 2014	42174.00	1235.00	233.00	43642.00
January 2015	41303.00	1240.00	223.00	42766.00

** Subscribers in Thousands

Figure 2: The Number of Internet Users in Bangladesh (Source: BTRC website)

2.0 BACKGROUND

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.

ALL VENTURES



Figure 3: Successful Business Models of Rocket Internet around the World

3.0 KAYMU.COM: THE LEADING ONLINE MARKETPLACE FOR E-COMMERCE BUSINESS

Kaymu Bangladesh Ltd started its journey in Bangladesh around October 2013 launching on November 2013. Kaymu is the leading online marketplace for emerging markets. It sells everything from books, to mobiles & tablets, fashion wear and accessories, electronics, jewelry, home and living products, kid's products and many more. It is the one stop solution for customers to find their products online. It is the fastest growing online shopping platform in the emerging markets, with over million customers. Kaymu operates an online marketplace enabling end customers to buy and sell basically anything online.

3.0.1 ORGANIZATIONAL STRUCTURE

3.0.2 Organizational Chart of Kaymu Bangladesh Ltd

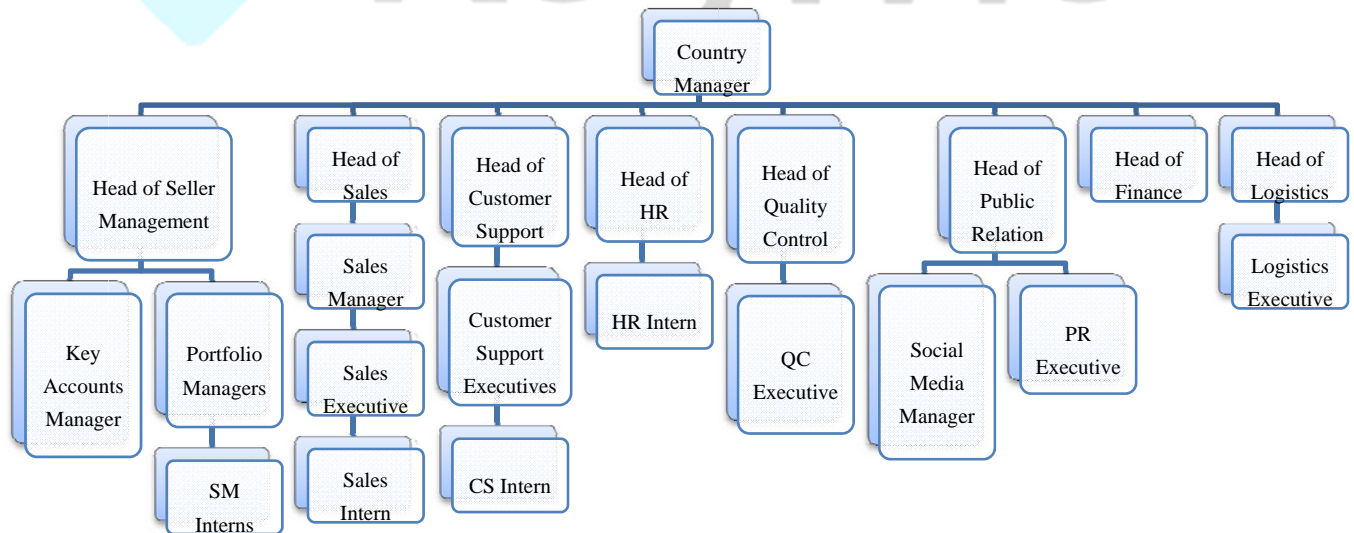


Figure 4: Organogram of Kaymu.com.bd

3.1 BUSINESS MODEL & DEPARTMENTS OF KAYMU BANGLADESH LTD

As mentioned before, Kaymu Bangladesh Ltd started its journey in Bangladesh around October 2013 launching on November 2013. Kaymu is the leading online marketplace for emerging markets. It sells everything from books, to mobiles & tablets, fashion wear and accessories, electronics, jewelry, home and living products, kids products and many more. It is the one stop solution for customers to find their products online. It is the fastest growing online shopping platform in the emerging markets, with over million customers. Kaymu operates an online marketplace enabling end customers to buy and sell basically anything online.

Kaymu being an online marketplace, customers can browse through categories like Jewelry, Books & Media, Electronics, Footwear, Watches, Mobiles, Computers, Electronics, Home & Living, Health & Beauty, Toys, Kids & Babies, Books & Media, Sports & Outdoors and various other categories. When a customer sees something they like, they click on the product and view the details that include pictures, descriptions, payment options and shipping information. If the customers have a pretty good idea of what they are looking for, they can search for it using simple keywords, such as "Apple iPod," or using more advanced search criteria that helps narrow the results, such as item location, brand and price range.

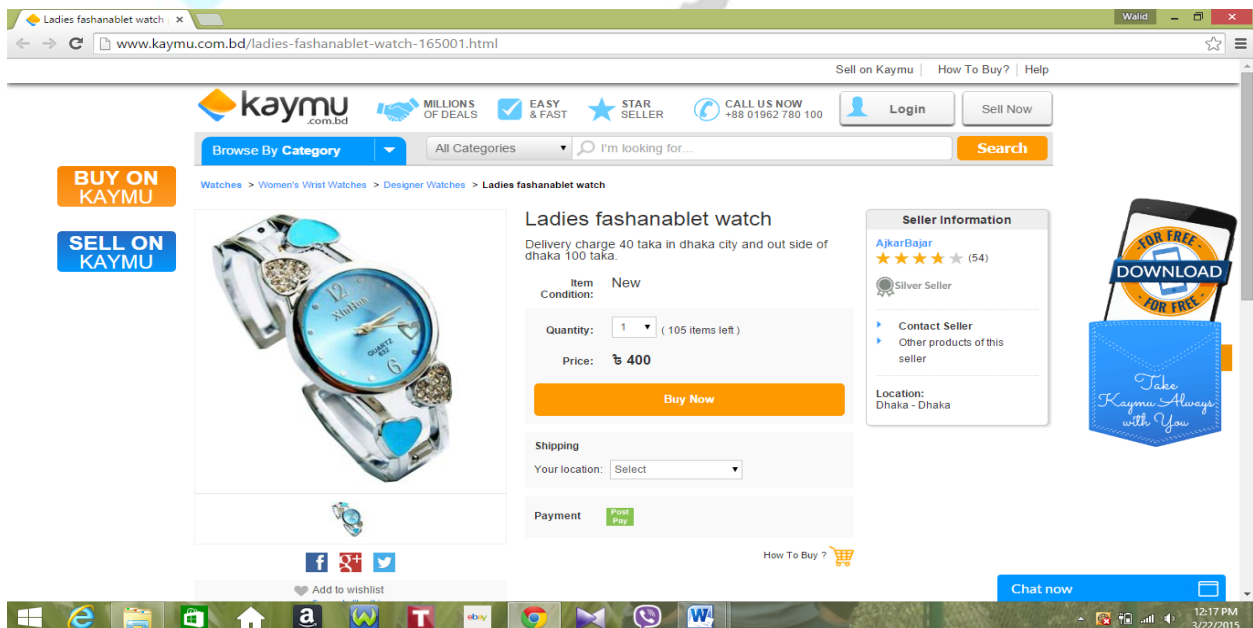


Figure 5: What Customers after Clicking On a Product

Next, Kaymu has an active seller management team which is constantly working to assist its seller. Kaymu looks to source unique and demanding products on their website. It is quite simple for sellers to get enlisted in Kaymu. They just have to agree on a commission percentage that will be charged only and only if they sell anything through Kaymu. Kaymu does extensive marketing for its sellers but charges nothing for that. Sellers are given e-stores, promoted through Google SEO, Facebook, Kaymu Bangladesh Blog page and newsletters and all these are free of charge. If the seller sells nothing, there is no commission charged. Since there is no fixed cost, the risk is low. Sellers have their own delivery partners which they use to deliver the products by. Kaymu also has its own delivery system which helps sellers to deliver the products to buyers desired location. Once the order is confirmed by the buyer, seller is responsible to deliver the product by himself or through Kaymu. The customer service team calls the buyer to ensure the product quality, feedback from the customers and rating the sellers according to the buyer satisfaction and feedback. Kaymu receives the commissions twice a month. It bills its customer's bi-monthly and receives the bills accordingly. Kaymu does not handle the stocks and the cash and most sellers prefer it this way as the stock is not stuck with third party, rather they can keep their stock and sell it elsewhere if demand rises.

There is a Quality Control team that controls the quality of the uploaded listings. This means they ensure that whatever is being uploaded on Kaymu has proper images, sizes, price, description and any other information the customer might require. Then there is the Seller Management Team whose job is to simply maintain their portfolio of the sellers. They have sellers in their portfolios that they constantly stay in touch with, get their feedbacks; try to solve any issue they face, etc. The last team is the Business Development Team which works in areas like Marketing and Finance.

3.2 JOB DUTY & RESPONSIBILITY

My key job responsibility as an intern of Seller Management team was to call the new sellers and handover the ID & password of their account so they can easily upload their desired products on the website for sell. I had informed to the respective departments if the new seller got any problem with log in or upload his products. Besides, I also had to call the new sellers to inform when they get their fast order and make sure that the seller is clear enough about the whole process. I also had to assist the portfolio managers to maintain their account when they got too much work pressure or the portfolio managers are on leave. Sometimes I had to meet with the sellers to educate them about the whole selling process at Kaymu, the functions of Kaymu, pay system at Kaymu, to give idea how they can promote their products etc.

3.3 DIFFERENT ASPECTS OF JOB PERFORMANCE & RECOMMENDATION

There was some task which was actually challenging for me. I had to do my best at that moment. Educating the seller about the selling process and gaining their trust was the most challenging. Convincing the new sellers also was not that easy. As Kaymu is new in Bangladesh and started its business in Bangladesh just few years back, most of the people didn't heard the name Kaymu. So, most of the new sellers had no idea what Kaymu is and what does it do. As it's an online business, here works a trust issue. I had to gain trust of those sellers by convincing them that Kaymu is working more than 50 countries in the world. Sometimes I had to give physical evidence to convince them. Kaymu has its own insurance policy for the sellers and buyers. If someone face fraud relevant issue whoever the buyer or seller, Kaymu pays upto 10,000 tk money back guarantee. So, it was not an easy task to convince the seller to do business with Kaymu.

To educate the seller about the whole selling process was another challenging situation. Sometimes I had to face some sellers who had no basic idea on operating a computer or browsing on the internet. In that case, I had to help them through the phone to see and process the order. As Kaymu has its own android app, it becomes much easier for the sellers who had no computer or had no idea on operating computer. When they get any order, I had to help the seller and tell them where to click on the website and which page will come next and what to do next. To educate a seller about the process throughout the phone was one of the hardest jobs.

Part-B: The Project Part

The Title of the Study is “E-commerce business of Kaymu.com.bd in Bangladesh”. This study mainly aims to find out more about Kaymu's operations and impacts in the Bangladeshi online market.

4.0 OBJECTIVE OF THE PROJECT

The objective is to learn about and evaluate the operations of Kaymu Bangladesh in the Bangladeshi e-commerce market. The overall effectiveness of Kaymu's business model in the Bangladeshi market will be discussed for which solutions will be developed and tried to measure the effectiveness of Kaymu in Bangladesh. Specifically the objective of this project is to work with the following factors:

- To learn about the current operations and business model of Kaymu Bangladesh
- Analyze the present status of E-commerce in Bangladesh
- To study the market prospects of Kaymu in Bangladesh and evaluate in terms of competitor websites like e-commerce websites, social media, online customers, etc.
- To learn how the business model of Kaymu can be a viable and sustainable e-commerce business in Bangladesh.

5.0 METHODOLOGY

The study will make use of both primary and secondary sources of information. For learning about the current operations and business model, mostly primary data has been used.

Primary Sources:

- Casual interview with Sales Manager and Lead Venture Developer
- Phone interview with buyers
- Meeting with Kaymu sellers
- Personal experience by doing various assignments

Secondary Sources:

- Journals from different websites
- Research papers
- Company reports concerning Rocket Internet
- Kaumu and Rocket Internet website

6.0 LIMITATIONS

This report is based on primary and secondary data. Plus, even though there is e-commerce sites, most sites are classifieds or sells products by acquiring them from sellers, none of the business models match to that of Kaymu's. There were some limitations while preparing the report is given below:

- Since the e-commerce business is not that prominent in Bangladesh yet, sufficient data was not found
- Competitor analysis may not be accurate because there is no exact data.
- Market analysis may be tough as well since Kaymu being one of its kind, has been in the market for only 2 years now and there hasn't been much study/news on it.
- Absence of experts in this field is another drawback. To get accurate data all the organizations has to be brought into consideration. But that will take a lot of resources and also time. Due to a specific time frame, the findings/suggestions may not be accurate.
- Also, due to confidentiality issues, details of some future plans have been excluded from this report, and the financials are not accurate financials rather they are rough estimations. There was lack of information regarding total revenue from e-commerce industry in Bangladesh.

7.0 PRESENT E-COMMERCE SITUATION IN BANGLADESH

Nowadays the online possibly took for a huge marketplace possibly able of dealing the population of the whole world. This is the question why come E-Commerce is so magnetic for a lot of traditional businesses. E-commerce is modifying the technique people do business. By large corporations to small industries, businesses are going away internet, opening their products and service offers to new groups of people world. At that place, there are several paths to get your products and services internet, from simple shopping web site to high-end database driven, data-capture and online credit card confirmation solutions.

In Bangladesh, there is a great deal of interest in e-business; however, due to various economic, infrastructural and legal reasons it has not spread. Most important companies, associations, chambers and government offices have set up websites. These sites mainly provide information about the organization, and its products and services. There are very few sites where financial transactions can be completed. Main reasons for low e-commerce transactions are absence of legal framework for completing an electronic business or financial payment system, low Internet usage due to lack of adequate telecom facilities, and overall lack of confidence in the security and reliability of e-commerce transactions.

Bangladeshi internet shopping as the internet becomes more usable to Bangladesh; it's clear-cut that online sales will spring up. This is ahead to more accessibility of online buys. Competitor will become fast-growing as online shopping raises and so Bangladeshi retailers shouldn't be left alone. The online retail industry is getting more significant as the internet carries on rising in signification in Bangladesh. At present, as a started out with e-commerce sellers attempt to establish an effective platform in Bangladesh. Additionally, they are wishing customer support to establish a well platform to e-commerce in Bangladesh.

7.1 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). So we will be focusing on these sites regarding them as Kaymu's current competition.

OLX (short for online exchange) operates local online classifieds marketplaces accessible through the internet and through native apps on mobile phones. OLX allows users to post free advertisements to sell their products. Currently OLX is not focusing on generating money, but eventually it seems they will be looking into getting advertisements on their websites as revenue stream. They will focus on generating high traffic in the website which will attract third party advertisements. Also, they can use google ads for revenue. OLX in other countries lets classified ad givers a chance to promote their ads for a certain amount of monetary charge. Their marketing method focuses on sellers. Their current marketing promotions feature people being able to sell of anything on their website.

Ekhanei (previously named cellbazar) is also a free classified online advertisement website. It is a mobile based e-commerce platform for buying and selling goods. Their revenue stream is similar to that of OLX and they charge a listing fee if sellers want to promote their products.

ClickBD.com started its operations in April 14, 2005 as the first e-commerce portal in Bangladesh. ClickBD is an online marketplace where anyone can sell or buy almost anything. The site has a wide range of item categories including Electronics, Cameras, Phones, Computers, CDs, Mobiles, Fashion Accessories, Music, and Travel. In 2011, ClickBD launched Online Stores alongside its classified service, providing an opportunity for users to visit an online shopping mall and do online shopping at the best price.

Akhoni.com deals with many categories products like as mobile, jewellery, clothing, food, etc. Akhoni.com is an online marketplace featuring discount deals with popular businesses like Internet services, Luxurious restaurants, Hotels, Transports, Beauty parlors, Fashion houses, etc. Akhoni.com accepts online payments in the form of visa card, master card, bkaash and DBBL online transaction system.

Rokomari.com launched in January 19, 2012 as an online book store this site basically sale books online. Rokomari.com introduced services like Cash on Delivery all around Bangladesh, Order by Phone, Minimal shipping charge (Only 30 Taka shipping cost on any amount of purchases), Discount (up to 20% off on every purchase of books), 30 Day Replacement Policy, etc.

Bikroy.com is a free classified site which generates revenue by Banner Advertisement Model for the advertisers. This allows potential Advertisers to promote their Brands and reach millions of targeted audience.

7.2 COMPARING KAYMU WITH ITS COMPETITORS

In this section, Kaymu will be compared with other e-commerce sites in Bangladesh according to the market positions and dominance.

Market leadership is when an individual or company owns the largest market share or highest profitability margin in a given market for goods and services. Market shares may be measured either the volume of the goods sold or the value of those goods. According to the definition, currently the market leader is Bikroy.com. They have high traffic of website visitors. In the same time, most people prefer Bikroy.com to sell their new and used products. People find it easy to sell things on Bikroy.com. Moreover, they do strong marketing campaign. In the last T20 world cup in Bangladesh, Bikroy.com was only TV advertise sponsor where only Bikroy.com TVC was aired during the break of every over in T20 world cup cricket. They also are doing marketing campaign to put a sticker behind the glass of the transportation where the website name is easily visible. Bikroy.com's target market is everyone who is intending to sell their products whether it's used or unused.

The Challenger marketing approach unteaches customers something they already know or believe about the way their business currently operates. Only this kind of mental disruption can reliably reset the customer's choice of purchase criteria decisively in your favor. Challenger is just below the market leader. According to the definition, Akhoni.com and olx.com is currently the challenger in the online market of Bangladesh. Akhoni.com also has different strategy than Bikroy.com. Akhoni.com stock products from their seller and sell it to the buyers through the website. They also doing unique marketing campaign to increase the visitor of their website and sell their products. For example, Akhoni.com sponsors most of the IT and e-business related programs as an IT partner. Olx.com is also doing the same.

Follower is a company that allows some other dominant firms to lead the way within the marketplace that it does business in. For example, a smaller business that is a market follower might keep close tabs on the activities at major market leader firms and seek to copy and improve upon the leader's product releases and marketing efforts. According to the definition, biponee.com, kena-becha.com, ekhanei.com and other various online shops are market followers. They follow the strategies of other top market leaders.

Niche marketing is an often used technique for affiliate marketers is Internet-based niche segments of larger markets. Nicher works with particular or specific group of people. They have a specific target market and target group. According to that, Kaymu.com is following niche marketing strategy. Kaymu has specific seller group. Kaymu sales team collect those sellers from market. Those who have online business and also has a physical business shop in the market but also interested to work in online business, are mainly kaymu's target group. Online seller found it easy to sell their products on Kaymu. Other sellers from different shopping malls those who are interested to do online, are also find it easy to sell their product as Kaymu gives them that opportunity. Kaymu has their own photographer who captures the picture of the product from different seller shops. Kaymu has a quality control team who upload the products of the seller in the website with details for sell. So, those who never thought of online business are also doing business with kaymu now. So, the target customer of Kaymu is only those sellers who are interested in online business. At the same time, Kaymu never stock any product from the sellers.

7.3 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.

7.4 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 three 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.

7.5 SWOT ANALYSIS OF KAYMU BANGLADESH

Strength:

- As Kaymu's parent company of Rocket Internet, it has a strong financial backup
- Kaymu has decision makers with lots of experience from renowned organizations which is a plus point for Kaymu.
- High traffic of website visitors because of aggressive online advertising
- Kaymu has a business model which is already successful in 27 countries

Weakness:

- Some sellers are not efficient and don't deliver the product on time
- Kaymu has no reliable delivery partner to maintain all of its daily basis orders

Opportunity:

- Rapidly growing internet users which is a huge opportunity for e-business in Bangladesh
- Govt. emphasizes on e-business
- Young generation is tending to order online mostly as it has less hassle and unique products. It's increasing day by day

Threat:

- Fraud online buyers
- Fraud sellers

8.0 FINDINGS & ANALYSIS

Being a venture of a multinational company Kaymu Bangladesh has been enjoying some added advantage over its competitors and at the same time it is facing some difficulty to run its business In Bangladesh. So as Kaymu is following the business model similar to eBay and operating in accordance with the strategies, policies being formulated in Germany and France, far away from the Kaymu's market place in Bangladesh, at the same time, as the company is being managed by the foreign and local employees so Kaymu Bangladesh has some added advantage and drawbacks as well. Strong international funding is backing the Kaymu Bangladesh's day to day operations, so they do not have to worry about the funding for the business operations. Additionally, Kaymu has big brand name ,for instance , kaymu itself has business operations in Twenty seven (27) countries and its parent company Rocket Internet has operations over fifty (50+) plus countries and operating one hundred (100+) plus companies under its portfolio.. So this has given Kaymu a big brand name to run its business operation in Bangladesh with pride.

Furthermore, talented and dedicated team comprised of international and national expertise, employees has been giving Kaymu added advantage over its competitors. As mentioned , kaymu is operating in 27 countries worldwide , so if one strategy in one country is found to be successful and can be implemented in another country then Kaymu's decision making panel immediately implement these strategies in another country and as a matter of fact these strategies works successfully, for instance, in Myanmar one strategy was implemented which was that the sales team of Myanmar would come to an verbal agreement with the sellers rather signing contract with the seller on an agreement paper that the sellers can sell through Kaymu Myanmar for two (2) months without paying any commission on sales if they start their business with kaymu with in April,2014. So this strategy turned out to be very beneficial for Kaymu Myanmar because the amount of sellers came to an verbal agreement with Kaymu was 1500 in April which was nearly three (3) times higher than the month of March,2014 and one advantage of this strategy is that though the sellers are starting their business without paying commission but when they get used to with online market, gets good customers response through kaymu and sells through kaymu then even after the free commission trial period they continue their business with kaymu paying the commission on sales. However, seeing the advantage of the two months free trial period Kaymu decided to implement this business strategy also in Bangladesh, So this zero percent commission agreement policy has been implemented in Bangladesh in August,2014 and the numbers of sellers getting on board with Kaymu has increased three to four times higher than the last few months.

As mentioned Kaymu Bangladesh will reach its breakeven within three years of its inception, so Kaymu Bangladesh is exempted from paying TAX which is helping the company to at least save some money for the company. Additionally, local competitors do not have huge funding, international expertise or are capable enough to educate the online markets sellers/buyers in Bangladesh which Kaymu is doing, for example, educating the sellers on how to manage their online e-shop or front end to manage their order. Another issue that is Kaymu is more focused on the online sellers such as the sellers who have online business such as the sellers who have Facebook business page, e-commerce website, own business website etc. but they should at the same time give focus to the sellers who are selling offline or have physical stores.

One key area Kaymu should give emphasize on its delivery channel. Kaymu does not have any integrated delivery channel using which the sellers can deliver their products to their customers. Kaymu has few delivery partners though all of them are third party delivery company such as DELEX, Jakahan-Takhan Express, Road Runner etc but none of them have the ability to deliver the products throughout Bangladesh and they can manage the order to a certain limit afterward they stop taking delivery order.

Next, the stocks of the products depend on the sellers. So if stock for one product from sellers is over then Kaymu itself cannot stock the products by itself because Kaymu's business model does not support doing the inventory. So even after one product is out of stock then kaymu cannot stock that product but itself.

As a venture of a hugely successful multinational company, Kaymu Bangladesh has been enjoying some added advantage over its competitors and at the same time it is also facing some challenges in operating their company in Bangladesh. The main problem occurs, most of the targets and strategies are made from Germany. As Bangladesh is quite different from a lot of countries, sometimes it becomes very difficult for the Bangladeshi employees to reach their targets. Kaymu is also facing challenges in delivering the orders. Kaymu does not have dependable delivery partner. Sometimes when the orders are a lot, then the buyers need to wait for the delivery of their products. The stock of the products depend on the sellers, So if stock for one product from seller is out then Kaymu itself cannot restock the products by itself. Kaymu Business model does not support having product inventory so they do not have any warehouse to inventory the products of the sellers of their website.

9.0 RECOMMENDATION

To get rid of the obstacles, Kaymu need to bring some change in their strategies. These are given below.

- First of all, most of the decisions are made from Germany which sometimes doesn't work appropriately because of cultural difference and lack of knowledge about Bangladeshi market. So, Kaymu need to recruit some Bangladeshi business professionals to make field decisions according to the current situation of Bangladeshi market.
- Secondly, Kaymu need to choose its seller wisely. Sometimes Kaymu get some seller those who have no idea about internet or doesn't know how to operate a computer. They only have well established business in market but lack of idea on technology. In that case, they cannot handle their account on Kaymu properly. As a result, it takes too much time to deliver a product to the customer which hampers the reputation of Kaymu. To get rid of this problem, Kaymu need to choose sellers who can maintain their account and have basic knowledge on Internet and computer operating.
- Thirdly, if a seller fails to deliver its order three times in a row, Kaymu needs to remove that seller immediately to maintain its reputation.
- Fourthly, right now Kaymu's business is mainly focused on Dhaka. It has no other branch rather than Dhaka. As Kaymu expanding its business rapidly, it's high time to open different branches in other major cities like Chittagong, Sylhet, Rajshahi, Khulna etc. to maintain its daily order properly.
- Lastly, Kaymu needs a strong and permanent delivery partner who can handle all the daily orders of Kaymu.

10.0 CONCLUSION

The potential size of Bangladeshi e-commerce market and promising sign of development in its ecosystem has resulted in some impressive valuations for some of the country's e-commerce. So, it's high time for Kaymu Bangladesh to show its potential in Bangladeshi market as it has already shown its potential in other countries of the world. Though Kaymu Bangladesh is facing some challenges with its delivery system and its sellers, hopefully they will fix it out very soon. Every business faces some problem when it starts in the market; Kaymu is also facing that as well. Kaymu has already earned its reputation as top online market place of Bangladesh. Very soon Kaymu will show its effort in growth of e-commerce in Bangladesh as a top online marketplace of Bangladesh.



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