

Empowering Women through E-commerce- Conduit for Women Entrepreneurs in Bangladesh

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Abstract: In recent years, women entrepreneurs are proudly stepping into new sectors and successfully accomplishing their objectives. The involvement of women in various entrepreneurial activities has enhanced their confidence level and inspires to explore different fields. Now-a-days, Women entrepreneurs are showing out-standing performances in socio-economic sectors in Bangladesh. But the economy is changing and everybody is moving to e-commerce. E-commerce brings enormous opportunities to the business sector as it makes 24/7 business possible. The growth of e-commerce helps the women entrepreneur to generate new ideas and work from home. There is tremendous growth of women entrepreneurs in e-commerce sector. This paper attempts to identify how the usage of e-commerce is helping women in Bangladesh to carry out and develop business activities. The research focused on identifying that e-commerce has helped women entrepreneurs in expanding their business and to create awareness among potential women about the challenges and opportunities to help bring social uplift for Bangladesh. The paper also represents that with low amount of initial investment, good profit ratio, easy payment process and customer feedback through networking make entrepreneurship more attractive for women entrepreneurs. The result shows that e-commerce as a medium is becoming popular tool among women entrepreneurs and it allows them to successfully earn their livelihood. A recommendation to the women entrepreneurs has also attached at the end of the paper.

Keywords: Bangladesh, Development, Empowerment, E-commerce, Women Entrepreneurs.

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I. Introduction

Globally, the application of e-commerce has been promptly gaining acceptance, particularly since the dot-com boom and bust in the 90s. The level of international acceptance and popularity of e-commerce among businesses, is largely enhanced due to the ability to go beyond international boundaries and enable actions within the virtual marketplace. This enables entrepreneurs to expand business internationally at comparatively low cost. [1]

Consumers are also highly satisfied in availing of goods and services through e-commerce portals from the convenience of their homes or offices. With the help of e-commerce businesses entrepreneurs enable to avoid expenses on logistics such as physical spaces, smaller human resources, and sometimes, lower inventory levels, are able to offer lower prices on products and services, contributing towards greater customer satisfaction.

In the context of Bangladesh, although some e-commerce businesses have risen to prominence, the sector is still considered to be at a developing stage, and its influence to economic growth is expected to increase rapidly, after the continuing phase of customer adaptation and ease with e-commerce, a reasonable market perception is attained.

In recent years, several established business houses have opened up online portals while others are starting a new as exclusively online businesses for its relatively less capital intensive nature. These trends are not limited only to Dhaka, but semi-urban, and rural areas as well. The Governments of Bangladesh takes initiative to provide a solid Internet backbone, inspiring a well-grounded telecommunication sector, connecting all government offices, and opening up IT Parks are all leading indicators that point to the e-commerce sector's growth potential. [2]

E-commerce is one of the biggest markets in Bangladesh. According to E-CAB, there are more than 7,000 e-commerce websites that sell their products on their website or Facebook page. Businesses have realized that Bangladeshis are quite enthusiastic about technology. [3] With the numerous limitations to urban life in Dhaka city, citizens have gradually adopted to online shopping, with an increasing supply of virtual businesses to match. Convenience, competitive pricing, range of products, dedicated service, improving payment security and

flexibility and demand from buyers and sellers are the most inspiring factors and with the help of them e-commerce has witnessed a mushrooming of the online shopping websites.

In modern days e-commerce is developing as a powerful tool for gender empowerment. It will bring new information resources and can open new communication channels for women entrepreneurs of marginalized community. Empowering women through e-commerce need high-level training, gender analysis, planning, designing, implementation and monitoring assessment and paying attention to the effect on women's lives and their conditions. Government plays a significant role in creating a favorable policy environment because they take a central role in the progress and use of e-commerce among women entrepreneurs and become a leading-edge user of e-commerce and its application for empowering women. [4]

Recently a new e-commerce service was launched for women entrepreneurs to support their business through mobile wallets. Now, women entrepreneurs will be able to use the customized 'e-commerce' service to purchase or sell their products through the mobile financial services U-cash of United Commercial Bank, supported by mobile operator Banglalink. The project enables women to become more integrated by using their individual hotline numbers for each district. The mobile wallet generally refers to payment services via a mobile device. Instead of paying with cash, cheque or credit cards, a consumer can use a mobile phone to pay for services. The project was initiated by international development organization the Asia Foundation with technical support from Centre on Budget and Policy of Dhaka University. [5][6]

II. Review Of Literature

The women entrepreneurs in E-commerce sector have emerged as a new class in the urban areas of Bangladesh. Though some studies were conducted on entrepreneurship development in Bangladesh, no significant research study was done on the performance of women entrepreneurs in e-commerce sector in Bangladesh.

E-commerce is defined as the process of buying, selling, transferring or exchanging products, services or information via computer networks, including the Internet [Turban et al., 2008]. Hunt (2007:1) provided a complete definition of e-commerce: "e-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and re-define relationships for value creation between or among organizations, and between organizations and individuals." Babita [2014] identified that e-commerce as a marketing process or technique that used by business organization, industries and corporation for business through the internet system.

In developing countries like Bangladesh women are frequently facing unfavorable working and business environments and their involvement in economic activities is limited by a lack of access to essential resources, e-commerce can be an effective platform for starting their own businesses. Various opportunities are waiting for women to contribute to family incomes and spending on household requirements are greater than ever because the Internet and related technologies are acting as equalizers. [7] This can support them become important players in uplifting rural as well as urban community economies.

Online marketing sites are the first interfaces where consumers are familiarized with new products and services. Customers can compare products and share their experiences with others, which are essential elements in creating brand images leading to both first-time and frequent purchases. The online market is often referred to as a "blue ocean" since it exceeds geography and offers huge opportunity for expanding the customer base.

E-commerce is essential for the economic growth and success of Bangladesh. It is a rapidly growing sector which influences local and international trade. Government of Bangladesh has also initiated quite a good number of actions for the development of e-commerce. As Akbor Hossain & Ali Akkas identify the impact of e-commerce on the growth of society and business.

According to Granovetter (1973), social networks are critically important to the entrepreneurial process and are central to business venture success. Terrence C. Sebor, Sang M. Lee & Nittana Sukasame focused on the relationships between entrepreneurial characteristics (achievement orientation, risk taking propensity, locus of control, and networking), e-service business factors (reliability, responsiveness, ease of use, and self-service), governmental support, and the success of e-commerce entrepreneurs.

Nehru and Bhardwaj (2013) analyzed the factors which motivate women to start their own venture and the problems faced by them when they ventured out to shape their own position in the competitive world of business environment.

Mellita, D. & Cholil, W. (2012) described the aspects and role of e-commerce for gender empowerment in developing countries. Empowering women through e-commerce need training for the entrepreneurs, gender analysis, planning, designing, implementation and monitoring assessment and paying attention effect on women's lives and their conditions. [12]

Sarup and Sons Publishers. M. Jan and N. Shar (2008) in "Entrepreneurship and Women Empowerment", have represented the various economic opportunities for women, developing their

entrepreneurial skills, empowering them through the cooperative sector of the economy along with presenting ways to improve their socio-economic status. In different research papers authors represent potential opportunities associated with development of women entrepreneurship which provide economic upliftment. E-commerce is the sector where women can utilize their capabilities with total freedom.

Saleh (1995) in his article "A Profile of the Women entrepreneurship in Bangladesh" tries to identify the motivational factors of women entrepreneurs for entering into business and assessed the entrepreneurial skills. He also tried to evaluate the performance of the women entrepreneurs in their business.

Sylvia Maier, Usha Nair & Reichert also identified a set of factors that will help as support service to the success of women entrepreneurship, they are 1) government and institutional support, 2) societal involvement, 3) training and empowerment, 4) expansion of market access, and 5) managerial best practices.

Chowdhury (2002) in her article "The Emerging Role of Women as entrepreneurs in Bangladesh" made an attempt to represent some of the factors that led to the adoption of women entrepreneurship. She also discussed about the problems faced by the women entrepreneurs in their business enterprises. In the recommendation, she suggested that the governmental and non-governmental organizations have major responsibility to promote entrepreneurship development for women.

Singh (2008) indicates the underlying factors behind initiating women entrepreneurship and challenges to enter into a business venture. He also mentioned that obstacles which lie within the path of women entrepreneurship is mainly associated with social un-acceptance as female entrepreneurs, lack of interaction with other successful entrepreneurs, gender discrimination, less priority given to women entrepreneurs by bankers to provide business loans, missing network as well as family responsibility. [8] Siddiqui (2012) highlighted the problems and challenges faced by women entrepreneur and identified some of the major problems such as women's family obligations, gender difference, difficulty of finance and low level risk attitude.

III. Problems Faced By Women Entrepreneurs In E-Commerce Sector

In developing countries like Bangladesh, a lot of women enter into workforce is very overwhelming, despite all the restrictions they face, such as low level of education, unaware of information technology, lack of capital, lack of support from family and friends and cultural and religious factors. [9] But still with all these factors in recent years many women have emerged as successful entrepreneurs. The problems of women pertain to her responsibility towards family and society.

The tradition, customs, socio cultural values, ethics, motherhood, physical weakness, hard work areas, feeling of insecurity, lack of toughness are some weird problems that the women are coming across while they jump into entrepreneurship. [10]

Besides the above basic problems the other problems faced by women entrepreneurs for starting up and expanding new business are as follows:

- Limited access of knowledge in IT sector
- Literacy rate of women in Bangladesh
- Availability of internet facility
- Inadequate capital
- Availability of training program
- Lack of managerial experience
- Lack of proper marketing facility
- Improper networking facility
- Purchasing behavior of customers
- Tough competition
- Lack of self confidence

In Bangladesh, people are getting aware of the fact that doing business online is not only less costly but also beneficial for the business in terms of growth and reaching out to untapped customers. Rehman.K. (2011) conducted a study to represent the attitudes of the population of developing country like Bangladesh towards online shopping. The results reveal that majority of the subjects are already using online technologies for shopping and they prefer to shop online. Various attitudes of the consumers toward online purchasing are represented in the study which discloses that shopping online are easy, comfortable and better than traditional time shopping due to various reasons. [9]

Women entrepreneurs face peculiar challenges in an attempt to achieve success (Hatcher et al., 2007) and women in less developed countries face much more obstacles to formal economic participation than those in developed countries (Allen et al; 2008). Women face unique hurdles in starting and growing their firms such as lack of skill or training, limited access to capital or credit, lack of savings and social networks, and limited choice of industry (Akanji, 2006; Ibru, 2009; Lakwo, 2007; Martin, 1999; Ojo, 2009)

A crucial and ongoing obstacle faced by women seems to be difficulty in securing capital funding for new business ventures (Buttner and Rosen, 1992; Canadian Federation, 1995; NFWBO, 1992). Riding and Swift (1990) concluded financial conditions for women business owners were less favorable than for men: women more often had to pay higher interest rates, find more collateral, and provide a spouse's co-signature. Strauss (2000) claims that by 1994-95 in North America, statistics made it specific that women were starting 40% of businesses and were still receiving only 3-4% of venture capital funds. [10]

In term of the factors contributing to achievement of entrepreneurs in business are varied. According to Yusuf (1995) the most critical factors contributing to business success consist of good management skills, access to financing, personal qualities, and satisfactory government support. Ambition, self-confidence and high level of energy have also been recognized as vital entrepreneurial characteristics (Idris andMahmood, 2003).

The potential of endurance and patience have been proved to be a requirement for achieving steady growth in business. To maintain a steady business growth, an entrepreneur must be patient. Women's ability to endure helps them to relate to people effectively (Scott, 1986).

Huck and McEwen (1991) studied in Jamaican business owners reported that business owners in Jamaica considered that the marketing factor is the most critical ingredient for the success of a business. Family's emotional or instrumental supports are one of the crucial success factors for women entrepreneurs. [11] [12]

IV. Research Design

Questionnaires were used to collect data from 105women entrepreneurs representing only Dhaka city. The questionnaires were responded through hardcopy and email, which were sent to the women entrepreneurs.

1.1. Sampling Frame

There is no readily available sampling frame for choosing a statistical sample of women entrepreneurs in Bangladesh, who are running on-line businesses from their premises. Therefore a sample of 105 women entrepreneurs was considered to be enough for the study.

1.2. Sample Composition

A large number of questionnaires were disseminated to all available and reachable samples. First 105 responses were considered for the study out of the huge responses due to limited time period. The questionnaires were distributed randomly and they were requested to complete in proper time.

4.3 Limitations of the Survey

Some of the entrepreneurs were reluctant to provide the details of their businesses; they thought that their details might hamper the security of business and be used by government for tax purposes and due to some social and cultural factors. They were ensured that their information will be kept confidential and used for academic purposes only.

V. Analysis And Findings

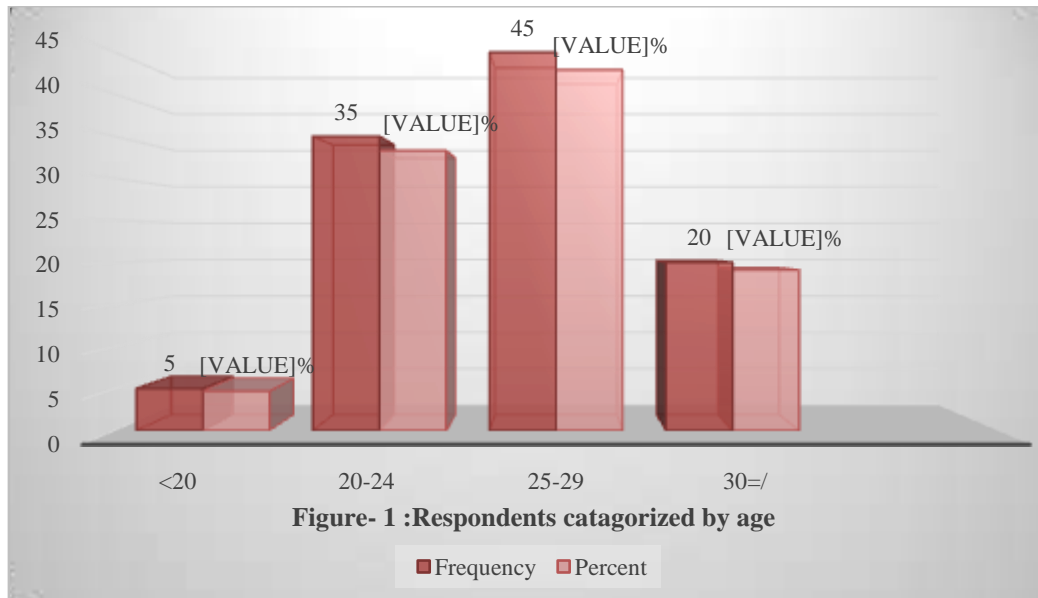
The sample size of our survey is 105. Their profiles with different dimensions are presented below:

Statistics		
N	Valid	105
	Missing	0

Table-1

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<20	5	4.7	4.7	4.7
	20-24	35	33.3	33.3	38
	25-29	45	42.9	42.9	80.9
	30=>	20	19.1	19.1	100.0
	Total	105	100.0	100.0	

The survey samples represent in table-1 that 4.7% of the respondents fall under the age category of below 20, where 33.3% fall within 20-24 years, 42.9% are between 25-29 years and 19.1% were Equal to or above 30 years of age. The results reveal that survey capture young population.

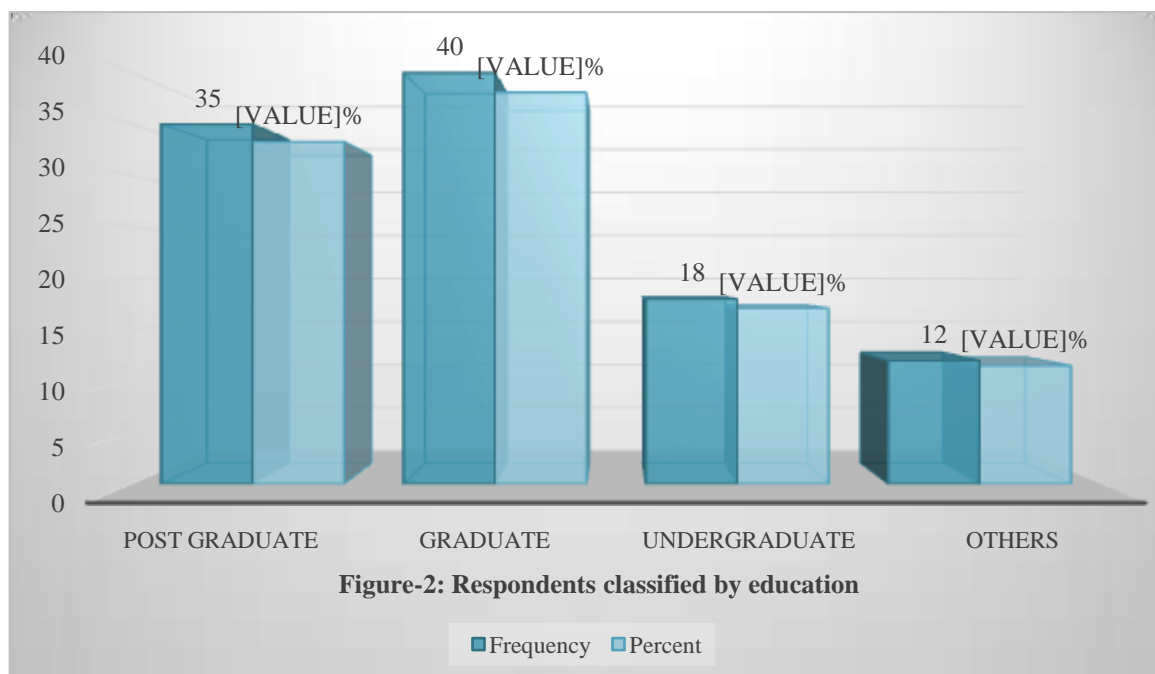


From the Figure-1 it is clear that the highest group of respondent is between ages 25-29 which 42.9% is. Whereas, the second highest group of respondent which is 33.3% are between 20-24 year. The educational analysis showed in table-2 represents that 17.1% of the respondents are undergraduate, 38.1% of them are graduate, and 33.3% of the are Post Graduate. The other 11.5% has different educational background.

Table-2

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post Graduate	35	33.3	33.3	33.3
	Graduate	40	38.1	38.1	71.4
	Undergraduate	18	17.1	17.1	88.5
	Others	12	11.5	11.5	100.0
	Total	105	100	100.0	

Figure- 2 represents that majority of the respondents are highly educated as there are 38.1% are graduate and 33.3% are post graduate. For this reason respondents has a good knowledge of facilities provided by e-commerce.



1.3. Product varieties

From the survey analysis it reveals that in table- 3, 32.4% of the entrepreneurs are selling Unstitched Clothing, where 19% are selling Stitched and Unstitched clothes, like Pakistani lawns, Indian designer dresses and local 3-pieces- Like Batik, Block. Hand paint etc. 16.2% of the respondents are offering different branded Jewelry& Cosmetics, 23.8% are selling Hijab and its accessories. Food items and catering services are offered by 8.6% of the respondents.

Table-3

Products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Unstitched Clothing	34	32.4	32.4	32.4
	Stitched and Unstitched Clothing	20	19	19	51.4
	Jewelry& Cosmetics	17	16.2	16.2	67.6
	Hijab, Pins and Accessories	25	23.8	23.8	91.4
	Food items & Catering Service	9	8.6	8.6	100.0
	Total	105	100	100.0	

It is clear from the Figure-3 that majority of the respondents are involved with clothing business, followed by hijab & accessories, jewelry& cosmetics and Food item & catering service.

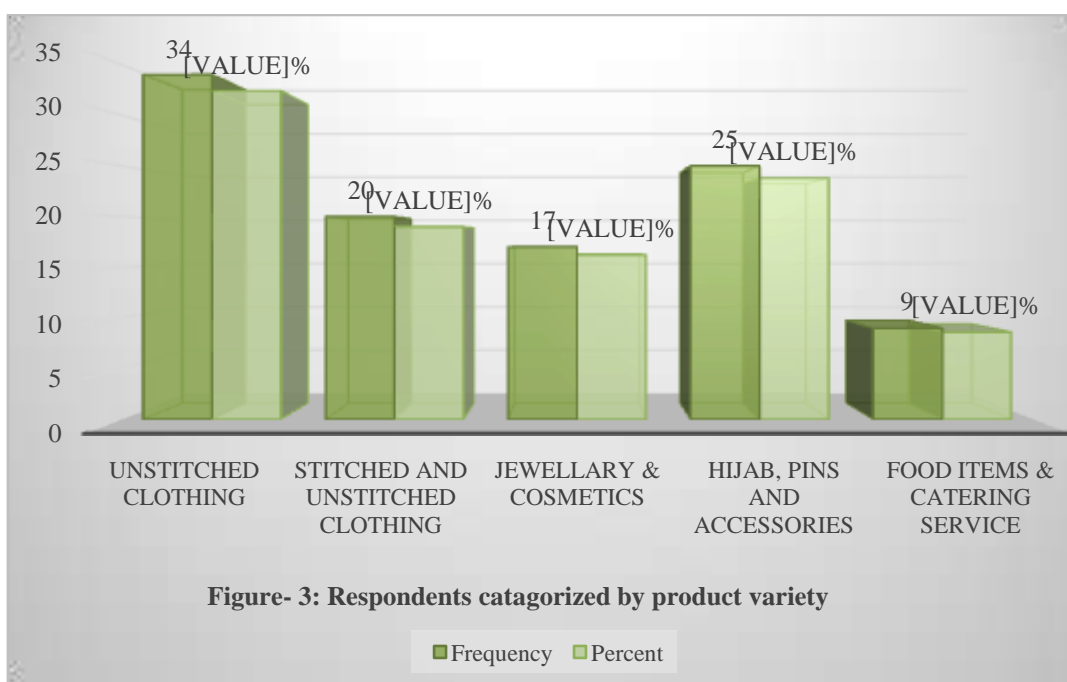


Figure- 3: Respondents catagorized by product variety

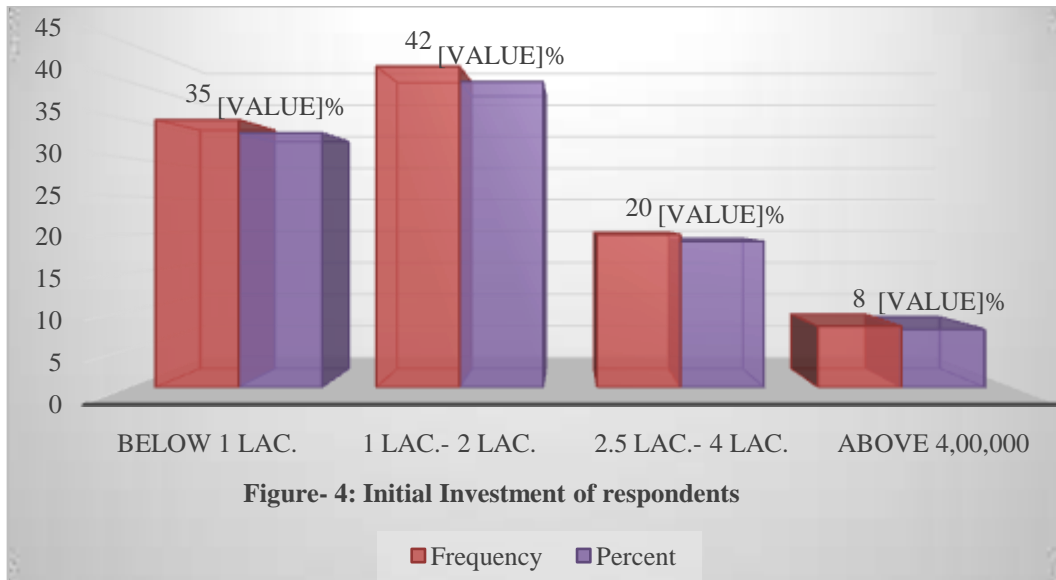
1.4. Initial investment

Among the respondents in table-4, 35% started their business with an initial investment of below 1,00,000, 42% of the respondents have an initial capital within 1,00,000-2,50,000, 20% of them started with 2,50,000-4,00,000 and only 2% had an initial capital above 4,00,000 taka.

Table- 4

Initial Investment					
	In Taka	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1,00,000	35	33.3	33.3	33.3
	1,00,000- 2,50,000	42	40	40	73.3
	2,50,000- 4,00,000	20	19.1	19.1	92.4
	Above 4,00,000	8	7.6	7.6	100.0
	Total	105	100	100.0	

From the Figure-2, it is visible that due to the financial constraint or risk factors entrepreneurs have low interest to start their business with big amount of capital.

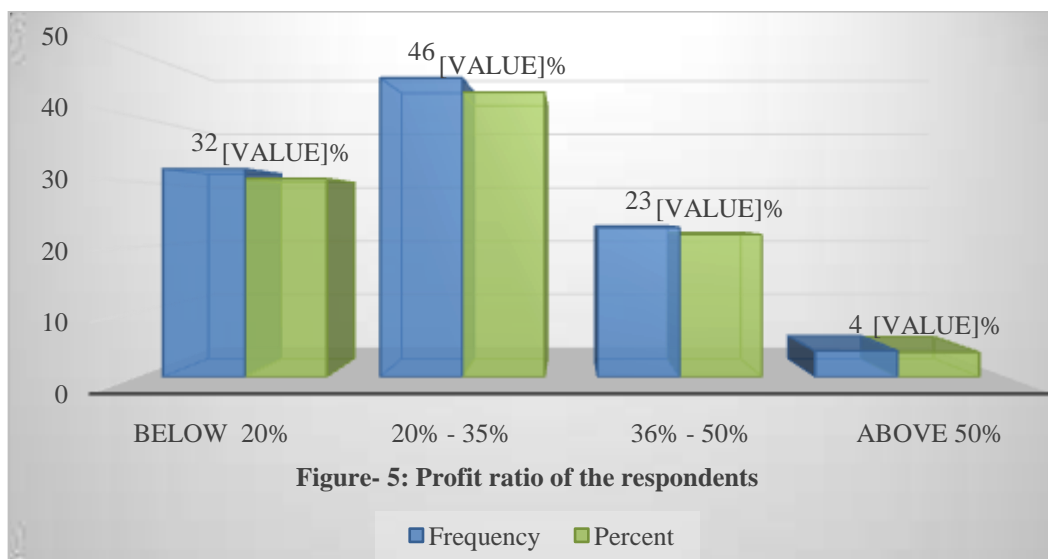


1.5. Profit ratio

75% of the respondents think that on-line shopping is most preferable and convenient way of shopping than the traditional one, as there includes: showroom charges, utility bills, staff salary etc. Whereas 25% think that doing business through web and having own showroom, both are profitable. Even some of the respondents have their showroom in their house. In terms of profit table-5 shows that 30.5% entrepreneurs believe that their profit increased below 20%, 43.8% respondents said that their profit increased around 20% - 35%, and 21.9% gained a profit around 36% - 50%. Only 3.8% respondents are earning above 50% of profit as they are very well-known and popular among online customers.

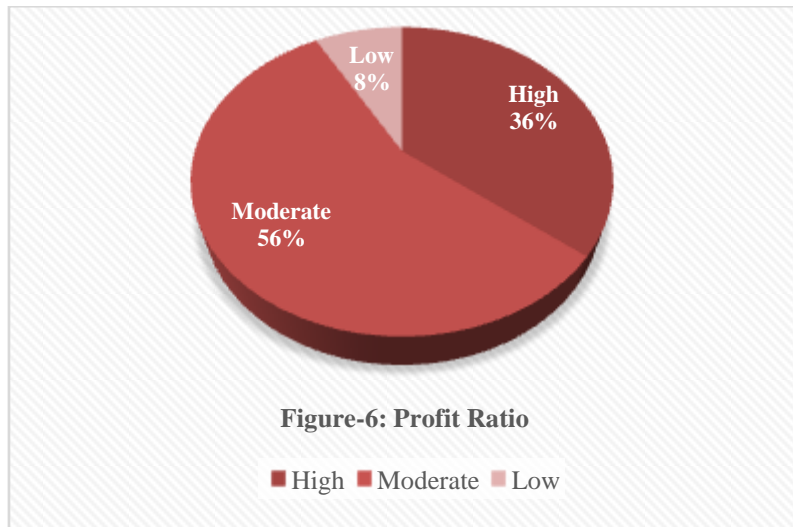
Table-5

Profit Ratio					
	Profit Range	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20%	32	30.5	30.5	30.5
	20% - 35%	46	43.8	43.8	74.3
	36% - 50%	23	21.9	21.9	96.2
	Above 50%	4	3.8	3.8	100.0
	Total		105	100	100.0



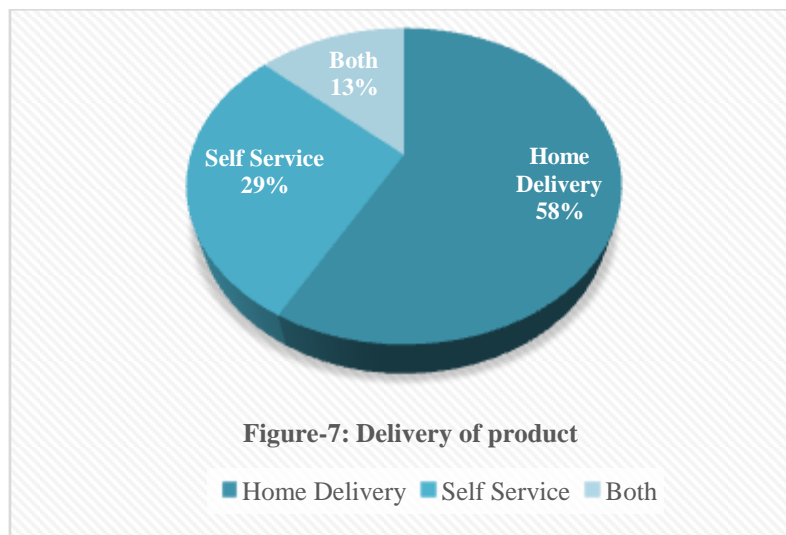
1.6. Networking with Customers

For earning good amount of profit entrepreneurs have to maintain proper network with the on-line customers. [13] Some of our entrepreneurs are enjoying huge networking facility with the help of relatives, friends and colleges. In Figure-6, 35.7% of respondents have good network with their customers. 56.2% have moderate and 8.1% can't maintain good network with their customers.



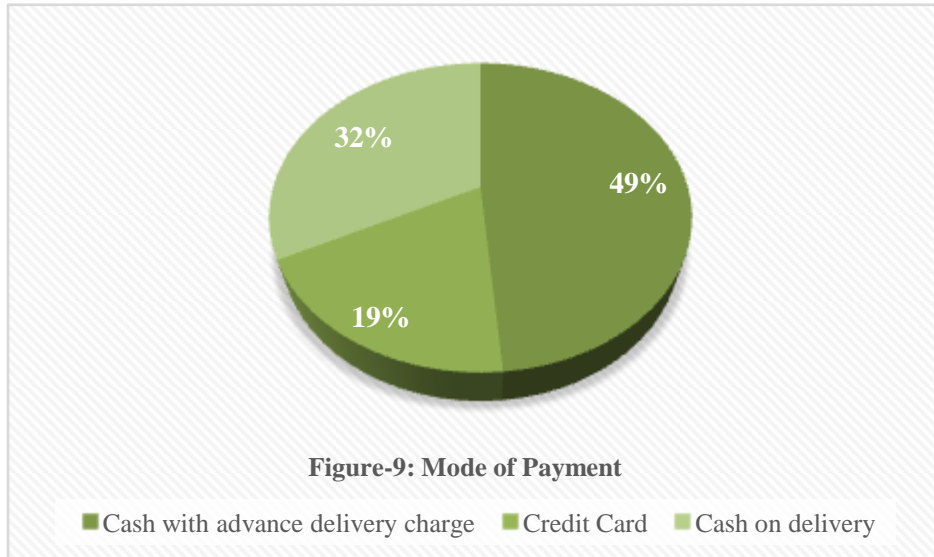
1.7. Delivery of product

In case of delivering product to the customers Figure-7 shows that 58% of the entrepreneurs use only courier services where as other 29% ask their customers to pick their parcels from the showroom or other place. The remaining 13% entrepreneurs use both methods depending on the situation.



1.8. Mode of Payment

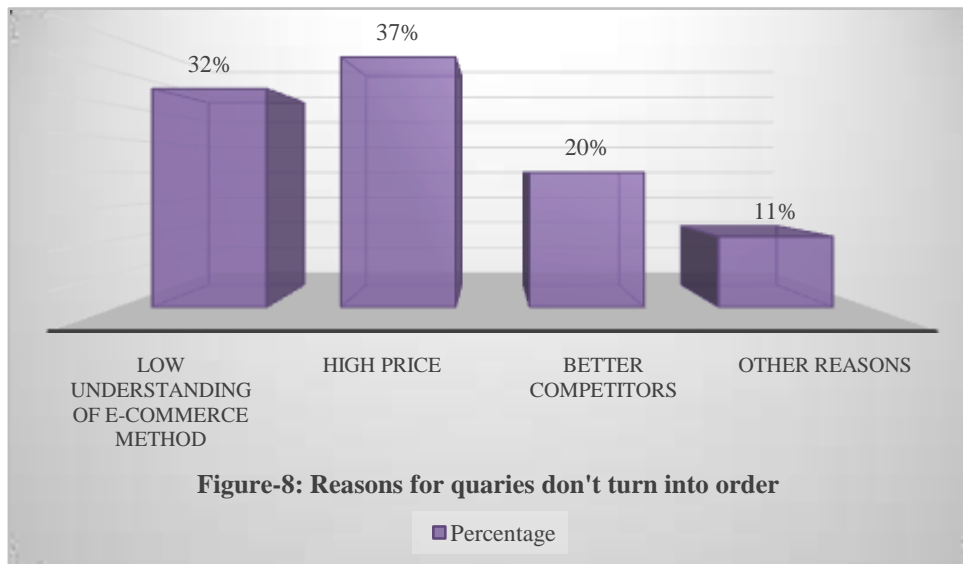
The analysis also represent in Figure-9 that, the 49% entrepreneurs are using cash with advanced delivery charge through bkash or rocket, whereas 19% entrepreneurs use credit cards. 32% of the respondents use only cash on delivery as mode of payment.



1.9. Customer Quarries & Feedback

All the entrepreneurs believe that their customers are satisfied with their service keep regular communication with them. According to entrepreneurs everyday different customers knock them for different quarries. But every quarry don't turn into order.

If the queries don't turn into order, the possible reasons according to Figure-8, 32% of women entrepreneurs is understanding of low e-commerce methods, 37% think high price and 20% think that better competitors are available while the remaining 11% think it is due to other reasons.



From the above analysis it reveals that women entrepreneurs are doing a tremendous job in the field of e-commerce in terms of profit and networking. Women entrepreneurs are widely using facebook for their business than twitter, LinkedIn as social networking web-site.

VI. Conclusion And Recommendation

Entrepreneurship plays an important role in economic development and of a country. Nearly half of total population is female, so it is apparently essential to develop the women entrepreneurship for the attainment of economic development of the nation. In recent years the growth of women entrepreneurship has grown significantly through e-commerce. [15] Women are becoming financially independent with the help of e-commerce. As a woman these entrepreneurs has to perform a dual role by developing her career as an entrepreneur and also take care of her family. With the help of e-commerce she can maintain these two roles effectively.

After reviewing result of the analysis and finding part the study found that e-commerce is the most convenient option to run business for the women entrepreneurs in Bangladesh. The major advantages of conducting business through e-commerce are:

- Large web based market,
- Business with minimum investment
- No need for personal show room
- Easy to create and maintain personal and professional profile
- Easy networking facility with customers,
- Low cost marketing facility
- Gaining respect from others
- Provide financial support to family
- Economic Independences
- Avail high social status
- Encouragement from family member

Another facility of this sector is whenever any information is updated it will be shown on the wall of all the people who are added as friends. [16] Entrepreneurs can tag post or pictures on the wall of their regular customers and don't need to send personal invitations every time. Moreover, regular customers and friends also bring another customer by marketing through mouth and asking their friends to join the business page. After a certain period of time these customers will turn into loyal customers. [17]

But still women entrepreneurs are facing various types of problems while doing business on-line. Some recommendations are given below to eliminate the problems associated with women entrepreneurship:

- The prime requirement is to increase the awareness of women, how they contribute to the economic and social development in our country.
- Infrastructure plays an important role for any business. Government although set up some plot putting emphasis on women entrepreneur.
- Different training programs and workshops can be arranged on the process of starting up new business on-line.
- Government and non-government agencies must also come forward to help and encourage women entrepreneurs.

In Bangladesh women are becoming educated and interested about establishing their own business according to the study. So rules and policy formation should support the women entrepreneurs so that they can develop themselves and can perform. It will lead to the development of country's sustainable economic growth as well as make contribution towards the women entrepreneurs' family.

1.10. Limitations of the Research

The research is done with small size of sample due to time and budget limitation. The sample is collected from only Dhaka city. This study is based on a review of key literature and primary data collected through questionnaires and face to face interviews with women entrepreneurs.

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