

# DIGITAL ECOMMERCE

A case study of Daraz online shopping store in Nepal

LAB UNIVERSITY OF APPLIED  
SCIENCES LTD  
Degree: Bachelor of Business  
Administration  
Degree Programme in Business  
Information Technology  
Autumn 2020  
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## Abstract

Author Pathak, Chiranjivi	Type of publication Bachelor's thesis	Published Autumn 2020
	Number of pages 58	
<b>Title</b> <b>DIGITAL ECOMMERCE</b> <b>A case study of Daraz online shopping store in Nepal</b>		
Name of Degree Bachelor of Business Administration.		
<p>The thesis study the e-commerce activities of Daraz online store in Nepal. The change is inevitable with the development of internet and its technology. Nepal is developing country and it is developing at a faster pace with the enrich of cutting-edge technology. The main reason for quick development of Daraz Nepal was more attention from government, businesses, and individuals on E-commerce. During pre-analysis on e-commerce market in Nepal, the author had seen the potentials for the growth of e-commerce market and vital role of Daraz Nepal in e-commerce field.</p> <p>The prime aim of the thesis was to explore how Daraz online store can improve its sustainable marketing strategy in Nepal and increase online market potential in Nepal. The literature review of this thesis consists of major aspects of e-commerce, SWOT analysis, PEST framework and Porter's five forces model. In addition to this, the thesis articulates the details of Daraz's e-commerce mode. The research part of the thesis was done by using theoretical research and practical analysis framework. All the theoretical framework data were collected through articles, books, journals, magazines, and online resources.</p> <p>In conclusion, a brief answer to research questions has been presented in the concluding part where it has been found that Daraz customers consider price, quality of the product. Alongside this, customers are less concerned about the delivery time here and the user experience of a website is more important for customers to go for a final purchase from a website. Moreover, network coverage and education about e-commerce should be taken into concern to increase sales.</p>		

**Keywords**

Daraz Nepal, B2B, E-commerce mode, SWOT analysis, PEST analysis, Porter's five forces model, Suggestions of problems

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## 1 INTRODUCTION

Daraz Nepal, established in 2012 has become the biggest online store in Nepal at the present time. The biggest Chinese E-commerce company Alibaba group obtained Daraz for an unnamed deal in May 2018. ( Manandhar, et al., 2017.). Daraz has become an important part of Alibaba's global strategy to be in the global market and to target 2bn consumers. It can be considered as the win to Alibaba's globalization strategy. (Nasir & Abdullah, 2017). As regards the opportunities in the field of the online business area, the widest area for the e-commerce business in the world is in South Asia where Daraz has dig its place in the emerging market with a fast-growing retailer in five countries. They are operated in Nepal, Pakistan, Sir Lanka, Bangladesh, and Myanmar. It has got 15 million customers per month all around the world in South Asia and aimed to penetrate the global market with its technology. Daraz was previously known as Kaymu and now it owned by Alibaba Group in April 2018. This is founded by Rocket internet ventures which are led by Ahmed khan as its MD in Asia and were founded in 2012. Daraz online shopping presence in Nepal since 2014, when it was introduced as kay-mu.com. In 2016, due to the digitalization of electronic commerce, they decided to merge Daraz and Kaymu under the new entity to the Daraz group of Alibaba. Alibaba group buys an E-commerce site which brings both seller and buyer together. Daraz has targeted to set online marketplace in various countries such as Paki-stan, Nigeria, Morocco, Ghana, Bangladesh, Afghanistan, and in the middle east including Nepal too. ( Manandhar, et al., 2017.)

In 2015, Bjarke Mikkelsen, CEO at Daraz, made the decision of the investment banking to the electronic business site, focusing on the underserved South Asian area with incredible success. "I decided to do something different," Mikkelsen explains. "I needed to be in the correct business, at the opportune time, in the correct business sectors unexpectedly, to exploit and accomplish leading position". (Lawerence, 2020.). Daraz has got a wide range of market environments, data, and service solutions. Moreover, it has 30,000 sellers and 500 brands and serves 5 million consumers across the region and offers 2.5 million products. It consists of a diverse quantity of products for customers which are household goods, beauty, fashion, sports equipment, and grocery items. ( Manandhar, et al., 2017.). Kaymu was the first online shopping App's which launched in Nepal in May 2014 and later

changed to Daraz Nepal. Since the launch of Daraz, it becomes Nepal's fastest growing and selling online marketplace. It has also offered cash on delivery to support buyers and sellers both. Daraz expanded the online shopping experience in Nepal to mobile platforms. As the number of people using phones are increasing day by day sales increases. So, phone provides an good online shopping experience on a mobile platform that makes it quite helpful for every customer to explore. The mobile application in Android and IOS applications had made it easier and these applications have been developed for making buying and selling online faster, more easy, popular, and user-friendly. This App also has unique services to improve their different experience towards their customer. Daraz in Nepal was managed by Mr. Rajiv Amatya as overseeing chief and Mr. Laxman Basnet as a human asset administrator. Recently, Daraz Nepal has done the biggest sale by organizing 11-11 Daraz sales which was quite successful and profitable. Currently, Daraz has 250,000 plus products with more than 100 plus product categories, and every day 75,000 people visit its website. Every month 500 new sellers are given education through their university. It provides job opportunities to more than 5,000 jobless people by educating them in their own university. Recently it introduced an online payment system partnering with major banks of Nepal. (Malla, 2018.)

Daraz Nepal has been highly successful in the field of online shopping. It highly successful to hold people's attention and try to provide them a better quality of shopping experience. In today's busy life no longer people reached one store to another store for buying products at a suitable price which they can afford or to get the best deal. It wastes time for people and energy loss. Therefore, e-commerce gives people an easy lifestyle. it gives an opportunity to all customers to gain knowledge in an online shopping experience which is done by just one click in a second. Through online shopping, App's in a second customer order their favourite products from their favourite stores without traveling to shop destinations or without wasting time. It is quite easy for the buyer to choose their essential product in a few seconds.

### 1.1 Marketing concept of Daraz Nepal

Daraz always focuses on what customers want and what all customers will satisfy. Daraz also provides different brands and price tags to all customers, which customer can easily pick their product in terms of what brand they are looking for or prefer

from the online portal. For customers, they deliver their products to all customer locations within their target area and place. After connected with Alibaba group holding limited, Daraz changes their price and their priorities too. They start to take the feedback and comments from the customers which creates their social site more interactive and easier for the customers to find out the things that they want from the website by studying the comments and reviews. Daraz takes different steps on how they can improve their brands, online service, etc.

A customer's purchasing conduct is affected by social, individual, and psychological factors. Buyer conduct is a piece of human conduct and by studying past purchasing conduct, advertisers can appraise how shoppers may be-have later when settling on buying choices. (Kotler & Armstrong, 2010). In addition, it aims to provides eco-friendly technology through e-commerce and boost trade and enhance internal and external trade.

## 1.2 Purpose of study

The main aim of this research is to find out the marketing strategies and sustainable strategy of Daraz Nepal. To achieve the goal, mission, and to satisfy the vision, there are some objectives to be fulfilled. Daraz is attempting to thrive its business by intently working with the dealer just to guarantee an extraordinary internet shopping experience for the clients. it is providing quality items at the most minimal conceivable cost and conveying the items at all conceivable time so that to get the large market share of the overall industry in the online portal. Daraz determined to expand its viability and productivity by refiling the customer's shopping experiences. In addition to this, it also provides training to the seller with the goal that they can work effectively and recruit people who can meet the mission and discover significant assets for the association. In the status, Daraz Nepal is the largest E-Commerce portal site in Nepal for online shopping.

### 1.2.1 Objective

- To identify the growth
- To identify the competitors and their threats.

- To study and understand the sustainability of the competitive market and the exiting market.
- To understand the marketing policies
- To examine online and offline activities done for the endorsement way by the Daraz Nepal.

### 1.3 Research Method and Data Collection

The main purpose of the study is to identify the growth in online shopping behaviour digitally and possible future challenges for Daraz in Nepal. The author reviewed theories and research related studies that had similar areas to focus and give attention to their consequences. In this method author used the interview method and data from the internet portal and various resources. The author of the thesis gathered information with the help of web internet and the different resources also. For the approve of the data, author asked the question while doing the interview procedure. Additionally, author arranged the survey with the topic related to it.

In additional to this, quantitative methods of data collection were also used to find the challenges and solutions for growth on online shopping. Data are collected from the survey with online buyers and offline buyers. The author also collects few data from the survey. Online survey was taken from online and offline buyer of different age group and location.

#### 1.3.1 Direct Interview

One of the most effective ways to get real practical information on the issue under study is to interview the subject of the study. Thus, the interviewing method is a practical qualitative method of obtaining information for research. In the process of collecting information necessary for the study, we decided to interview Ms. Vidha Pradhan, the online marketing officer of Daraz Nepal. In this way, a meeting was organized with the marketing officer and other representatives of the Daraz Nepal who was interviewed with different questionnaires according to the topic related. We prepared the questions in advance and collected the required data about the research questions. The interview was conducted in a face-to-face format with inter-

net media that is a Skype meeting. The answers that were received from the interviewee were written down on paper and analysed.

### 1.3.2 Internet Research

We surfed various sources and internet channel to get more information about the past strategy of Kaymu Nepal, presently known as the Daraz Nepal now. After they were taken over by the giant company Alibaba. We could not find the much information about the organization, but we got the information how they used to make strategy before Alibaba.

## 2 E-COMMERCE AND ITS CONCEPT

E-commerce is commerce done through Internet technologies which means pre-sale and post-sale activities. Varieties of businesses around the globe have introduced an electronic commerce portal as their operations, looking after the different merits that the online marketplace can provide. (Malla, 2018.).

Since the last part of the 1990s, internet business has quickly developed in the developed world. Today, a web-based business has been broadly utilized and many organizations have moved from the offline to the online world to serve their service worldwide through the internet. In this way, numerous huge organizations keep on setting up web-based business broadly. So that worldwide chain of the people get connected by using electronic links to suppliers, to strengthen online integration with distributors and business partners, to design and customize products and services, and to attempt to serve customers more effectively. (Kevin & Kraemer, 2002)

Simply, E-commerce defined as an Internet technology that provides the capability to buy and sell goods through online media and portal which including market creation, ordering, supply chain management, and transfers through the opening protocol. (Novak, et al., 2002)

The three major consideration of variables as sources of the strategic value of e-commerce are "operational support" which measures how e-commerce can reduce costs, improve customer services and distribution channels, provide an effective support role to operations, support linkages with suppliers, and increase the ability to compete. "Managerial productivity" defines how e-commerce can be taken out to access information, provides a means to use generic methods in decision-making, improves communication in the organization, and improves the productivity of managers. Finally, "strategic decision aids" defines how e-commerce can support strategic decisions of managers, support cooperative partnerships in the industry, and provide information for strategic decisions. (Pearson & Grandon, 2004.). It affirmed that more than ten e-commerce benefits for both buyer and seller. Such as cost savings and speed in selling and purchasing, exposure to new customers (global reach), convenience and transparency to users, the better quality of product/service (global reach), reduce the need for office space, and fewer resources required.

The author reviewed the report based on Daraz as a part of secondary sources also and has outlined as follows. The author of the thesis also reviewed how Daraz analysis the market, check the future drawbacks and solution of the problems. The author also got to know the environment or the surrounding markets that got affected by Daraz. It also helped to identify Daraz's target group of customers and also how they were able to bring in the customer in the marketplace. Many companies and organizations are competing to be the number one globally and to be in the mind of all customers. Along with this, they are trying to protect their market values and shares. Marketing means creating customer retention and loyalty. Here the author of this thesis upheld how their procedures changed after obtaining by Daraz. How they change their activity exercises and their arranging strategy by progress in their investment. The data gathered collected was checked during the meeting with the marketing officer.

It is the use of electronic communications and digital information technology in business transactions. To make, change and rethink connections for esteem creation between or among associations and among associations and people. (Gupta, 2014.). In another words, it refers to wide range of online business activities for products and services which refers to buying and selling over the internet.

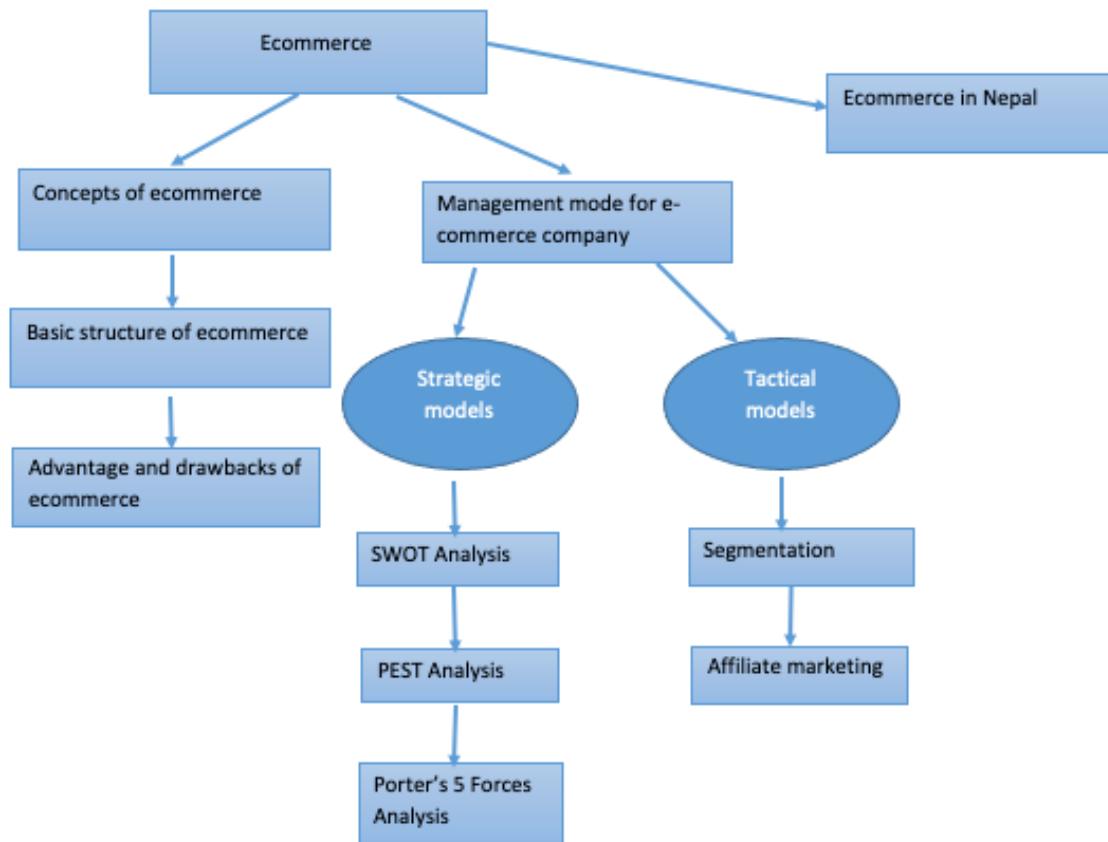


Figure 1. Conceptual Framework for the thesis regarding the e-commerce.

## 2.1 Definition and Classification

E-commerce means buying and selling products or goods or services through electronic systems like the internet and other networks. According to Laudon & Traver, internet and web are both different term because the internet is a universal network of computer and web is one of the most popular internet services, which give us unlimited web excess. It also includes all kinds of transactions by digital technology. As we all know that people are using both e-business and e-commerce concepts. But both are recognized differently. This is because e-commerce is a part of e-business and e-business is a wide concept that includes selling goods and services and providing all information on the internet and other telecommunication networks. It includes other activities such as publish information, distribution, advertising, payment services in e-business. E-commerce and e-business both are different terms because e-commerce includes all the transactions of money and financial works and e-business include financial works as well as allied activities. E-business requires a relationship between customer and management and does research, well planning to establish the business over the internet and e-commerce requires the use of the internet to connect with the rest of the world. (Laudon & Traver, 2018.)

Online shopping businesses have been getting numerous positive models that empower them to continue in creating customer's comfortable shopping on the web. It also helps in the decay of few genuine retailers.". E-commerce characterized as the utilization of the Internet, the Worldwide Web (WWW), and PC applications or portable applications between businesses and its partner. Progression in innovation has made chances and dangers for online business organizations. As these appraisal insights concerning the difficulties of internet business development, this writing survey will insight concerning the difficulties that internet business organizations are confronting or will look in days ahead. Additionally, this appraisal will audit writing as to the advantages and conceivable outcomes of the development of internet business organizations in Nepal. Further, the writing survey in this part will likewise detail the arrangements that the organization can ad-just for further development in the future.

The Internet makes life simple and innovative in everyday living. People have started doing their business online and trade has become easier and faster due to

the internet and electronic commerce. The Internet provides new ways to promote business in an innovative way. The website becomes the best media for online businesses to get connected to their services and products. The web accumulates all contenders and purchasers in a single spot. It promotes advertise products and services in the market. (Silverstein, 2002.)

Online consumers are always seeking new products, new attractiveness, and the essential thing following price compatibility with their budget and earning. The web is the most ideal approach to set aside time and cash by buying on the web inside their scope of spending plan at home or anyplace. Online purchasers do not have cut-off points to do the shopping through an online gateway. They additionally utilize the web at an examination of costs of products and ventures, news, visit interpersonal organizations and quest for data, etc. The recession has an adverse impact on online consumer behaviour. (Rodriguez, 2009.)

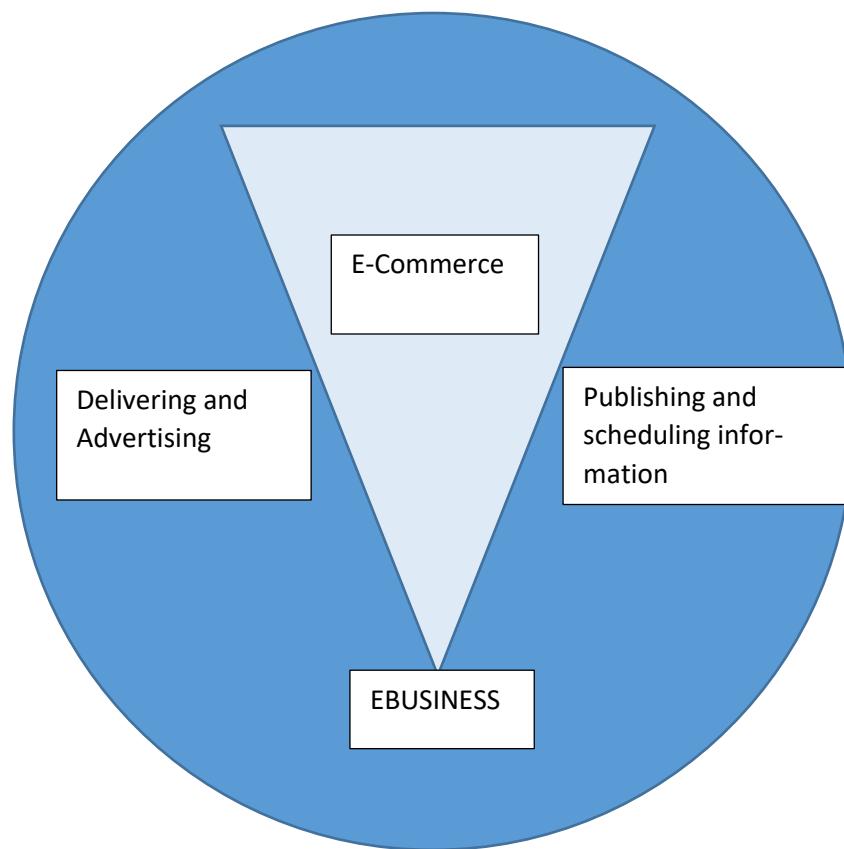


Figure 2. Relationship between E-Commerce and E-business

### 2.1.1 Basic structure of e-commerce

The basic type of the ecommerce is:

B2B: In this e-commerce company or organization do the business with each other like producer selling to distributors and wholesalers selling to retailers. Simply, it is the business between the companies or the organization. 80% of e-commerce is done by this type. It has got two primary components that are e- frastructure and e-markets. E-frastructure is the architecture of B2B which includes Logistics, Application service providers, Web-hosting, security, and customers care solutions (i.e. e-shares, Net sales, iXL Enterprises, and Universal Access), maintenance of real-time auctions, content management software which is essential for the Web Site Content Management and delivery and Web-based commerce enablers.

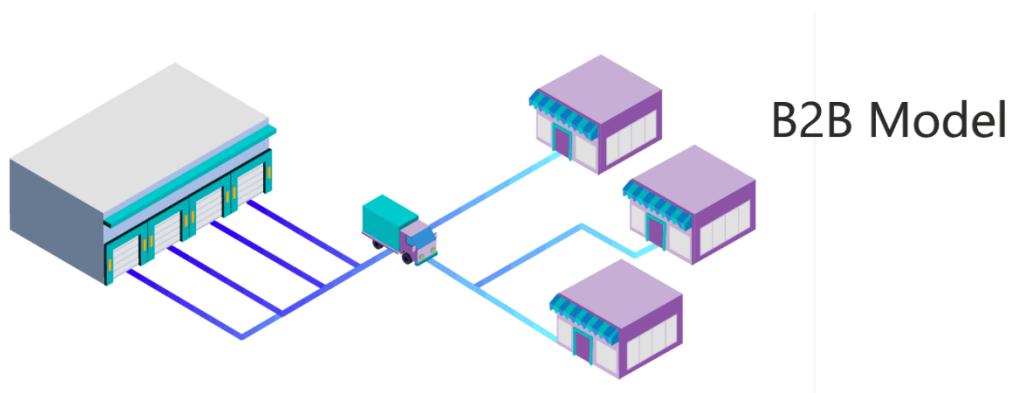


Figure 3. B2B Business Model (DeMatas, 2020)

B2C: Electronic commerce are the business between the company and consumers. A business selling the goods to the public typically through a catalog utilizing shopping cart software. It helps to reduce the transaction costs and helps the consumers to get the most relevant price for the product or goods.

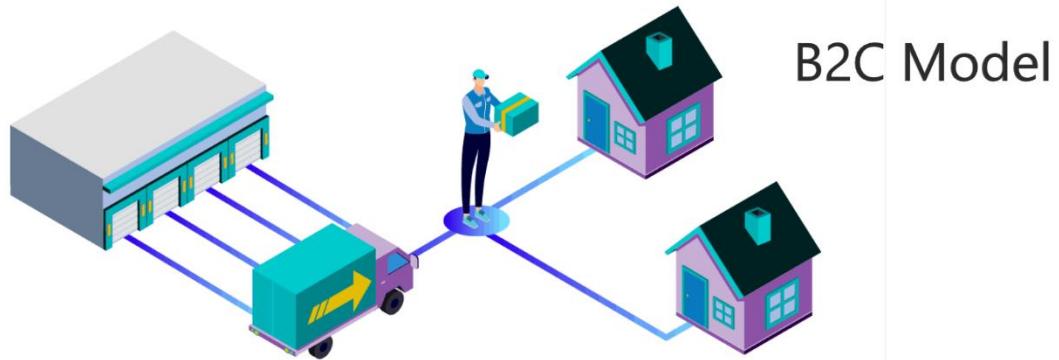


Figure 4. B2C Business Model (DeMatas, 2020)

C2C: Consumer to consumer e-commerce known as C2C. it is simply to commerce between private consumers or the individual one. It is based on electronic marketplaces and online auctions. In addition to this, this is the forums where an individual can buy and sell the product by online payment systems like PayPal, eBay, Amazon are the example of these services. In the context of Nepal, HamroBazar is a good example.



Figure 5. C2C Business Model (DeMatas, 2020)

B2G: Business is done with the government or simply it is defined as the commerce between the organization or companies and the public government sector through different media. It refers to the internal for public procurement, licensing procedures, taxation, and other government-oriented operation. This kind of internet business has two highlights: firstly, the open segment expects a driving job in setting up an online business and another one, it is accepted the open segment has the best requirement for making its acquisition framework more compelling and effective.

Mobile commerce (M-commerce): Buying and selling goods and services by handheld devices such as cellular telephones and personal digital assistants (PDAs). Widely used technology for the purpose of electronic commerce all over the world by the goods or the product. It is a wireless technology which is very much popular in this 21st century.

## 2.2 Advantages and drawbacks of e-commerce

### 2.2.1 Advantages

To establish any kind of business globally e-commerce should be taken into action. E-commerce has designed the scheme or plan of doing business properly. To establish the business globally they provide all the balanced opportunities which help the customer to do online shopping and to do easy online transaction. Many people still believe that the traditional type of business is much better than online shopping. Therefore, here is some theory for the benefits of e-commerce to make people aware of the unquestionable aspect of business (Malla, 2018.)

- a) 24/7 services: Time factor can be considered as one of the most important factors which improve or increase sales. In this business, time restrictions have been eliminated by e-commerce. It is done through a web-based technology business that executed the business nonstop that is 24/7.
- b) Cost effective: The transaction cost is effectively less. Also, it reduces the marketing cost, upgrades processing, inventory management, customer care, and so on. E-commerce has been verified to be an extremely cost-effective pathway to get the product or goods at a regional price. Online shopping and management of details information are interconnected with the

customers. This can be collected impressively and help in promotion. E-business is cheaper than a traditional business.

- c) Power to choose: Online shopping sites always give an opportunity to the customers to look for varieties, higher quality, and cheaper products. It leads them to make choices. In this business, consumers can buy specific and unique products and discover straight assemble the product at very lower prices. They also include reviews of other consumers which help the other new consumer to make decisions about the products.
- d) Easy to set up: it is easy to access by sitting in the home by the help of the software required for the online platform and internet.
- e) Government subsidies and no geographical boundaries: Due to the rise in online trading and online business, the government is trying to promote digitalization in the online sector. No limitation in the geographical area which means anyone can order anything from anywhere at any time with the help of the internet.

### 2.2.2 Drawbacks

Shortcoming and limitations concerning ecommerce are as follow (Malla, 2018.)

- a) Limitations in technology

One of the major disadvantages of e-commerce is internet limitation. Due to a lack of knowledge, the maximum number of people is lagging behinds from utilizing the inter-net and comprehending online transactions. Sometimes customers don't want to reveal their personal and private information because they have trust issues.

- b) Security issues

There are lots of spam and fraud activities going on in online shopping. When we talk about security issues, there are so many issues regarding their financial de-tails while doing electronic commerce. The online business platform has different bugs and errors occur during the transactions. People do not believe to do online business because they have been experiencing several incidents regarding fraud and faulty payment.

c) Unsuitable for perishable items

Perishable items are especially food that needs a proper warehouse to store. So, for online business perishable goods are not suitable. Nowadays, People choose traditional methods of shopping for perishable items.

d) Ecommerce is not free

We all know that e-commerce is not free. Many small businesses are lagging behinds because of poor internet facility. People need the internet to do the shopping and to do online payment and transactions. Mostly the internet is not used properly by every-body especially in undeveloped countries and developing countries where the penetration of the internet is not adequate.

### 2.3 Management mode of ecommerce

In this part of the ecommerce model, there are two models. They are strategic and tactical models.

#### 2.3.1 Strategic models

Simply, the strategy is the map, path, and objective that are set to active its meaningful targeted goals. Every day, the company and the organization are having problems in implementing and designing their policy which is due to the lack of strategy. There is a different factor that the company should consider before existing in the marketplaces in the competitive environment. For a good strategy, the company or the organization should analyse the internal and external environment properly. The external environment means comprises the general environment and the competitive environment. Basically, it refers to company strategic planning for starting and developing operations. A first key advance in a key plan of action is deciding your incentive. Top-quality, low costs, and world-class administration are normal variables of a compelling incentive. Identifying the best clients or customers for your business is a key marketing procedure. Focusing on and studying the marketing area are competitor's work. (Pang, 2015.) For instance, for the strategic models of the business, these are considered. They are:

- SWOT analysis

- PEST analysis
- Porter's five force analysis

Simply, SWOT analysis tools are widely used tools that assure the company or the organization to obtain their strength, weakness, opportunity, and threats. They are used to evaluate the company's competitive position and make strategic planning. It accesses both internal and external factors, strengths, and weaknesses of the company.

PEST stands for political, economic, social, and technology. It helps to identify the political, economic, sociocultural, technological, legal, and environmental factors of the organization or the company. These are used to analyse the macro environment and to gauge external factors which could impact to profitability of the organization. It helps the company to analyse the situation that they are facing and going through. Political factor includes the government policy, rules and regulation like taxation, international relation, and employment laws. Economic factor includes the economic condition like growth in the economy, interest's rate, inflation, deflation, exchange rates, supply and demand, and recession. Social factors refer to demographics, cultural attitudes, workplace, age distribution, and lifestyle trends. Technology refers to the development of technology within the sector and organization. Moreover, identification of the barriers while entering the new marketplace (Pang, 2015.)

Porter's five force is used to identify the competitive strategies and structure. This model was introduced by Professor Michael E. Porter of Harvard Business School in 1979. The five forces are competitive rivalry/industry competition, seller power, buyer power, the threat of substitution, and the threat of new entry. These forces are used by the company to identify the new product in the market. It identified the strengths and overcome a situation of a weakness of the new product and compares the profit done.

### 2.3.2 Tactical models

The ongoing set of activities which improves and continues the strategies and demands of the market. Basically, the tactical model are the short-term model that are applied in the various parts of the company. This are the process to gain the profit and company in progress from a different point of view. There are so many examples

of tactical models. Some of them which help the online e-commerce business to improve their strategies are segmentation and affiliate marketing. Market Segmentation has an important role in tactical marketing. By making the right segment on the target-based product or services, that you can create the best profiles of customers. The most rising strategies utilized in tactical marketing are social media platform, challenges, give away and subsidiary marketing which also means affiliate marketing. Affiliate marketing are the part of internet marketing where the publisher uses advertising methods such as SEO (search engine optimization), PPC (pay-per-click), content marketing, email marketing, etc.

## 2.4 Ecommerce in Nepal

In the contest of Nepal, these are the path of success through online shopping and marketing. People are using fast speed inexpensive 3G, 4G, and 5G internet technology provided by the local server. Similarly, the convenient modes of payments and user-friendly interactive shopping apps are further paving a pathway to un-precedented growth in the e-commerce sector. The growth in the information technology sectors and the increasing number of young human resources in the information technology sector directly created more opportunities for the growth of e-commerce in Nepal (Karki, 2020.). The status of e-commerce in Nepal seems promisingly good. Many users are attracted to online shopping and using online services. Many online portals and shopping portals are launched. The competition is rapidly increasing day-by-day due to an increasing number of online stores in Nepal, which will ultimately benefit the future of e-commerce in Nepal. Similarly, the Nepalese entrepreneurs have also enhanced another aspect of online shopping by increasing the trend of using social media as a shopping platform. The major online organizations which are functioning in Nepal are business-to-consumer (B2C) or consumer-to-consumer (C2C) model business (Malla, 2018.)

For example, Hamrobazar.com are considered as the free online gateway that gives a free stage to associate purchasers and venders where the two are buy-ers. Likewise, NepBay began in 2006, as an online registry of items and shops just because at Kathmandu for purchase and selling of second hand and utilized things in the long run changed itself into an online organization. When NepBay presented "cash

on delivery" in 2013, it was the first organization to introduce this service. It has been a common platform for small and medium enterprises in Nepal to sell their goods. In July 2016, Pakistan-based online business Daraz took over Kaymu, and again the Chinese-owned internet business organization Alibaba Group procured Daraz in May 2018. Internet shopping in Nepal are done particularly on Facebook and on Instagram also (Vaidya, 2019)

#### 2.4.1 Affiliate marketing in Nepal (DARAZ NEPAL GROUP)

This is a faster, easy, and fast way of earning more money with the bigger company or the organization. They are increasing online business for digital marketers. It means selling the goods of organizations by gaining the commission. It has shown a great impact on the different organization which are established in Nepal. They are Daraz Nepal, HamroBazar, Sastobook, CPA Network, Sabkopasal etc. The commission depends upon the company or the organization product that you promote from the different social media or other online media. They are also known as performance-based marketing.

For instance, let's suppose you own a smartphone company where you need tons of marketers to sell your product online. Here, an association with a web-based business site is happy to sell your cell phone for you. In this cycle, your cell phone is circulated, and the wholesaler increases a specific measure of commission (Kauri, 2019.) Some of the benefits of the affiliate marketing are as follows:

- No certificate required
- Low-cost business
- Individual efforts
- Source of income
- More traffic

#### 2.4.2 Relationship between three parties in Affiliate marketing

In general, there are so many different company and organization that they are gaining the profit after selling the product because of the Affiliate marketing techniques.

**Advertiser:** Organizations or the company that originates the goods and manager sell in the marketplace.

**Publisher:** Generally, this are the individual company that promotes and shares the product of the advertisers by analysing the product by its market values.

**Consumer:** Those who consume or buy the product from the publisher' advertisements.

#### 2.5 Future of Affiliate Marketing in Nepal

Due to the increment in the use of the internet, people are using social media like Facebook, Youtube, WhatsApp, Viber, Instagram, etc and many more. People are using these media for buying their goods digitally. These are already a big market taken by affiliate marketing in the digital marketing field in Nepal. Day by day, the total counting of the people is increasing more in affiliate marketing to earning the commission. Therefore, the future of affiliate marketing in Nepal are increasing like skyrocket by getting into the online marketing business.

### 3 ENVIRONMENTAL ANALYSIS FOR DARAZ NEPAL GROUP

#### 3.1 SWOT Analysis of Daraz

- Strength: Daraz has consider high security as their main strength. They protect the customer personal data and information safely. New product and high-quality branded product are considered as another benefit. Good relationship with partners and strong collaboration among the department that is the giant company Alibaba help to stay steady in the market. Feasible modes of payment which customers are happy to pay. Free registration, fast delivery, and easy access to the website of Daraz are other strength of the Daraz.
- Weaknesses: Daraz has few problems with their operation process. There is no refund on specific product. To source more vendors in some cases, they donot pass judgment on the dealer's ability whether they are sufficiently fit business with Daraz or adapt up to the cycle. Low brand recognition on various product and low profit margins are another flaw of the company. A big part of the populace in Nepal approach a web association. As the web is the significant spine for the development of a web-based business that is e-commerce, having simply around half of the web infiltration rate basically characterizes that organization straightforwardly loses half of the possible customers in the nation. Limited area coverage due to the lack of network coverage and lack of IT expertise outside the capital region are also considered as the weakness that result company to broke down.
- Opportunities: Daraz has been considered as the number one online marketplace in Nepal. So, they need to maintain its position only. Nepal is an emerging market where online shopping are new for the customers like new trends of shopping. Flexible delivery hours, rapid growth in mobile and internet user, digital payment method rather than Cash in Delivery and easy accessibility for the global market are some opportunities of Daraz which will uplift the company further.
- Threats: Following the strides of Daraz Nepal, a ton of online shops are open these days as well as the international competitors (eBay and Amazon). They are progressing nicely. So, it very well may be a danger to Daraz. There are

still some securities issue regarding the faulty payment which might affect the company reputation. Another main reason could be unstable government and low coverage area of internet in developing cities.

The internal and external factors are explained in SWOT analysis table below:

<b>Strength</b>	<b>Weaknesses</b>
High security	No refund on specific product
High branded and new product	Low brand recognition
Good relationship with partners	High turnover rate
Feasible modes of payment method	Low profit margins
Strong collaboration among department	Operates in few area outside of capital region
Easy and free register	Lack of IT expertise
Fast delivery	
<b>Opportunities</b>	<b>Threats</b>
Flexible delivery hours	Security issue
Growing ecommerce sales	International competitors (eBay, Amazon)
Rapid growth in mobile user and internet user	Rise in the online retailers
Digital payment system	Political instability
New trends	Low coverage area of internet in developing cities
Easy accessibility for global market	Upcoming of native competitors

Table 1. SWOT Analysis of Daraz Nepal

### 3.2 Pest analysis

- Political environment: Help in international trade mainly neighbouring country (India and China). They are considered as the main trader to Nepal. Government support in trading inside and outside the capital. Support on maintaining the policy, rules, and regulation for the e-commerce marketing.
- Economic environment: Rapid development in SEMs, rise in the global market and helps in urbanization and globalization. Income growth affects positively whereas inflation negatively.
- Socio-cultural environment: it includes lifestyle, fashion trends, religious and demography. Addressing the trending fashion needs of customers through their website. Increase transaction among other organization rise the company value and lift the e-commerce business more.
- Technological environment: Technological innovation are the most essential factors for the growth. Providing network coverage to large area mainly the undeveloped cities. Establishment of B2B, B2C and C2C platform in more areas. Need to provide more effort in development and research of technology.

The PEST framework analysis of Daraz Nepal is presented below.

<b>Political environment</b>	<b>Economic environment</b>	<b>Socio-cultural environment</b>	<b>Technological environment</b>
Help in International trade (India, China)	Development in SEMs	Includes life-style, fashion trends, religion and demography	Technological innovation
Government supports in trading (inside and outside valley)	Rise in the global market	Addressing the fashion need of people through their website	Availability of online service covering undeveloped areas
Supporting on e-commerce policy, rules and regulations	Helps in urbanization and globalization Income growth affects positively whereas inflation negatively	Increasing transaction among other organization	Establishment of B2B, B2C, C2C platforms Must spend more in research and development
		Trend of online shopping	

Table 2. PEST framework of Daraz Nepal

### 3.3 PORTER'S five force model

- Threats of new entrants: Daraz can be considered as the one of the leading online stores in Nepal. Strong collaborations and self-storage and delivery system.
- Threats of existing competitors: Some of the existing online competitor are Shopmandu.com, Sastodeal.com, Muncha.com and direct shipping of some suppliers as well as some physical stores which are main threats for the company.
- Bargain power of buyers: Low bargaining power of customers and willingness of the buyers to pay.
- Bargain power of suppliers: Large number of suppliers for the varieties of product. New entry of new supplier.

Table 3. PORTER five forces models

<b>Threats of new entrants</b>	<b>Threats of existing competitors</b>	<b>Bargain power of buyers</b>	<b>Bargain power of suppliers</b>
One of the leading online stores Strong collaborations and self-storage and delivery system	Shopmandu.com Sastodeal.com Muncha.com Bigpasal.com Direct shipping of some suppliers	Low bargaining power Many numbers of buyers willing to pay	Large number of suppliers for the varieties of product New supplier entries
Many physical stores			

### 3.4 Strategy for SCA (Sustainable Competitive Advantage) of Daraz

Sustainable competitive advantages (SCA) are company assets, attributes, or abilities that are difficult to duplicate or exceed; and helps the company or the organization to give a favourable long-term position over its competitors. In the present day, Daraz can be known as the largest e-commerce platform in Nepal. They are highly popular due to their quality of the product and services as compare to other online shopping portal sites like Sastodeal, E-sewapasal etc. Daraz store are most popular for its reasonable product and services. It has been getting a more competitive advantage over its general competitors. As a marketing factor, Daraz tries to create its social site easier and more attractive for their customers. Therefore, they started interacting more with customers to find out what they desire and need. It also takes various recommendations on how they can earn the customer's values and compete with their competitors. Daraz are backed by Rocket Internet ventures which serve as an e-commerce site which makes buyer and seller together. Daraz always stays one step ahead of their competitors to track what his competitors doing about the new product offering and schemes that may directly influence the sales of Daraz. Daraz highly alert to observe all those things which have the advantage to improve their service system more and to be up to date ( Manandhar, et al., 2017.)

In instance, some of the sustainable competitive strategies of Daraz are show in the figure below:

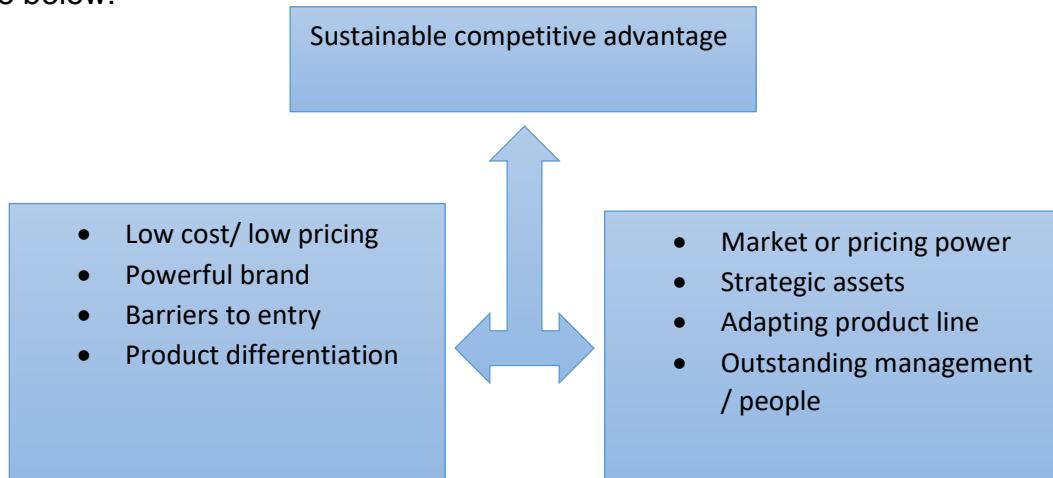


Figure 6. Sustainable Competitive Advantage

#### Low cost/ low pricing:

Daraz offers huge discounts to the customers in some products in a different event like in a weekend, Black Friday, 11:11 program, and other festivals which make customers happy and satisfied. It also attracts customers to buy more things and these kinds of discount make more sales and collect more amount of money which provides competitive advantages to the organization ( Manandhar, et al., 2017.)

#### Powerful brand:

In the present day, Daraz stands as the market leader and corporate to build a reputation. Daraz invests many money and time to build a brand in the marketplace. Daraz always prefers a brand that customers highly want. Daraz provides all the brands that are unable to get in the other e-commerce market portal site and this helps Daraz to seek attention from the customers towards them. With different branding strategies, Daraz can guarantee the authenticity of the product ( Manandhar, et al., 2017.)

#### Barriers to entry:

Daraz has a unique digital market platform where sellers and buyers both can communicate and create one shop for buying and selling. it has an advantage over the offline market and other e-commerce markets also. With different kinds of market strategies, it provides a discount on the product. At the same time, it makes other e-commerce organizations difficult to establish in the market. Daraz gives 100 % effort and attention to their product quality, the entrance of the new product in the market, and image and branding ( Manandhar, et al., 2017.). In addition to this, they give importance to customer satisfaction which creates a major barrier for the competitor organization.

#### Product differentiation:

Daraz has a different quality, several models, flexibility in ordering and customer services, and all aspects that can positively differentiate a product or service. Daraz has a unique strategy that are widely valued by buyers. it always tries to create a unique brand for the customers. In addition to this, it enables to provide a product which are much more different from others in term of the quality and brands. Most the online shopping site has issues; they increase their product price but are unable to ensure the quality but Daraz provides such products that are of good quality and

in reasonable price and as well as services also. A unique product or services always builds customer loyalty and trust ( Manandhar, et al., 2017.)

#### Pricing power:

Simply, Kaymu was changed to Daraz when it got collaborated with Alibaba. After changing its name, it also trying to change the customer's perceptions of its e-commerce site. These create a lot of confusion between the customers. So, to avoid confusion of the organizations, they have been controlling the e-commerce market with its marketing strategy. Daraz has an ability, power, and strategies for their customers without losing their market share and values (Malla, 2018.)

#### Strategic assets:

Companies with excellent development and research might have valuable strategic assets. Daraz does not have its own stores. It contracts with the company to provide all available goods and services at a reasonable price. Daraz has some unique strategic assets which provide sustainable competitive advantages such as long-term contract, domain names, copyrights, trademark and so many. Daraz works as a marketing channel and provides information about all products. Daraz has well knowledge about brands and this becomes the valuable strategic assets for the Organization which helps Daraz to achieve future outcomes ( Manandhar, et al., 2017.)

#### Adapting product line:

Daraz provides a different type of product that are needed as per the demand of the customer and this are one of the best advantages for Daraz to get more attention from the customer. The product on pages also changes according to the season and fashions. They provide all summer products in the summer season and in the same way they sell winter products only in the winter season. Daraz also provides new products which are newly launched in the market. Daraz provides all product at reasonable and affordable pricing which mostly create a barrier to all other competitor's organization.

#### Outstanding management:

To make something successful perfect management are must, therefore the management of the employee has become one of the biggest competitive advantages. Daraz has more than 300 employees so that they can get to their partners and can

work for the consumer development. Daraz provides different types of training to its seller and other employees for the proper customer services. Daraz analyses what customers are doing and can see all the activities that they do and want according to their needs. Daraz has a huge infrastructure as compared to other e-commerce organizations which make the organization satisfy. Daraz used different kinds of strategies to offer different products for different markets. Daraz has a large team of people. The team consists of all businesspeople and technological people and good team worker. Daraz is growing faster in each step of service (Malla, 2018.)

### 3.5 Competitive strategy of Daraz

Daraz achieved competitive advantage through the strategic management of resources, capabilities, and core competencies as well as the firm's responsiveness to opportunities and threats in the external environment. Return and gains that are superior to the alternative – investment with a similar risk profile. Daraz provides goods and services to people ranging in different prices and quantities. The products that are provided to the customer are not able to provide it by other e-commerce organizations. Daraz has more than 5 lakhs app users. The main aim of Daraz; to provides services in all the areas of Nepal ( Manandhar, et al., 2017.). In the present day, Daraz has its branches in more than 20 cities outside of Kathmandu city.

Differentiation:

In a differentiation strategy, Daraz seeks to be unique in its industry. It selects many attributes which many buyers in an organization and perceive as important and Daraz has rewarded for its uniqueness with their reasonable price. Present scenario, online sites are growing faster like a skyrocket. Daraz has been able to provides different products which are different from others in term of the quality in a reasonable price. Most of the other online shopping portal are competing themselves in term of price. Though they raise the prices according to the exception, but they are unable to ensure the quality the way they increase their prices. They could not provide good quality as compared to Daraz. Daraz is much more different than other online site because it provides product that are of good quality and in the reasonable price ( Manandhar, et al., 2017.). They also provide good quality service to their customers.

### Focus:

Daraz applies its unique strategy and idea. The strategy rests on the choice of a competitive scope within an organization. Daraz chooses the group of segments in the organization and tailors its strategy to serving them to the exclusion of others. In addition to this, it helps Daraz to accomplish better service. In this part, it focuses on its cost factor where Daraz looks after its advantage on the target segment. It uses different strategies between the targeted organization segments and other segments in the industry. Moreover, it tries to establish and focus on the target segment. The targeted segment has buyers with unusual needs or else the production and delivery system which is much more different from the other industry segment. The cost segment mostly focuses on behaviour. In some segment differentiation focus also exploits the special needs of buyers and try to solve their problems (Imtiaz, 2016.)

### Cost Leadership:

Cost leadership are the most important factor. Daraz has been considered as one of the low-cost suppliers in its industry. The main sources of cost advantage are totally depending on the maintenance or on the structure of the organization. Its insight and view all the source of cost advantage regarding the services and structure. If a firm can achieve and sustain the tag of cost leadership, then it will be an above-average performer, and they provide product in an economy price at or near the industry average for the cost leadership (Imtiaz, 2016.)

### Differentiation focus strategy:

Daraz targets are many specific and special segments in the market. It believes that instead of offering the same product which found in the other market at the lowest prices, they start offering something unique that other competitors aren't offering. Daraz mainly focuses on the quality of the product and provides quality services to the customers. It offers varieties of products that are difficult to find in other online sites or other markets. Daraz has the capability to maintain it, seller and customer,

at a single platform because of large infrastructure. Daraz has more technology and competitive advantage in terms of infrastructure as compared to other e-commerce organizations like Sastodeal, Esewapasal, Hamrobazar, and others. Daraz has been successful to create its presence on social sites to be more interactive and user-friendly. They take feedback and advice from the customers to improve their service (Karki, 2020.)

### 3.6 Marketing Mix strategy of Daraz

Daraz has everything that a company should have and can do everything to influence the demand for its product. In Nepal, e-commerce user is growing faster in a great number. Nowadays people understand the ultimate use of online shopping. Therefore, many people are familiar with online marketing. They get their desired product just on one click by sitting anywhere with the help of the internet. They offer products like summer clothes, winter clothes, footwear, electronics accessories, mobile phones, home, and living accessories, and many more products. Daraz provides all the products at a reasonable price. For the desirable response from the market of their product. They follow 7p's strategy ( Manandhar, et al., 2017.). They are:

#### Product

Daraz Nepal is different from the other shopping portal sites in Nepal. It provides best ecommerce experience to their customers. Daraz does not produce any products it is just an online store. It takes product from the authorized sellers according to customer orders/needs and delivered it to the respective customers. The product like footwear, refrigerators, machine tools, durable goods, clothing for men and women, home appliances, mobile phones, electronics etc are all available at Daraz. It has got more than 8000 product and trained authorized seller to deliver the product to the respective customers ( Manandhar, et al., 2017.)

#### Price

Daraz trying to establish itself own marketplace of ecommerce site in Nepal. So, they try to connect with the Nepalese marketers, and they try to know the prices of the product in the offline market which help them to set the average price of the

product. The product offered by Daraz are relatively of high quality and low price as compared to the offline Nepali Marketers. For the goodwill of the company, Daraz provides its product in a low prize to create the brand awareness and to improve their popularity. Daraz have the potentiality to face any trouble or the loss for few years until it established properly. For the profit, they used various strategy to gain the profit.

### Place

All know that Daraz works completely on internet based without internet it does not work. Daraz does not have their regular type shop they sell all the products through its website. Daraz have its own web address that are [www.daraz.com.np](http://www.daraz.com.np) . it can be considered as the place of Daraz. Daraz sell their all products from this website to the available locations. It has contract with some logistics for the delivery of the product according to the demand of the customer. Currently Daraz have its market-place 75% inside Kathmandu and 25% outside of Kathmandu valley. The place other than Kathmandu where Daraz can deliver their product are Lalitpur and Bhaktapur includes Nepalgunj, Pokhara, Janakpur, Biratnagar, Birgunj, Butwal, Dharan, Itahari, Narayanghat, Hetauda, Bharatpur, Kakarbhitta, Damak, Chandragadi, Bhadrapur, Bhairahawa and Birtamod are some of cities ( Manandhar, et al., 2017.)

### Promotion

The main aim of promotion to increase, awareness, create interest, generate sales or create brand loyalty. Advancement are the progression through where an organization endeavor to illuminate convince and remind shoppers, legitimately or by implication pretty much all items and brands they sell. Daraz believe in online marketing rather than promoting itself on Newspaper, TV, Radios, like the other organizations. Daraz promote itself mostly on the online platform to increase their sales. Promotion is the strategy of communicating between the seller and buyers. Daraz uses this promotion process to improve it public image. This technique of marketing creates an interest in the mindset of the customers. Biggest selling day of Daraz are black Friday and festival events (Malla, 2018.). And other special occasion or event

which they promote through newspaper or TV ads. Daraz mostly focuses on consumers promotion.

### People

In the field of marketing, people play an important role, and they serve as the backbone for the organization. Without them the term of people product does not exist. People makes the business successful. Daraz has well known ecommerce sites which have the branch more than 20 cities in Nepal. In the recent data, Daraz have more than 300 employees (Crofts & Pokhrel, 2018.). Daraz are employing more people on the delivery of the product to reduce the lead time in delivery of the product. It helps Daraz to get partner and consumers development.

### Process

It has got the clear process. Appropriate management are very much important in an ecommerce service. Without the proper process and management, the organization cannot get the desired and excellent result. For better result, they need well process and better management. Therefore, Daraz apply all the proper process to perform transaction. This process includes from order of the product to delivery of the product where it have got different more areas. As we know that Daraz does not have their own product. Sometimes most of the customers face difficult to understand the process so far. For that Daraz has their own process which help the user to understand easily and to place their order. The processes are as follow

1. Go to the website of Daraz
2. Search the product you want
3. Select the product
4. Read and check the product details
5. Register / verification of the customers ID/ login  
In
6. Select the address
7. Confirm your order and choose for payment method

## Physical Evidence

Physical evidence is the element of marketing mix strategy where the customers mainly experience their goods directly while using services. It contributes towards the perceived quality properly. Daraz always shows its products with the clear images and provides the proper representation about the product.

## Growth Strategy

Ambitious and aggressive are needed. Reengineering is an occasion to additional their lead over the contenders. For better improvement in business, we must need a business strategy. It helps business to improve their competitive status and determines the performance of business. For maintaining the business in developing industries, growth is important. Growth refers to both quantitative and qualitative development in businesses. The process in which sales revenue, current output, product range increases with the rise in the number of employees, capital sum and investment are known as quantitative growth. Qualitative growth means developing the business quality according to the needs and business element ( Manandhar, et al., 2017.)

#### 4 RESULT ANALYSIS

The study arranged for the research was first tried among the organization representative and associate to see if the inquiry was dependable to thesis research and reasonable. The study was conveyed to 50 customers of Daraz of which 32 customers participated in the survey. This study may not actually have the option to discover all the details or issues faced by shoppers in changed areas of the nation. Meeting with the expert (individuals who are associated with the e-commerce field) have added other extra data about other inside challenges looked by e-commerce organizations. The most recent data might be inadequate. The utilization of the most recent information might have made the date relevant.

What is your age?

32 responses

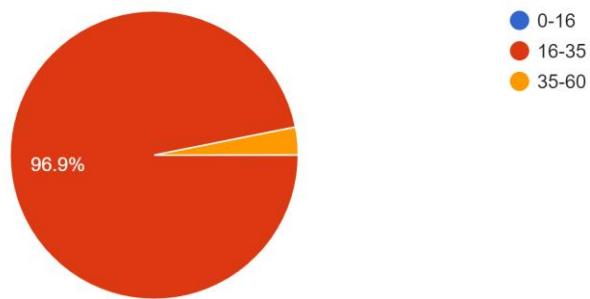


Figure 7. Analysis between different age group

Gender

32 responses

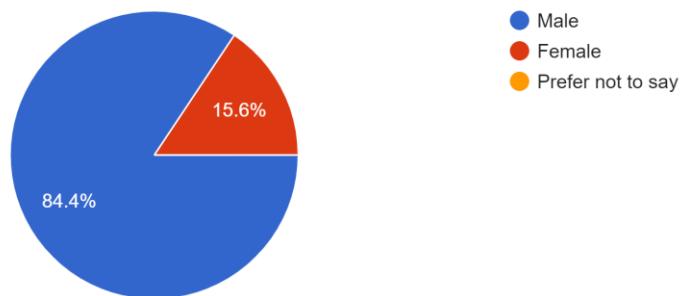


Figure 8. Analysis between different gender

The data that we obtained from the online survey are explained here. During the analysis age group and gender, there are 85% of male respondent and 15% were female respondent. Looking count of age group, most of the people (97%) were from the age group between the age 16-35 years old and least number of people (3%) were above the age of 35-60. No respondent was there between the 0-16 age group. From the survey, the majority of people of age group 16-35 are more interested in online shopping portal site. So, the suggestion for the company could be focusing on the customers of the age group who are between this age group.

Have you ever purchased from Daraz online shopping?

32 responses

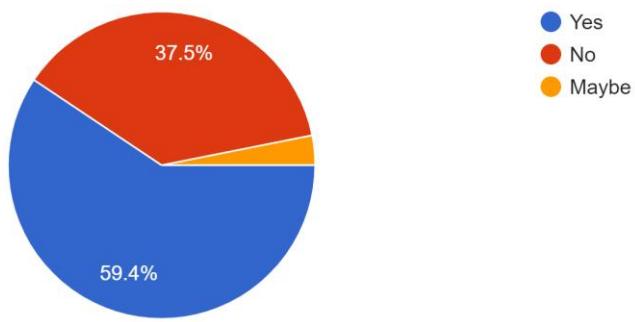


Figure 9. Analysis on purchase on Daraz Nepal

From the purchasing survey, 59% of the respondent said that they have purchased product from the online website of Daraz. Only 38% of respondent havenot purchase from the Daraz website. And least of them (3%) arenot sure about the purchase they did or not. From the above result, we can analyze that people who have accessed to the internet connection have bought at least once from ecommerce site. Thus, it can be assured that internet penetrations rate will rise the number of respondent and helps in the growth of sales. In contest of Nepal, internet penetration is necessary to get the e-commerce in good position. Network coverage will uplift the e-commerce of Daraz.

Do you like the product of Daraz?

31 responses

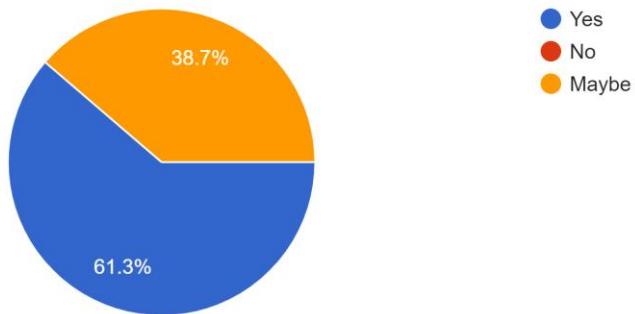


Figure 10. Analysis view on Daraz product

Analysis results obtain from the respondent, we got the result that 61% of respondent like the product of Daraz and the rest of 39% have issue regarding the quality of product. So, the suggestion for the company to focus on the quality of product to increase the customer.

Do you prefer cash on delivery or digital payment?

32 responses

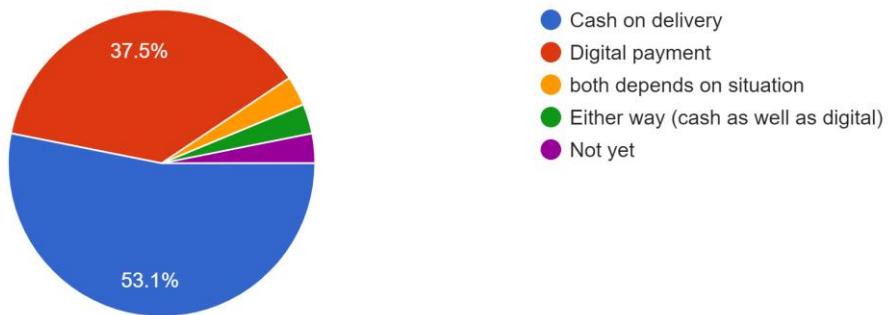


Figure 11. Analysis on payment method

From the above survey figure, 53% of the respondent prefer cash on delivery and 38% of the respondent prefer digital payment. Least of them (9%) prefers both depending on situation. So, company should focus more on cash on delivery method and need to improve and create the secure payment platform for digital platform.

Are you satisfied with the service of Daraz?

32 responses

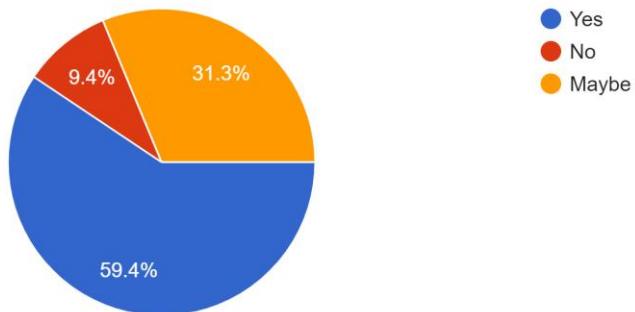


Figure 12. Satisfaction with services

Here, 59% of customer are satisfied with service of Daraz and 31% of them are partially satisfied with services. Least of the respondent (10%) are not satisfied. Suggestion would be improving the customer service which includes quality, time of delivery and easy access to use websites.

Will you suggest others to purchase online?

32 responses

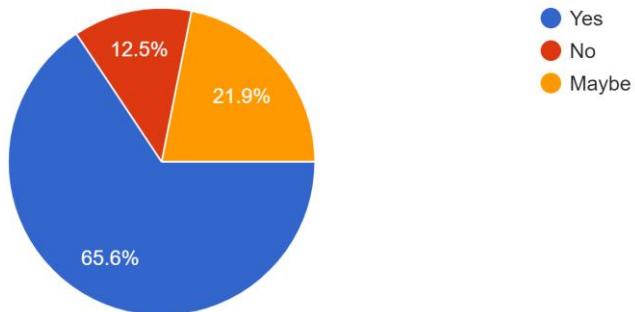


Figure 13. Suggestion for other to purchase online

Taking from the customers satisfaction view, question was asked to the respondent of suggesting other to purchase online. We can analyze from the survey that majority of people (65.5%) like to suggest other to purchase from Daraz. It makes clear that most of the customers are satisfied with the service they are getting and prefer to suggest others to buy from online. 34.5% of the customers are not satisfied with the service and the product that they are getting from the ecommerce sites of Daraz.

So, if Daraz want to rise its customers base then it needs to analyze those customers who belong to 34.5% and need to startup new policy to satisfy them by increasing the quality and need of customers.

What are the items you generally buy online?

31 responses

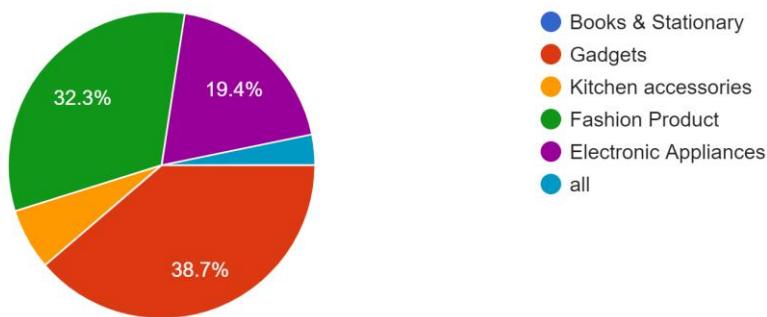


Figure 14. Varieties of item

Most of them (39%) prefer to buy gadgets and following in descending order 32% buy fashion product, 19.5% buy electronic appliances, 6.5% buy kitchen accessories and finally 3% of customers generally prefer all product. So, to increase the ecommerce of Daraz, to attract more customers and increase its revenue, the company should focus on the majority of product which they prefer more. from the survey we can say that the company should focus on 3 varieties of product which is gadgets, kitchen accessories and electronic appliances more.

Online sites used for online purchasing?

31 responses

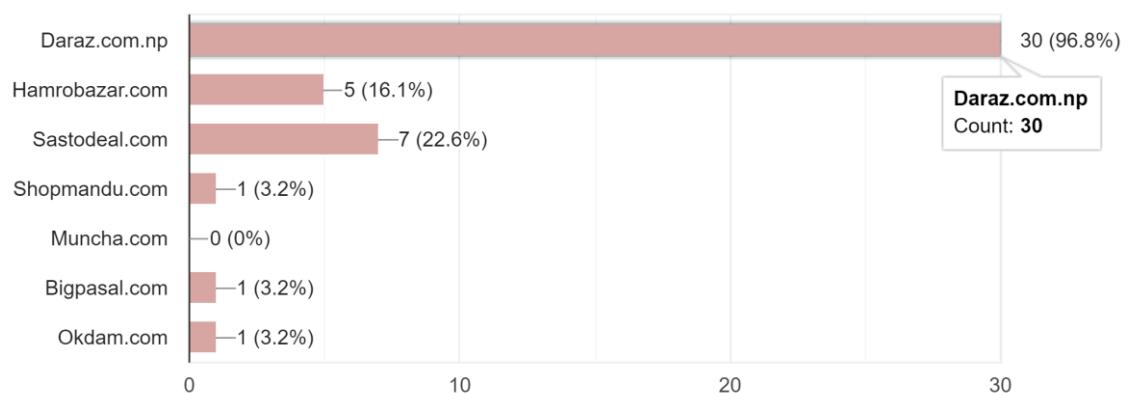


Figure 15. Online site used for E-commerce

Most of them (97%) choose to buy the product from Daraz Nepal. Followed by Sastodeal and Hamrobazar, Shopmandu and Bigpasal (3%) in each. It can be seen from the collected data that Daraz is already the market leader in ecommerce sector of Nepal. So, to improve and deal with the 100% of customers, company should provide better services and facilities as compared to Sastodeal and Hamrobazar which will help to compete with them and can maintain its position as the leader.

Advantages of buying in Daraz.com.np

32 responses

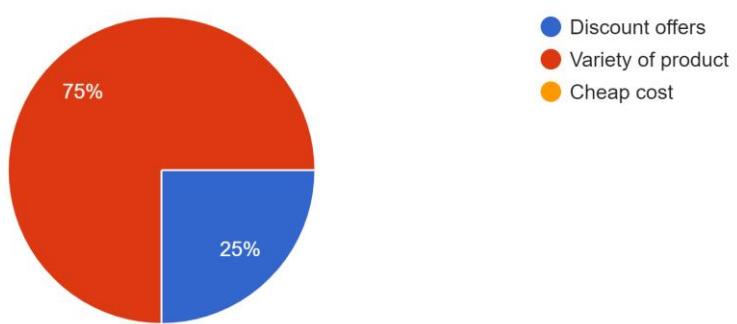


Figure 16. Advantage of buying in Daraz

When respondent was asked about the company advantages that they find while buying online. Most of them (75%) stated that variety of product are the one of the major benefits that they got while buying online. After variety of product, getting discount offers (25%) are other merits of online shopping. From the above data collected, we can estimate that many customers think getting variety of product and discount offers are the major advantage of purchasing online from Daraz. So, if Daraz want to maintain its position on the market then the company need to provide variety of products with discount amount if possible.

What are the things that Daraz needs to improve?

32 responses

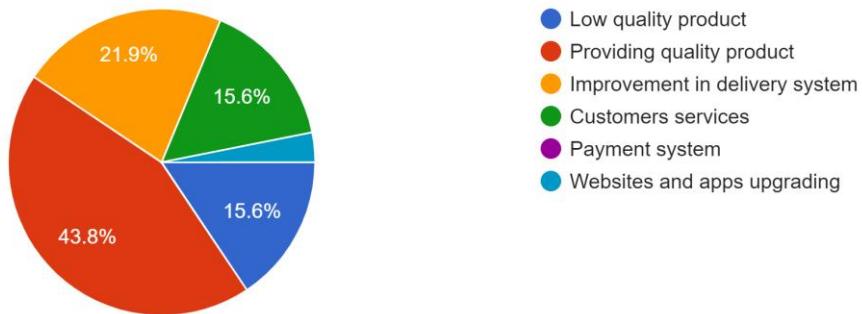


Figure 17. Improvement that Daraz need

When we asked about the improvement that the company need in Daraz. Most of them (43%) stated that Daraz should focus on quality of the products. After this, customers (22%) are concerned about the improvement in delivery system. Following to the improvement, 15.5% customers stated that company should focus on customers service and low-quality product. 4% of customers stated that the company need to improve the websites and upgrade it on time. 0% of customers stated that they don't have any issues in the payment system. So Daraz have so many sections that they need to improve to be the market leader of Nepal. The company need to focus on adding high brand value products rather than the duplicate product. Also, they need to focus on better delivery system, customer service and online chat service.

Looking forward to the overall data from the survey made, we can examine following procedures that most company should follow to continue the growth to become the leader in the ecommerce market of Nepal. Some of the major steps that they should follows are:

- Age group between 16-35 should be consider mainly whenever adding the product.
- Gadgets, fashion product, and electronic appliances are the product that company should focus.
- Need to make the good policy to compete their competitors
- Need to improve in the delivery system

- e. Continuing the discounts offers on the product
- f. Integrate with the different payment method.
- g. International branded products could attract customers who are used to premium goods.
- h. Since, Daraz is an open platform for different sellers. Providing the quality service and quality product can be other challenges that the company should focus.
- i. Daraz also should focus on the problem of network coverage inside and outside the capital.
- j. Plus, customers education is also one of the factors. Since e-commers is still a new topic for the most of Nepali customers. By providing different education through different channel like Facebook, Youtube, Television also add the value to increase the business.

## 5 FINDINGS AND CONCLUSIONS

In this chapter, the authors described the major outcomes of the research done. This includes final recommendation aiming to improve the various challenges that Daraz are facing and problem that Daraz are getting during their growth. The recommendation and final analysis are mainly based on the result obtained from the theoretical framework and empirical research. Clients in developing nations are adjusting purchase from the nearby shops and stores. Daraz to proceed with its development rate needs to draw in those clients to internet shopping conduct. In this way, changing client conduct to internet shopping could be trying for Daraz. As the clients are being modernized, paying conduct of client is evolving. The modernized clients today are more open to credit only exchange as opposed to available money. In this way, drawing in those clients who are available to credit only exchange could be another difficult factor for the organization. As Nepal is a non-industrial nation, there are still an absence of street admittance to all aspects of the nation. Regardless of whether they have the access of transportation, the framework be situated all around cities were created and is costly. Thus, transportation is one of the most testing factors for the organization.

Although, online shopping rate are rising in Nepal, just 50% of individuals approach web association. As, web are spine for the online business, low web infiltration rate makes it try for the development of Daraz. As there are piles of online business organizations in Nepal, each organization needs to endure and lead the market. Because of the presence of number of organizations, there are more rivalry on the lookout. Thus, to be the pioneer on the lookout and hold clients has become a major trial for the organization. As expressed before, Nepal is a non-industrial nation, and the GDP and PCI of the nation is nearly low. As financial state of the individuals of Nepal is poor, a large portion of individuals are worried about satisfying their essential need as opposed to spending in internet shopping. In this way, financial state of the nation is another factor behind the test for the development of Daraz. Training framework in Nepal is not very much evolved, thus, the greater part of individuals here are untalented or semi-gifted. As, because of the absence of labor, the organization could not stand to adjusting additional help without any problem. Along these lines, absence of labor could be another difficult factor for the development of Daraz.

It can be concluded that Daraz need to focus age group between 16-35 years mainly whenever adding the product and while promoting. Daraz should focus on Gadgets, fashion product, and electronic appliances more. They should introduce good policy to compete their competitors and need to put more effort to improve time of delivery. They need to Integrate secure digital payment to all their client. International branded products could attract more customers who are used to premium goods. Since Daraz is an open platform for different sellers. Providing the quality service and quality product can be other challenges that the company should focus. Daraz already have the strong logistics network but still they are out of many possible locations. Coverage can be one of the major components to increase the business. Next thing still major part of sellers are out of Daraz platform, acquiring them can be the next factor. In addition to this, customers education could be another major factor. Since e-commers could be still a new topic for the most of Nepali customers. So, by providing different education through different channel like Facebook, YouTube, Television also add the value to increase the business.

This report also analysis its issues, for example, the inadequate overall set of laws, absence of enough organization foundations, the level of internet business well-being is still low, the web assets can't be taken sane utilization of, its site can't be coordinated viably. Relating measures ought to be taken to assist Daraz with advancing its web-based business mode and additional benefits later. For Daraz, they should make more commitment to expand its advocacy in the online business industry, upgrade data administration and make itself a decent data middle person, pay incredible regard for the web security issues, the executives and activity mode change ought to be zero in on.

Daraz Nepal is one of the largest e-commerce platforms in Nepal. It has made its status as online leader market in Nepal. E-commerce is still a new topic for a most Nepali customer. It is still in juvenile stage. Daraz entered in Nepali market in 2014. In this very few times, it has cemented its place as one if the leading e-commerce site of Nepal. Daraz have created different opportunities for new graduates. Daraz believes that the customer satisfaction is the key for the success of e-commerce in Nepal. Daraz has been consistently working on establishment of well e-commerce site. It also offers frequents promotional offers or events like 11:11, Black Friday sale, etc. Although, Daraz have biggest e-commerce market in Nepal but it is still

lagging to capture the market that the e-commerce site should have. Daraz leans towards advanced promoting over offline marketing. Quality items limited and very much prepared merchants and tremendous venture from Alibaba with great plans and limited time offers are the selling purpose of Daraz. It can maybe a pioneer in reforming the web-based business market in Nepal.

## 6 SUMMARY

This report has analyzed the theoretical and practical survey-based data of Daraz Nepal. However, with the reduced gap between e-commerce corporations, the competitive advantage of Daraz Nepal will be lowered. For the ecommerce platform in case of Nepal marketplace, opportunities and challenges exist at the same time. So, to obtain the result, author use SWOT analysis, PEST mode and Potor's five force to analysis the marketplace for success in Nepal. Mainly data were collected from the secondary sources also. In context of primary source, a small survey was taken to 32 people. The research date is more accurate, the interview was taken with the spokesperson of company regarding the company status. In addition, most of the content in this research is obtained from secondary source. Further, to get more insight information about the company, interview was taken with the spokesperson the company.

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## APPENDICES

Final questionnaire:

1. Can you please explain what an online marketplace is as well as Daraz's business model?
2. What are the registration processes for an e-commerce business in Nepal?
3. What are the legal obligations Daraz must follow to operate its business in Nepal?
4. How has the Consumer Protection Act affected the business of Daraz?
5. There are still some buyers who are reluctant to shop online. What are the strategies Daraz is adopting to acquire those customers and retain them?
6. What is the company doing differently to contribute towards the growth of e-commerce in Nepal?

## Survey question

# Growth on online shopping in Daraz Nepal

This questionnaire only used for the study and survey purpose of Daraz Nepal. this survey is done to identify the problems and to give the suggestion.

### 1. What is your age?

*Mark only one oval.*

- 0-16
  - 16-35
  - 35-60
  - Other:
- 

### 2. Gender

*Mark only one oval.*

- Male
- Female
- Prefer not to say

### 3. Have you ever purchased from Daraz online shopping?

*Mark only one oval.*

- Yes
- No
- Maybe

### 4. Do you like the product of Daraz?

*Mark only one oval.*

Yes

No

Maybe

5. What is the advantage of buying online in Daraz?

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6. What is the disadvantage of buying online in Daraz?

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7. Do you prefer cash on delivery or digital payment?

*Mark only one oval.*

Cash on delivery

Digital payment

Other:

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8. Are you satisfied with the service of Daraz?

*Mark only one oval.*

Yes

No

Maybe

9. Will you suggest others to purchase online?

*Mark only one oval.*

Yes

No

Maybe

10. What are the items you generally buy online?

*Mark only one oval.*

Books & Stationary

Gadgets

Kitchen accessories

Fashion Product Elec-

tronic Appliances Other:

---

11. Online sites used for online purchasing?

*Check all that apply.*

[Daraz.com.np](http://Daraz.com.np)

Hamrobazar.com

Sastodeal.com

Shopmandu.com

Muncha.com

Bigpasal.com

Other:  \_\_\_\_\_

12. Advantages of buying in [Daraz.com.np](http://Daraz.com.np)

*Mark only one oval.*

Discount offers

Variety of product

Cheap cost

13. What are the things that Daraz needs to improve?

*Mark only one oval.*

- Low quality product
  - Providing quality product
  - Improvement in delivery system
  - Customers services
  - Payment system
  - Websites and apps upgrading
-