

Enlightening Youth Entrepreneurship with E-Commerce to Empower Young Generation in Bangladesh

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Abstract: This paper attempts to identify how the usage of e-commerce is helping youth entrepreneurs in Bangladesh to carry out and successfully develop business activities. The research focused on identifying how e-commerce has helped youth entrepreneurs in expanding their business and to create awareness among potential young generation about the challenges and opportunities to help bring social uplift for Bangladesh. The paper also represents that low amount of initial investment; good profit ratio, easy payment process and proper networking facility make entrepreneurship more attractive for youth entrepreneurs. The result shows that e-commerce as a medium is becoming popular tool among youth entrepreneurs and it allows them to successfully earn their livelihood and be self-employed.

Keywords: E-commerce, Enlighten, Empowerment, Youth Entrepreneurs, Bangladesh.

1. INTRODUCTION

E-commerce is known as economic activities those are conducted with the help of computer network. We are using e-commerce by getting facility of on-line food delivery services or buying products from facebook pages or using debit or credit cards or other ways. Now a day it has become an unavoidable part of our daily life. E-commerce has made our life easy. People can access different kind of products and services from different part of world in a very easy process.

Youth population in Bangladesh is presently 50 million -a predictable 32.7% of the total population of which 80% lives in rural areas. Only 15 million are at present employed, 23 million are partially or under-employed and the rest 12 million are fully unemployed. In 2020 the youth population is expected to reach upwards of 60 million. One of the key national targets under Bangladesh's Vision 2021 is to reduce youth unemployment rate by 15%. 'Youth employment generation with a focus on youth enterprise is a must to make the country a middle income one by 2021'. [1]

According to Digital in Bangladesh 2018, the total population in Bangladesh is 165.5 million; within them 81.7 million people actively use internet and 30.5 millions are active social media users.137.2 millions. In this developing country 28 million active users use social media at mobile phones. [2]

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As e-commerce is able to go beyond boundaries, the acceptance level of e-commerce within the businessman and entrepreneurs are growing rapidly. Especially the young entrepreneurs are able to do business through e-commerce at a lower cost. They identified the value of e-commerce and getting self-

employed by choosing e-commerce as a primary sector for expanding their business. Now there are a number of predominated on-line e-commerce site that satisfy the on-line shopping needs of the people. Daraz Bangladesh, amikinee.com, Ajkerdeal.com, Pickaboo, nrbbazaar.com, Rokomari.com, Bikroy.com are some of the well-known name acting successfully in e-commerce sector. [3]

More than 7000 e-commerce websites are selling their product on their Facebook page or in their own website. Out of 165 million people of Bangladesh near about 14.5% are using internet daily [4]. According to news of ProthomAlo 2 million users are used in online shopping every year.

In modern days e-commerce is developing as powerful tool for youth empowerment. It will bring new information resources and can open new communication channels for young entrepreneurs of marginalized community. Empowering young generation through e-commerce need high-level of training, analysis, planning, designing, implementation and monitoring assessment and to paying attention to the effect on their live and their conditions.

According to a study conducted by Kaymu.com.bd, more than 80% of e-Commerce traffic in Bangladesh comes from three major regions. Dhaka leads the chart with 35% of total traffic, closely followed by Chittagong at 29%, and Gazipur with 15% of total e-commerce activity each year and most actively involved e-Commerce users in Bangladesh are between 25 and 34 years. [5]

Government plays significant role in creating a favorable policy environment because they take central role in the progress and use of e commerce among young entrepreneur and become a leading-edge user of e commerce and its application for empowering young generation. For the development of e-commerce sector, the government has to include e-commerce in school curriculum first so children grow up learning about it. In the meantime, Bangladesh Bank should formulate policies to ease the loan process for young entrepreneurs, who conduct business through e-commerce.

In recent years, several established business houses have opened up online portals while others are starting a new as exclusively online businesses for its relatively less capital intensive nature. These trends are not limited only to Dhaka, but semi-urban and rural areas as well. The Governments of Bangladesh takes initiative to provide a solid Internet backbone; inspiring a well-grounded telecommunication sector, connecting all government offices, and opening up IT Parks are all leading indicators that point to the e-commerce sector's growth potential. [6]

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2. OBJECTIVE OF THE STUDY

The main objectives of the study are:

- To determine the contribution of e-commerce in the development of youth entrepreneurship.
- To highlight the opportunities e-commerce is providing to youth entrepreneurs.

3. LITERATURE REVIEW

The youth entrepreneurs in E-commerce sector have emerged as a new class in the urban areas of Bangladesh. Though some studies were conducted on e-commerce and youth entrepreneurship development in Bangladesh, but no significant research study was done on the performance of young entrepreneurs in e-commerce sector in Bangladesh. The literature review on e-commerce and Youth entrepreneurship is given below:

3.1 E-commerce

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

Michael revealed that e-commerce positively affects overall firm’s performance and internal process. Asghar and Stephen found that e-commerce influenced the brand and corporate image of company where security and privacy are considered the main barriers of e-commerce adoption.

Electronic Commerce or e-commerce entails such an industry where products and services are bought and sold over electronic systems. This is promptly developing sectors in Bangladesh which influence local and international trade. Government of Bangladesh has also introduced quite a good number of measures for the growth of e-commerce.

E-commerce adoption in developing countries faces challenges different from those in developed countries. In developing countries like Bangladesh young generations are frequently facing unfavorable working and business environments and their involvement in economic activities is limited by a lack of access to essential resources, e-commerce can be an effective platform for starting their own

businesses. Various opportunities are waiting for them to contribute to family incomes and spending on household requirements is greater than ever.

3.2 Youth Entrepreneurship

“Youth has a natural disposition for innovation and change on which we can capitalize, as long as we are clear that successfully launching a new enterprise - however small - is a process of innovation.” - Carlos Borgomeo

Youth Business International (2009) recommends that business, governments and other stakeholders in society highly perceive that supporting young entrepreneurs would result in reducing youth unemployment and encouraging growth in the economy.

The concept of Youth entrepreneurship has received more importance in modern days in Bangladesh as a mode of enhancing employment opportunities, advancing economic competitiveness and stimulating regional development. According to Dash and Kaur (2012) there are two main elements that draw attention of young entrepreneurship in developing countries like Bangladesh. The first is the growing number of unemployed young people compared to the rest of the population; the second is the need for greater competitiveness and the associated pressures for skills development and entrepreneurship as a way of addressing the pressure of globalization and liberalization. [7]

Francis Chigunta defines youth entrepreneurship as the practical application of entrepreneurial qualities, such as initiative, innovation, creativity and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture [8].

He also identified three things in the definition of youth entrepreneurship- (i) young individuals will develop and make full use of their own abilities, alone or in groups, (ii) they will define their own problems, identify solutions and find resources to realize their vision; and (iii) they will realize their own potential and vision, growing in confidence and take active roles in their own communities. [9]

Youth entrepreneurship involves the development of entrepreneurial attitudes, skills and opportunities for young people, from middle school through young adulthood. ‘Youth entrepreneurship’ is defined as “practical application of enterprising qualities, such as initiative, innovation, creativity, and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture” (Schnurr and Newing, 1997).

Prabhu, Henton, Melville & Walesh identify personal motivations and causes of youth entrepreneurship are the need to be true to one’s values and beliefs, to be socially responsible, to contribute in the health of local economy. Hong,

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Yaobin Lu , Ping Gao , Zhenxiang Chen in their paper focuses on the social shopping community (SSC), an emerging e-commerce business model of youth entrepreneurship that creates revenues through facilitating online purchase.[10]

Md. Abu Issa Gazi, Sweety Sultana, Md. Shahabur Rahman aims at presenting constraints affecting the youth entrepreneurs and pledge proliferation proponents for their development and the major reason to start own business at younger age and problem-solving the principal hindrances they faced in doing the business. [11]

Mohammed S. Chowdhury in "Overcoming entrepreneurship development constraints: the case of Bangladesh" represents to investigate the constraints that entrepreneurs face in small and medium enterprises (SMEs) in Bangladesh and suggests measures to remove the constraints to entrepreneurship development. The findings indicated that to the extent that the political stability and rule of laws were enforced, infrastructure facilities were improved, and corruptions were rooted out, education and training were imparted, and financial help was provided, new and energetic entrepreneurs, for the development of SMEs, would emerge in the country. [12]

4. METHODOLOGY

The study is based on primary data collected by the author from youth entrepreneurs, majority of whom are university students. There are 85 respondents who successfully filled up the questionnaire. The entire analysis has been made on the basis of those responses. Statistical tools are used to analyze the data.

5. DATA ANALYSIS & FINDINGS

The sample size of our survey is 85. Their profiles with different dimensions are presented below:

Statistics		
N	Valid	85
	Missing	0

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	39	45.9	45.9	45.9
	Female	46	54.1	54.1	100
	Total	85	100.0	100.0	

On the basis of gender, there are 54.1% of female and 45.9% male respondents. It seems that majority of the respondents are female.

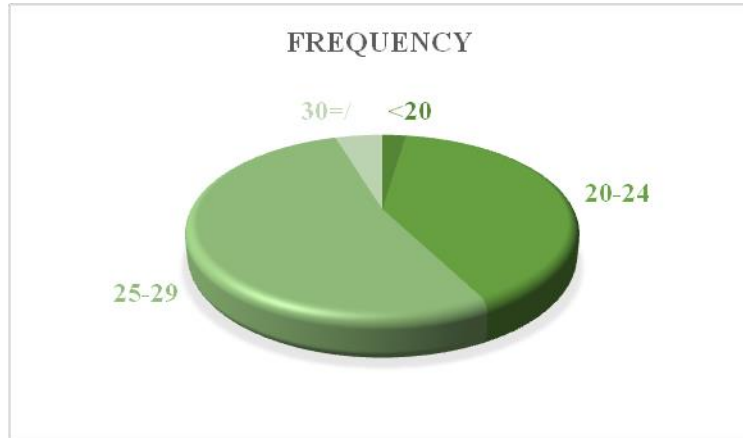
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The survey samples represent in table-1 that 2.4% of the respondents fall under the age category of below 20 are those respondents initially start their university life,, where 40% fall within 20-24 years, 52.9% are between 25-29 years and 4.7% were Equal to or above 30 years of age. The results reveal that majority of the respondents start business through e-commerce in the age within 25-29. As they got mature, they became aware about are the risks associated with the business.

Table-1

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<20	2	2.4	2.4	2.4
	20-24	34	40	40	42.4
	25-29	45	52.9	52.9	95.3
	30=/ Total	4	4.7	4.7	100.0
		85	100.0	100.0	

Chart: 1



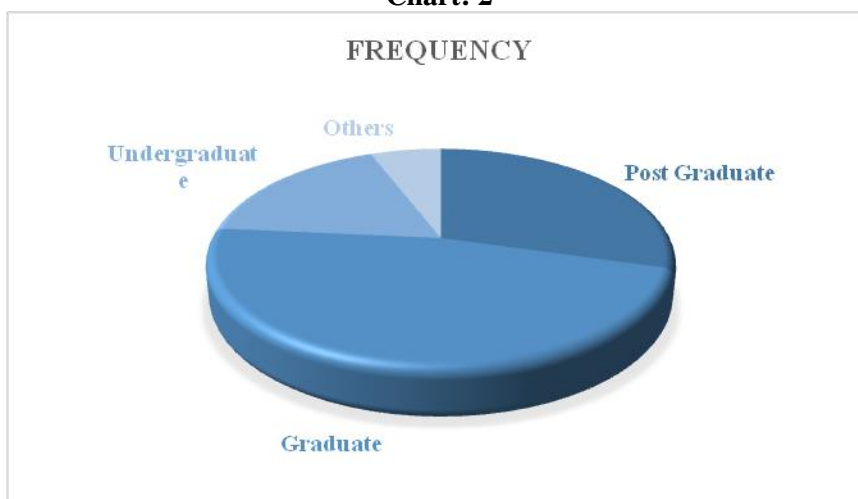
The educational analysis showed in table-2 represents that 17.6% of the respondents are undergraduate, 47.1% of them are graduate, and 29.4% of the are Post Graduate. The other 5.9% has different educational background.

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Table-2

Education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Post Graduate	25	29.4	29.4	29.4
	Graduate	40	47.1	47.1	76.5
	Undergraduate	15	17.6	17.6	94.1
	Others	5	5.9	5.9	100.0
	Total	85	100	100.0	

Chart: 2



From the table we can see that most of the respondents are highly educated. As 29.4% respondents are post graduate and 47.1% are graduates. On the other hand the amount of undergraduate is 17.6%. Only 5.9% are belongs to other category.

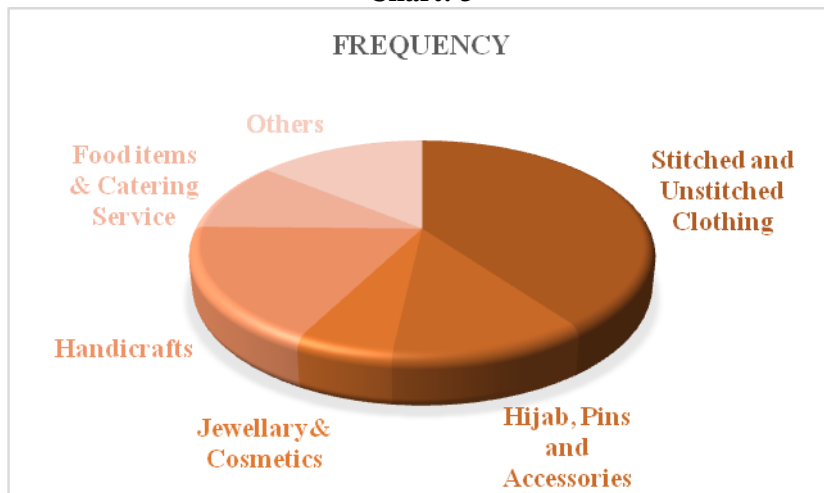
5.1 Product Variety

From the survey analysis it reveals that in table- 3, 40% of the entrepreneurs are selling Stitched and Unstitched clothes, like Pakistani lawns, Indian designer dresses and local 3-pieces- Like Batik, Block. Hand paint etc. 11.8% are selling Hijab and its accessories and 5.9% of the respondents are offering different branded Jewellery & Cosmetics. Handicraft products were offered by 17.6% and food items and catering services are offered by 10.6% of the respondents. 14.1% of entrepreneurs were offering different other products.

Table-3

Products					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Stitched and Unstitched Clothing	34	40	40	40
	Hijab, Pins and Accessories	10	11.8	11.8	51.8
	Jewellery & Cosmetics	5	5.9	5.9	57.7
	Handicrafts	15	17.6	17.6	75.3
	Food items & Catering Service	9	10.6	10.6	85.9
	Others	12	14.1	14.1	100.0
	Total	85	100	100	

Chart: 3



Empowering youth entrepreneurs with e-commerce:

A specific questionnaire has been made to understand why e-commerce is the best option for youth entrepreneurs to start a new business. The options are placed on the basis 1 to 5, where 1 means “Strongly Disagree” and 5 means “Strongly Agree”. 3 is considering “Neutral”.

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Table-4

Factors	N	Mean	Std. Deviation	Std. Error Mean
Starting business with e-commerce requires minimum initial investment.	85	3.929	1.213	0.132
It is easy to earn good profit through on-line business within the first year of start-up.	85	3.835	1.204	0.131
Doing business with e-commerce makes it easy to maintain good network with customers.	85	3.894	1.185	0.129
Running on-line business is less expensive than traditional one (with showroom).	85	3.2	1.478	0.160
Attending customers on-line saves time.	85	3.682	1.217	0.132
Entrepreneurs get good feedback from the on-line customers.	85	3.494	1.269	0.138
Customers have trust on the on-line business.	85	3.059	1.218	0.132

The questionnaire contains seven questions to identify how e-commerce can help to empower youth entrepreneurs in Bangladesh. The responses are represented by measuring mean, standard deviation and standard error.

5.2 Initial Investment

An initial investment is necessary to start-up a new business. But in case of youth entrepreneurs, it is very difficult for most of them to arrange a good amount of capital. E-commerce facilitates youth entrepreneurs in this area. Entrepreneurs can start their business simply by opening a page in the facebook and investing a very little amount of capital.

We can see that in table -5, 36.5% of the respondents are strongly agreed and 25.9% agreed that starting a new business with e-commerce requires a minimum initial investment. Whereas, 8.2% respondents are strongly disagreed with the statement.

Table-5

Starting business with e-commerce requires minimum initial investment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	35	41.2	41.2	41.2
	Agree	29	34.1	34.1	75.3
	Neutral	5	5.9	5.9	81.2
	Disagree	12	14.1	14.1	95.3
	Strongly Disagree	4	4.7	4.7	100.0
	Total	85	100	100.0	

5.3 Profit Ratio

In terms of profit table-6 shows that, 12.9% respondents strongly agree and 41.2% that doing business with e-commerce helps to earn good profit within one-year of the business start-up. 15.3% entrepreneurs strongly disagree the statement and they believe that earning good amount of profit within one year of business start-up is very difficult. Entrepreneurs also think that profit ratio varies with categories of product the entrepreneurs offer.

Table-6

Easy to earn good profit within the first year					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	36.5	36.5	36.5
	Agree	29	34.1	34.1	70.6
	Neutral	9	10.6	10.6	81.2
	Disagree	12	14.1	14.1	95.3
	Strongly Disagree	4	4.7	4.7	100.0
	Total	85	100	100.0	

5.4 Better networking facility

In modern days e-commerce makes it easier to maintain communication with the on-line customers. Entrepreneurs use face book, twitter, whats app, imo and viber as the main tool to communicate with their customers. 35.3% of the respondents strongly agree and 42.4% agree with the statement.

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Table-7

E-commerce makes it easy to maintain good network with customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	30	35.3	35.3	35.3
	Agree	36	42.4	42.4	77.7
	Neutral	4	4.7	4.7	82.4
	Disagree	10	11.8	11.8	94.2
	Strongly Disagree	5	5.8	5.8	100.0
	Total	85	100	100.0	

5.5 Running on-line business is less expensive

23.5% respondents strongly agreed and 29.4% agreed that running business through e-commerce is less expensive than traditional one, as there is no showroom cost, employee salary, utility expenses in on-line business.

Table-8

Running on-line business is less expensive than traditional one					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	20	23.5	23.5	23.5
	Agree	25	29.4	29.4	52.9
	Neutral	9	10.6	10.6	63.5
	Disagree	14	16.5	16.5	80
	Strongly Disagree	17	20	20	100.0
	Total	85	100	100.0	

5.6 Doing business through e-commerce saves time

The entrepreneurs believe that customers are now relying on the on-line shopping as traffic jam and under-constructed roads in the city make it very difficult for them to go for shopping. They prefer to shop on-line with the facility of home delivery.

On the other hand doing business through e-commerce saves time of entrepreneurs as dealing with individual customers is time consuming. In the survey, 29.4% strongly agree and 37.6% agree that traditional business is more time consuming than on-line.

Table-9

Doing business through e-commerce saves time					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	25	29.4	29.4	29.4
	Agree	32	37.6	37.6	67
	Neutral	8	9.4	9.4	76.4
	Disagree	16	18.8	18.8	95.2
	Strongly Disagree	4	4.8	4.8	100.0
	Total	85	100	100.0	

5.7 Customer Feedback

Customer feedback is an essential element to ensure success in the business. But getting good feedback from the on-line customer depends on- proper networking with customers, web page presentation, product type and collection of products. In the survey, only 23.5% strongly agree that they got good customer feedback. Whereas, 37.1% strongly disagree with the statement.

Table-10

Entrepreneurs get good feedback from the on-line customers.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	20	23.5	23.5	23.5
	Agree	33	38.8	38.8	62.3
	Neutral	7	8.2	8.2	70.5
	Disagree	19	22.4	22.4	92.9
	Strongly Disagree	6	7.1	7.1	100.0
	Total	85	100	100.0	

5.8 Customers have trust on on-line business

In a developing country like Bangladesh, people are suspicious about the product and its quality. Most of the shoppers try hard to inspect every product before buying them. For this reason the concept of on-line shopping can't get the desirable trustworthiness.

In the survey, 11.8% entrepreneurs strongly disagree and 24.7% disagree with the trust issue of on-line business.

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Table-11

Customers have trust on the on-line business.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	10.6	10.6	10.6
	Agree	28	32.9	32.9	43.5
	Neutral	17	20	20	63.5
	Disagree	21	24.7	24.7	88.2
	Strongly Disagree	10	11.8	11.8	100.0
	Total	85	100	100.0	

6. CONCLUSION

The youth entrepreneurs in Bangladesh are playing a significant role in the economic and social development and gradually getting self-employed day by day with the help of e-commerce. They have a major contribution in the economy to make Bangladesh as a developing nation. The major problem of this nation, unemployment is gradually diminishing day by day. Through bringing economic freedom they are ensuring rural development, eliminate urban differences and reduce poverty.

We should take proper steps to train and develop the potentiality, personality and skill of this valuable young generation as they can take more initiatives of entrepreneurship with e-commerce. Attention should be given towards their leadership, entrepreneurial skill development activities as they can think positively and do positively for their society and the country.

7. RECOMMENDATION

1. As mentioned earlier that arranging initial capital to start a new business is quite difficult for students or youth entrepreneurs. In this case, different financing institutions, banks or even government can come forward to help them by providing small amount of personal loans.
2. If youth entrepreneurs can generate proper network it will become very easy to earn a good profit within one year of the business startup. More concentration on building network, provide regular posts on face book page, upload attractive videos of products would be helpful to stimulate their goodwill.
3. Youth entrepreneurs can easily start their business by opening a face book page. But most of the customers demand showroom to have a closer look of the products. In this case e-commerce will help to develop customer knowledge and as a source of attraction.

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4. Providing proper information to the customers, timely delivery, and maintaining loyalty are crucial to get customer trust.
5. Different universities can arrange career counseling service to guide the youth entrepreneurs and create proper networking.

APPENDIX

Questionnaire

This Questionnaire has been prepared for the research on the effectiveness of E-commerce to enhance Youth Entrepreneurship in Bangladesh. Please provide your valuable response and help in our survey.

- a. **Name:**
- b. **Age Scale:**
 - (i) Below 20
 - (ii) 20-24
 - (iii) 25-29
 - (iv) Above 30
- c. **Gender:**
 - (i) Male
 - (ii) Female
- d. **Educational Qualification:**
 - (i) Post Graduate
 - (ii) Graduate
 - (iii) Undergraduate
 - (iv) Others

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- e. **Position (if any):**
- f. **Organization's Name:**
- g. **Address of Face book Page:**
- h. **Name of Product(s):**

Please select the relevant columns showing the scales from “**Strongly disagree**” to “**Strongly agree**”:

Sl. No.	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1.	Starting business with e-commerce requires minimum initial investment.					
2.	It is easy to earn good profit through on-line business within the first year of start-up.					
3.	Doing business with e-commerce makes it easy to maintain good network with customers.					

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4.	Running on-line business is relatively less expensive than traditional one (with showroom).					
5.	Attending customers on-line saves time.					
6.	Entrepreneurs get good feedback from the on-line customers.					
7.	Customers have trust on the on-line business.					

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