

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
Closed	Closed	\$1,725.30 (per ounce)	\$20.41 (per barrel)	▲ 1.33%	▲ 2.71%	▲ 1.24%	▲ 0.25%	BUY TK 83.95	89.84	103.19	11.71
				31,743.08	19,783.22	2,549.40	2,815.49	SELL TK 84.95	93.64	106.99	12.31



# Star BUSINESS

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## TAMING CORONAVIRUS RAMPAGE

A pandemic forcing everyone to stay home could be the perfect moment for online grocery services. In practice, they have been struggling to keep up with mounting orders, highlighting their limited ability to respond to an unprecedented onslaught of demand. By Muhammad Zahidul Islam.

# Online grocers fail to seize the day during biggest opening yet

With high hopes, on March 19, Washiqur Rahman, a resident of Sobhanbag, had placed an order with Chaldal, the country's leading online grocery store. Three weeks in, he had failed to secure the delivery despite several back-and-forth with the company.

At last, Chaldal refunded Rahman after cancelling the order without informing him. He was requested to place the order again. Then again after a week, the order was cancelled.

"And the last time they did not inform me about the cancellation," said an annoyed Rahman, founder of a health and wellness-related video platform shastho.TV.

This is now the normal scenario for every ecommerce company in Bangladesh, which have been inundated with orders after the highly contagious and lethal coronavirus arrived on these shores.

Millions are sheltering at home at the urging of public officials, limiting their trips outside, including to supermarkets and pharmacies.

Online groceries, with their one-click ordering and "contactless" drop-offs, were supposed to be the ultimate pandemic convenience.

It promised to keep people at home and out of crowded stores, facilitating the social distancing needed to slow the spread of the novel coronavirus.

Services like Chaldal were pitched as literal lifelines that could ferry food and other necessities to millions of homebound Bangladeshis.

That has led to skyrocketing demand for home deliveries, which made up an infinitesimal share of overall grocery sales before the pandemic.

And the system is now cracking under the weight of surging demand, and an incommensurate supply of workers and groceries for a disrupted distribution system and the shortage of delivery persons, industry insiders say.

Like online groceries, virtual medicine platforms have also been getting huge response in recent times and are receiving six to seven times higher orders than the normal times as people are maintaining social distancing and avoiding large gatherings because of the pandemic.

On the other hand, 80 per cent orders from the overall e-commerce industry vanished in the last one month because of the pandemic, said Abdul Wahed Tomal, general secretary of the e-Commerce Association of Bangladesh (e-CAB).

Omer Sharif Ibney Hai, head of growth at Chaldal, said the platform is full of orders.

"We need time to deliver products because of our limited capacity and people are also ordering huge bundles of products creating problems for the deliverymen."

Currently, a single order involves Tk 3,750 on an average, which is way higher than Tk 1,300 earlier, he said.

Chaldal, however, informs shoppers when they place orders when the delivery would be made.

"We even tell them that it could be delivered after seven days. At the same time, we have imposed limits on order placement per day."

The company is attending about 5,000 orders per day and hired 300 employees after the COVID-19 pressure mounted.

"We have taken preparation in advance. Stocks are there and the backward linkage is okay, but the main challenge is delivery at the moment."

Given the mounting demand, Chaldal has scrapped its plans to expand to two more cities this year.

Instead, it has decided to set up more warehouses, both permanent and makeshift, in Dhaka because of the growing demand, Hai added.

Currently, there are only 15,000 orders in the market per day combining grocery, daily essentials and food delivery, down from about 100,000 just two months ago, market source said.

"Most of the online platforms almost have no orders if they don't sell grocery or essentials," Tomal said.

The Tk 8,000-crore market is feeling a real challenge to survive, he said.

"Now, people are searching for grocery and other essential products and we are trying to help our companies that didn't sell the items earlier to turn to these products," he said.

Tomal is also observing a positive thing within the challenging situation that people who were not interested to buy things online in the past are also trying to make orders using digital platforms.

"When the situation returns to normalcy, this will be an asset for the industry as these people will be habituated to shop through online by then."

After the government declared general shutdowns on March 26, the e-commerce industry's orders nosedived mostly because of law enforcers' restrictions on deliverymen's movement as part of the broader countrywide movement control order.

Subsequently, the association has managed to convince the government about the importance of online shopping. But in the

Delivery has dropped by 90 per cent for the country's top delivery company Paperfly, which used to cater 10,000 orders a day before the coronavirus pandemic.

"As we don't sell grocery items, the number has gone down. Besides, we have a very strong position outside of Dhaka, but we can't move there," said Rahath Ahmed, director and chief marketing officer of Paperfly.

Targeting the grocery segment, the platform is trying to roll out a new service named "Express Paperfly" to cater to the entire Dhaka city on the day an order is placed.

"We have already talked to some grocery brands and hope to introduce the service within a short time," Ahmed said.

E-courier, an online product delivery company, has launched its service as both

time," he added.

Meanwhile, three start-ups have teamed up and taken a new project to set up a temporary grocery shop in the basement of various apartments and will run the stores without any grocer.

Hellotask, a homemaker supplier, along with two other partners has taken the initiative where they are turning apartments' basements into groceries and only dwellers of the apartments will be the buyers.

"People will get all of their necessary grocery items here and there will not be any shopkeeper," said Mahmudul Hasan Likhon, founder and CEO of Hellotask.

It piloted the idea in an apartment in Mohammadpur and is going to set up basement shops in different apartments in the city.

Zaman, chairman of the platform.

"We are taking orders through our app and directly through phone calls. To get the delivery on Friday or Sunday, buyers have to place orders by Wednesday," said Zaman, also the managing director of the country's leading software company, DataSoft.

Bikroy.com, the largest online marketplace in Bangladesh, introduced a new category named "Essentials" to meet the daily needs of people.

Sellers owning stores with items of daily necessities can set up their online shop free of cost.

With this, Bikroy has come to the rescue of more than 150 stores and more than 4,000 advertisements of essentials have so far given.

It will allow buyers to order from the supermarkets of their neighbourhood and get their products delivered at home.

This will help both the businesses and the overall economy, Eshita Sharmin, co-managing director of Bikroy.com.

"As a classified site, we are enabling sellers from all corners of Bangladesh to open their online shop of daily essentials."

**FOOD DELIVERY PLATFORMS JOIN HANDS**  
Food delivery platforms have a huge channel and expertise and the market leaders of the segment joined hands.

All the popular food delivery companies like -- Foodpanda, Uber Eats and Pathao -- are continuing their food delivery service and are supplying grocery, essentials and medicines side by side.

"Food delivery is our core business. However, we have rapidly expanded to delivering groceries and medicine due to the need of the customers," said Ambareen Reza, co-founder and managing director of Foodpanda Bangladesh.

"We are doing our part to ensure that the community can comfortably practise social distancing and we can take care of the necessities and deliver whatever they need right now," said Reza.

Foodpanda is planning to introduce home chefs and has already started delivering medicine.

Uber has announced its partnership with grocery chains and small independent businesses in Dhaka two weeks ago to deliver essentials to the customers' doorsteps.

"Our partnership with the grocery chains and small independent businesses to deliver essential items is aimed at keeping the supply chain moving," said Misha Ali, Uber Eats lead in Bangladesh.

Pathao is planning to launch an e-commerce platform, Pathao Shop, on its app.

**F-COMMERCE: IT IS A MESS IS TAKING PLACE**

Bangladesh's online shopping is mostly dominated by Facebook-based entrepreneurs (F-commerce), catering about 80 per cent of the market in terms of value.

F-commerce is also dominated by women entrepreneurs, who had taken ample preparations ahead of Pahela Baishakh. But it all went in vain.

"We are also fearful about the upcoming Eid," said an entrepreneur, who mostly collects her products from India.

Like her, there are many e-commerce and F-commerce ventures who depend on products from China or India and their operations have now come to a thundering halt.

"They are now in big trouble. We are helping them by sharing the market knowledge, knowhow and contacts so that they can sell the local products people are looking at the moment," said Tomal of the e-CAB.

The coronavirus has brought a massive disaster for e-commerce, especially this segment of women entrepreneurs, said Nasima Akter Nisha, of Facebook-based entrepreneur group "Women and e-Commerce Forum".

"Some of us who mainly work in the food segment are trying to start delivering food but the fashion segment has got a massive hit," said Nisha, also the joint secretary of the e-CAB.

The government should allow all digital commerce companies to operate before Eid, said Nisha.

**E-CAB SEEKS TK 240 CRORE AID FROM GOVT**

As the coronavirus spread across the country and e-commerce almost halted, the industry lost Tk 666 crore directly. If this situation lasts, the damage will continue and might reach Tk 2,000 crore, according to the e-CAB, which ran a study based on the information from its 1,100 members.

"To tackle the challenges, we have asked the government to provide Tk 240 crore to the industry in aid and also allocate Tk 600 crore as loans," Tomal said.

Before the COVID-19 attack, 1.25 lakh people were employed in the industry and already a huge number of them have no job.

"In order to save the industry and jobs, the government needs to consider it seriously," he said.



meantime, deliverymen left the city. Jamil Sattar, a resident of Iqbal Road in Mohammadpur, shopped online all the necessary products just after the government reported the country's first coronavirus cases on March 8. But his stocks have almost run out now and he has started trawling the internet again for refill.

Sultana Zaman, a housewife, used to buy fish from a Facebook-based venture. The venture closed after the holiday but it has come back and is live again after the government relaxed the movement for delivery persons.

"As long as our channels are open, I have no problem," Zaman said.

Online grocers say the main disruption relates to forward linkage and Bangladesh can follow the example of India, which last week withdrew the bar on the operations of non-essential e-commerce.

Zeeshan Kingshuk Huq, co-founder and chief executive officer of Zero Gravity, runs sindabad.com, an e-commerce platform, which serves business-to-business segment.

For them, the order grew several times, but 40 per cent of its deliverymen have left the city. Delivery times have also been cut down. Usually, the company can deliver products 12 hours a day, from 9 am to 9 pm, but now people wake up late and the delivery schedule does not start before 10 am.

"And we have to complete by 4 pm as everything needs to be packed by 6 pm," Huq added.

Sindabad.com has arranged a makeshift dormitory in its warehouse in Uttara for the deliverymen and about 40 people are living there and the company is providing them food as well.

To mitigate the challenges, the e-CAB is trying to establish collaboration among small and medium entrepreneurs, so that one can use other's resources.

"There are challenges in forward linkage and we are trying to mitigate them on behalf of the association," Tomal added.

People are not interested to buy luxury products such as mobile gadgets and fashion items now. Rather, they want to purchase rice, oil, onion and cookies and online entrepreneurs need to avail them to deliver the products.

"Otherwise, the industry will not advance," he said.

shoppers and entrepreneurs have demand.

"Initially, we faced some challenges on the streets but those problems went away. Now, the main concern is the deliverymen's health and safety," said Biplob Ghosh Rahul, chief executive officer of e-courier.

In order to ensure the safety of the deliverymen, e-courier is providing them with personal protection equipment (PPE), masks, hand gloves and sanitisers and has also stopped receiving cash on delivery orders.

Pharmaceutical companies that have online presence and companies that collect samples for laboratory tests are also getting a lot of hits.

Pharmacy.com.bd is getting at least five times the number of regular hits, said Saiful Islam, the platform's head of sales.

**PANDEMIC BRINGS ABOUT INNOVATION**  
The disruption in the market has created new windows for innovation. E-courier has spotted the vacuum in online grocery and introduced the first BOT-based messenger shopping in the city. A BOT is a software application that runs automated tasks over the internet.

If someone clicks on the link, a messenger window will open and the BOT will help do the shopping, and people with no experience in online shopping can do it smoothly, Rahul said.

"We have developed this product mainly targeting the posh areas of the capital and for those who want to complete the weekly shopping through a few clicks."

The response is huge and the average ticket size is more than Tk 3,600.

E-courier introduced another new product named "missed call shopping", where if customers give a missed call to 09642500500, they will receive a return call to share their lists and address. The service is limited in the capital.

Sheba.xyz, the country's first and largest service marketplace, has huge network across the city and has introduced "Sheba Groceries", an area-based grocery supply that is delivering products through its representatives who were previously doing repairing service, plumbing, home cleaning or shifting.

It had been working to introduce the service for years and had actually planned to roll it out this year. But the pandemic precipitated the rollout, said Adnan Imtiaz Halim, CEO of Sheba.xyz.

"We are still running the trial but we are getting good number of orders. We plan to move to full-fledged service within a short



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