

Project Report

On

## **Evaly Business Model Inspection**

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## **Letter of Submission**

Date: 29 December, 2020

To

Mrittika Shil

Lecturer, Department of Innovation & Entrepreneurship

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Project Report 03 on Evaly business model inspection.

Dear Sir,

With due respect, I would submit my project report 03 on Evaly business model inspection. I have collected as much information as possible from the internet, searching and interviewing with few startups. I believe that this research report will enrich both my knowledge and experience and grab future opportunities. If you have further queries regarding this report, please let us know. Thank you.

Regards,

Md Nahidul Islam

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### **Declaration of Student**

I am Md Nahidul Islam, ID: 172-45-158, 8th batch, Department of Innovation & Entrepreneurship, hereby declare that the presented project report 03 on Evaly business model inspection: we prepare the testimony of startups after completing my one month research regarding this field.

My original work is submitted to Daffodil International University, and no part of this report has been submitted for any other courses, degrees, or fellowships. The result has not been published in any journal or magazine.

Md Nahidul Islam

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## Letter of Acceptance

This is to clarify that Md Nahidul Islam, ID: 172-45-158, program: BED, 8th batch, is regular student of the Department of Innovation & Entrepreneurship, Faculty of Business & Entrepreneurship, Daffodil International University. He prepared their project report three under my supervision. The data and findings presented in this report seem to be authentic. Thus, the report has been accepted for his project 03 course.

I wish his all success in life.



Mrittika Shil

Lecturer, Department of Innovation & Entrepreneurship

Faculty of Business & Entrepreneurship

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### **Acknowledgment**

First, all praise to go to the Almighty Allah, the most gracious, the most merciful, the most kind & generous to humanity and His action. This project report is The Curious Case Of Evaly.

I would like to convey my sincere gratitude to my University supervisor, lecturer Mrityika Shil, Department of Innovation & Entrepreneurship, Faculty of Business & Entrepreneurship, Daffodil International University. Without her guidance & assistance, the report would not have been seen as the light of the day.

Finally, My deep gratitude goes in favor of my university for getting a library, lab facilities & my teachers to enrich my knowledge, which helps me in different stages to complete this report.

## **Executive Summary**

The covid-19 virus has changed the whole world. The personal life of people, as well as the world economy, changed dramatically because of covid-19. Businesses, no matter small or big, are adjusting with new regular techniques which covid-19 brought. According to, World business forum, at least 45% of small businesses will shut down due to coronavirus impact. Bangladesh's startup community faces the worst because of the nature of our business and the business environment. In this project, we interviewed many startups, especially tech businesses. We focused on the impact they are facing due to covid-19 and the strategies they are using for surviving this invisible war.

After carefully analyzing the situation, we recommended policies/strategies needed for the startup, which will help the entrepreneurs who are fighting hard. It's not like that every business is having a hard time; many innovative companies are flourishing during this time also.

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## **Chapter- One**

### **Overview Of the project**

## 1.1 The Curious Case of Evaly!

'What's going on in Evaly?' - a topic currently raging on the keyboard, starting with a cup of tea; On the one hand, this praise, on the other hand, the allegations, on the one hand, the argument, on the other hand, the sharp counter!

Those of us who have been closely involved in the ecommerce industry since its inception and have been trying to observe the recent trends in depth can easily imagine that the impact of social distancing is undoubtedly going to be a paradigm shift in the ecommerce industry. According to a report by The Daily Star before the COVID-19 pandemic attack, the e-commerce market size in Bangladesh in 2020 is 1.6 Billion Dollars, and in 2023 that could double to 3 Billion Dollars. So now is the right time to analyze the in-depth strategy and practice of disruptive, super-fast moving and controversial companies like the recent Sensation Evaly, pinpointing mistakes in a constructive way and replicating success factors in other businesses.

Blue Ocean Strategy:

According to The Financial Express, there are currently 2000+ large to medium ecommerce sites and 50000+ fcommerce businesses in Bangladesh.

Due to the very low entry barrier, almost everyone goes to the same customer with the same product and offer, which creates a great stalemate in the fixed market space.

Eating habudubu in the sea of the market, everyone tries to increase the market share through cutthroat competition, which causes the sea to turn red in blood (metaphorically).

This is what we call the business term - Red Ocean.

Blue Ocean, on the other hand, is an unknown and uncontested marketplace, a golden opportunity for business growth, with unlimited possibilities to explore and complete irrelevant competition.

Evaly - A Partial (Accidental) Blue Ocean Strategy?

I have noticed some consistency with the Blue Ocean Strategy in analyzing Evaly's business strategy, which has generated a huge response in just a year and a half of

birth, generating enviable sales revenue on unconventional offers, cornering competitors and sparking one controversy after another.

Although the term blue ocean is familiar to many, many business strategists misunderstand its essence.

Many people think of the blue ocean as bringing a new disruptive product or increasing one's share in the fixed market in an innovative way. This is largely a misleading concept.

#### Foundation of Blue Ocean Strategy - Value Innovation

The Red Ocean strategy is all about how to snatch some market share from competitors.

But the main focus of the blue ocean strategy is to offer something very valuable to the customer in an innovative way that no one else is doing. This is called value innovation.

Conventional thinking before Evaly was that the average customer would not shop online for more than Tk. 1k-3k. Again, many famous Ecommerce sites with bluff in the name of discount had hung upto 70% discount on their site.

Where the common belief was that no one wants to buy expensive things online, evaly came up with huge discount offers on products worth millions of tk, which is not a click bait at all

I read in an interview with Mohammod Rassel, CEO of Evaly a year ago at Future Startup that their customers have an average Bucket Size of 20K.

As mentioned above, using the Blue Ocean Strategy framework, it is possible to redesign existing products and offers in a new way and increase the boundary tie of the market by creating demand through Value + Innovation.

**Chapter: Two**  
**The Autopsy of Evaly Business Framework**

**2.1.** In this Case Study, let us try to understand Methodically Evaluate Business Strategy Reverse Engineering with that framework.

### 1. Create a completely new value

Evely started the journey by offering the customer a high value product of her hobby at irresistible discounts. Here the customer is getting real value, Evelyn is adding innovation to an extremely limited time offer.

Notice if we were trying to give huge discounts on less expensive products here, but we wouldn't call it value innovation, because that's what many people are doing.

In this way a huge ripple effect is being created by combining huge discounts, supply crisis, gamification. This whole thing is possible because Evelyn can burn a lot of cash and offer huge discounts, which is beyond the reach of many other ecommerce companies.

## 2. Completely eliminate some factors from the conventional standard

In Bangladesh, almost everyone offers Cash on Delivery (COD) for online shopping. It was considered customer granted, although it is very harmful for businesses - operations, investments, fake orders from all sides. (Infact even in developed countries but COD is not prevalent)

Evelyn has been going the complete opposite of this conventional practice since the beginning. Enthusiastic customers pay in advance in the hope of additional discounts or cashback.

Evelyn can take this advantage even beyond the conventional belief to create huge demand through Value Innovation.

This results in a 24-hour 'Cyclone' type offer campaign with more orders than available products, plus full payment. This advance and extra cash is acting as the fuel for Evelyn's business.

## 3. Reduce Below Standard to some Factor Industry Standard

One of the complaints against Evelyn is that they have taken the delivery delay to an unbearable level. At the same time, there is extreme unprofessional customer service in

the field, and hundreds of customers have to suffer to recover the products they deserve.

As a result, the company is gaining some unfair cash and time advantage, which they are using very effectively in business growth.

The customer may be forced to endure for the time being in the hope of getting an expensive product discount, but in the long run it is fatally detrimental to brand building.

## **2.2. A BRAND IS A PROMISE.**

Claiming to be the self-proclaimed 'best ecommerce in the country' and dancing to 'Aiterika-Aiterika' will not create a brand. Brands are largely a value perceived by the customer.

Once brand value is lost, it is difficult to recover it at the cost of millions of dollars (for example, Google "united breaks guitars"!)

Successful companies in ecommerce like Amazon or Zappos were ruthlessly obsessed with delivering the best customer experience from the very beginning.

Some bad practices at the beginning of the business are also very bad for the internal culture building of the company.

## **2.3. REMEMBER THAT - CULTURE EATS STRATEGY AT BREAKFAST!**

Evaly's management must be very careful now and find a way to get rid of it anyway

## **4. Some factors raise industry standards (Raise above Standard)**

Customer retention is very important for any successful business model, but almost all ecommerce is struggling to get the customer back.

The effect of the other factors described above is going to be here. According to the rules of evaly, the customer pays the full amount in advance during any offer, then gets cashback in evaly wallet. After that, Customer Natural is trying to take advantage of the

money deposited by buying other regular products from Evaly without going anywhere else.

As a result, the customer retention rate is much higher than the industry standard, and the customer lifetime value is also increasing due to repeat purchase.

If you look at any of the above factors separately, it will not be very meaningful. But combining everything together in a synchronized way is having a great impact on creating a Blue Ocean to Evaly.

Blue Ocean, Then What?

The e-commerce industry in Bangladesh is barely out of the closet. The importance of this immense potential industry is now much greater due to the Corona Crisis before it fully matures.

So we all have to come forward progressively with the support of everyone involved in this industry, correcting mistakes, praising good deeds and moving the overall economy forward.

**Chapter- Three**  
**Evaly Secret Sauce**



### **3.1. Evaly Secret Sauce**

1. Whether or not Evaly's current business model is sustainable?
2. How is Evaly giving such a huge amount of discount?

Here we will try to explain these in the light of some very powerful, effective and practical strategies. Since business strategy is simultaneously Art and Science - one point of view, analysis, explanation can be different from another. But one of the main purposes of writing this Case Study is to enable you to multiply the growth of your business by using the core concepts of strategies as well as learning.

### **3.2. The Irrefutable Law of Business Growth**

If you want to build a sustainable business model, you have to be successful and commercially profitable not only in the short term but also in the long term.

According to Jay Abraham, one of the world's highest paid business consultants, marketing legends and one of my favorite business strategists - "There are only three ways to grow a business."

**THERE ARE THREE WAYS TO GROW A BUSINESS...ANY BUSINESS. ONLY THREE WAYS -**

**1. INCREASE THE NUMBER OF CLIENTS**

**2. INCREASE THE AVERAGE TRANSACTION VALUE**

**3. INCREASE THE FREQUENCY OF REPURCHASE**

Today we will try to take Evaly as a case in point in this business to see if their current business model is sustainable and profitable in the long run. If not, where strategic change can be brought will also come up in this discussion.

## 1. Increase the number of clients

I've heard this from Ryan Deiss, CEO of DigitalMarketer, a world-renowned premium digital marketing training provider -

"He who can spend the most money to acquire a new customer... wins."

So companies spend a lot to acquire new customers.

The basic concept here is very simple - first a non-customer has to be converted into a customer by making an irresistible offer. Then he has to get used to using the product or service in such a way that he can use it later without any discount. We call it Must Have Product / Service.

In the early days of Bangladesh, ride-sharing companies have thus created customers through huge discounts. I myself become so accustomed to using bikes all the time without coupons.

On the other hand, in order to attract a lot of new customers in a short period of time and show huge business growth, the product that is being offered at a discount is not a must have. But for every customer there is an incredible amount of Customer Acquisition Cost (CAC).

As a result, in the current business model of Evaly, the first Business Law has been successfully completed for the time being, but maintaining the next two is becoming difficult.

## 2. Increase the average transaction value

As soon as you visit any successful ecommerce site you will see that they try to increase the Average Transaction Value and Customer Lifetime Value (LTV) of the customer by offering customized suggestions, free delivery when ordering on specific amounts, bundle offers, Upsell etc.

LTV: The CAC ratio is very important for this, which can be used to measure whether the acquisition cost is more than the value of the customer's lifetime. Since Evely is spending a lot to acquire a customer in the first place, the next step in the sales funnel is to cover it completely and then make a profit.

But the challenge here is that Evely has set up her own Value Proposition tie as a 'huge discount only site'. It is very difficult to deduct the natural profit from the lifetime value of the customer if you always have to give a discount.

Sustainable business is not a T-20 cricket match that can be won by hitting sixes. It's a lot like a Test match, you have to watch and understand every session.

### 3. Increase the frequency of repurchase

In order to increase the lifetime value of the customer, he has to do more and more shopping.

Amazon has hit a gold mine here by bringing the Amazon Prime with a 9 119 subscription. Research has shown that customers at Amazon Prime shop twice as much as others.

In this case, the company's full sales funnel, all the strategies must be aligned in such a way that the three laws of business growth are maintained. Raising a hype and investing a lot of money to show initial business growth, but it will not work.

There could be a fatal vulnerability to Evely's business model here. It is doubtful whether there is any specific plan, strategy, coordination in the whole matter.

Worryingly, the company is taking a number of desperate steps to do so, raising questions about whether it falls within the legal and ethical binding.

For example, discount or cashback money is being deposited in Evaly Wallet. You must remember that Pathao Pay was introduced earlier. But due to lack of legal proof, it had to be stopped soon. So the question naturally arises here whether Evaly has created virtual currency knowingly or unknowingly, which is against the law of Bangladesh Bank.

In order to be sustainable in the long run, Evaly must bring some major strategic changes that are completely legal, ethical and customer friendly.

This requires focusing on a completely systematic process buildup without creating dramatic policies on status or live on Facebook. Operations efficiency should be increased using cutting edge technology by eliminating the Stone Age method. In the age of ultramodern drone delivery, the infrastructure to deliver the product in the shortest possible time without having to spend three months like a bullock cart has to be created.

### **How is Evaly giving so much discount?**

No trader will reveal the key secret of his business, Evaly will want to keep this secret to keep leverage in the market.

For me, looking for the answer to this question without looking at the financial statements is like watching a blind elephant. Yet let us try to make some hypotheses based on the data at hand, which will give an overall picture even if it is not entirely accurate.

According to the LinkedIn status of Evaly CEO Mohammad Rassel, Evaly's Gross Merchandise Value (GMV) in February was 20m or tk 170 crore.

Evaly works on a marketplace model. That means they don't have any product of their own, they get commission from the merchant.

Marketplaces in Bangladesh usually charge 10-25% commission depending on the product category. Due to bulk buying and economies of scale, Evaly may also negotiate a better deal with the merchant.

You will notice that Avail offers incredible discounts but always on very selected items, and their stock is limited. Most of these are actually stock clearance items, which the seller wants to buy at a discounted price.

Of the tk 170 crore, Evaly's headache is only those items where they actually have to pay a large amount of subsidy for customer acquisition.

The funny thing is, there is a big amount of cashback money in it. This is something we often forget when it comes to the storm of discussion about discounts. Evaluation can be made from there as there are different conditions on the use of this cashback.

*Example:*

*Suppose the cost behind a product of a Merchant is tk 60, and the price is set at tk 100.*

*If you get 20% discount on this item at 80 tk, then even if you get 10% commission, Evalley is earning 10 tk and Merchant is earning 10 tk.*

*Now suppose you are getting this high discount 60% cashback at tk. Merchant cleared the stock on this item, they got 60 rupees without profit. In that case Evaly's loss is 20 tk which he is subsidizing.*

Now when you buy regular items (groceries, fashion items, baby diapers, etc.) with 60 tk of cashback, but even if you keep 20% commission, Avali will withdraw 12 tk. So they are losing  $20 - 12 = 8$  tk for one hundred tk. If it is a product of one lakh tk instead of one hundred, then the acquisition cost is 8000 tk.

Considering customer acquisitions, other marketing expenses, operations, HR, infrastructure, etc., we can estimate that Evaly needs an investment of tk 100-200 crore in 2020, though only the leaders of the company can say the exact number.

## **Chapter- Four**

### **Fund raising**

4.1. E Commerce is a cash hungry business - We have seen globally ecommerce companies invest heavily in order to dominate the market.

Amazon saw the face of its first profit 10 years after launching itself. Launched in India in 2007, Flipkart Internet has also lost tk 1,624 crore in 2019.

I see most ecommerce companies in Bangladesh want to be Everything Store 'Amazon' from Day 1! Jeff Bezos, however, details in his autobiography how they extended the category only after ensuring full operational efficiency and customer satisfaction with just one product category (book).

I therefore encourage ecommerce entrepreneurs to read the book 'Delivering Happiness' written by Zappos CEO Tony Hsieh. Customer experience is the key to their business. Even Amazon finally bought Zappos itself for \$ 1.2 Billion. If everyone tried to become Zappos rather than Amazon, the country's ecommerce industry would have developed a lot more (there would have been a chance to sell the company)!

Daraz Recently, one of Evaly's rivals in Bangladesh, has made a highly commendable announcement that Alibaba will invest tk 500 crore in their logistical infrastructure, entrepreneurial projects, etc. by 2021.

At the moment, Evaly also needs to invest not only in customer acquisition but also in infrastructure development, faster delivery, and better customer experience.

Let's see what possible ways Evaly can do it

First, Evaly may have raised large amounts of investment from a variety of sectors, such as wealthy individuals or organizations.

Future Startup mentioned in an article that some international Venture Capitalist (VC) and eCommerce players are in talks with Evaly.

Ride sharing company 'Send' raised at least 10 million (about tk 85 crore) and 'Easy' raised 15 million. Another ecommerce Sindabad raised 4.15 million dollars. However, we have not received any specific information about Evaly's fundraising.

Secondly, the discussion has repeatedly raised the issue of delay in delivery by one to three months. They are running this model by rolling this hundreds of crores of cash of

Delayed Delivery in different ways. However, this has created a very bad image of Evaly in the market, and it is an unacceptable business practice.

Besides, in the comments of various discussions, many have expressed doubts whether there is any Ponzi Scheme or Money Laundering.

Panji scheme is a fraudulent business where many people invest in the hope of making more profit, and the money is given to the old investors by taking it from the new investors. This goes on until the company runs away with a large sum of money at once or when everyone demands money together or so on. Money laundering, on the other hand, is the process of legalizing money laundering. Anyway, above we tried to understand with some hypotheses and examples how Evaly can spend such a huge amount. Many people think that Evaly will try to sell to any global ecommerce giant by increasing the valuation. Whatever the ultimate goal, it is always difficult to reach the desired goal if the sustainable business model cannot be set up and the balance sheet cannot be maintained properly. Above we have already discussed many important points, hopefully Evaly will go further by reflecting these in the business model and practice for his own benefit.



**Chapter: Five**  
**The unsupported Theory**

### 5.1. Evaly: Amazon or MLM?

More or less everyone is amazed at Evaly's business model. How to do business without leaving so much money? Once or twice, there was a saying, they have been going on like this for more than a year, not only less expensive FMCG products, but also expensive things like cars, bikes, AC TVs, fridges. So in order to justify this business model, many people have tried to explain in their own way how it is possible to survive in a business with so many discounts! Let's cut to the chase.

1. Evaly invests money: Evaly takes advance money from customers, but delivers the product after more than 1 month to 3 months! This time they 'profit' by investing that money elsewhere and then deliver the goods to the customers with that money. I am sure those who believe in this theory know nothing about the investment sector. In a normal business, you can invest your own money and run your own business with all the expenses and maybe 10% -40 / 45% profit at the end of the year depending on the type of business Not 20% on average.

Now what do you think the owner will give him if he invests in this business? Of course it will be less than 20% at the end of the year.

Now let's see what percentage of the investment opportunities are available in Bangladesh. The safest return bank and government savings certificates are 8% and 11%! This means that if you deposit one lakh tk today, exactly one year later it will be one lakh 8 thousand and one lakh 11 thousand.

And if you withdraw money after 3 months? Then you will get some returns like one thousand and two and a half thousand! Although in reality you will get less money to withdraw earlier. Even local NGOs / mahajans also charge interest up to 24-50%. The rest is the stock market! In some cases it is possible to generate a lot more returns, in

some cases you can lose everything. And since Evaly traded, our stock market has been in a state of collapse.

No legal investment in the world can give you an annual return of more than 10-15%, not even in Europe or America. Their investment returns are lower because the inflation rate is lower than ours.

2. Black money is whitewashing: Another popular belief is that a huge group of black money is being whitewashed by making Evaly the front! I believe that those who believe in this theory have very little idea about Money laundering procedures in practice. Please answer a few questions first. Money laundering did not happen before Evaly came to Bangladesh? Money was not smuggled from the country?

Everything is done. So why the need for an organization like Evaly after so many years? Who sells products for free? Money is illegal or legal, you have to understand that no one in the world gives anything to anyone for free.

Money Laundering: Legal Export Import Business is the most common means of money laundering from the country! Money is sent to the LC by over invoicing / under invoicing of the product price, bringing the product more / less or never bringing the product. Then there is the remittance of foreign remittances sent legally. And there is gold smuggling.

Money Laundering: 3 steps are followed for this.

I. Placement: Injecting illegal money into any legal business of the country or placing it in the formal economy through a bank. (Don't hold it back)

II. Layering: Investing illegal money in a legal business does not make it legal, it remains illegal if you cannot show a legitimate source. That is why at this stage the same money is exchanged one after the other so that at one stage it becomes almost impossible to find the illegal source of money. This stage is the most important part of money laundering. You can't do anything that gets the attention of government law enforcement.

Layering is not possible with just one business like So Evaly. And if you create such a big brand, naturally everyone's eyes are on this. Even then, Evaly is not a suitable place.

III. Last part integration: At the stage where the illegal source of money cannot be found, the owner of the money will pick up the money and spend it as he sees fit. Our government often gives the option of laundering black money. This opportunity has been given at least 7/8 times in the last ten years. The 20-21 budget also gave the opportunity to launder black money with only 10% tax. So why can Evaly customers whitewash black money with a 100% discount ??

3. Will sell to foreign companies: Many people think that by spending so much money, they will build a huge customer base and sell it to foreign investors. As easy as it sounds to you, foreign multi-million dollar investment is not so easy. And those who do these things also did not want to think of any local firm in the area and invested without seeing anything.

If Evaly keeps all the accounts in order, it will take at least five to ten years for one of them to make a profit by selling regular products from the customer covering the cost of acquisition. Evaly does not mean the customer who buys the product at 10/20% discount, but the customer who buys the product at 70/80% or 100% discount. If you ask them to buy products at regular prices, how many people will buy it is a huge issue!

I don't think this theory has a strong base either. Why not? To understand this you need to go through the big merger / acquisition history with their product line, marketing, finance data.

Let me tell you my personal thoughts. Have you heard of the Ponzi scheme? Or the current multi-level marketing! I have not been taught anything about MLM in varsity for four years! I do not know what is taught in foreign countries! Many of you can say what the heck is going on. I am buying a car home AC fridge at a low price! Of course, many of your acquaintances, including you, have made a profit by buying products from Evaly. So this business model is sustainable, and will continue indefinitely. At the end of the day, those who invest in these businesses will not be able to get the return. Whatever the Ponzi scheme or MLM says, in its business model, the company does not have the will or ability to return the money to the last customers. Remember Destiny / Young has been doing business in this country for 12 years and more. Although many people made a lot of money, many people did not get their money back.

\* Evaly's authorized capital is only 5 lakh tk, and the paid-up capital is only 50 thousand tk! Another one year sales turnover? One thousand crores! How much money can be generated with how much capital turnover can be seen by looking at the data of other companies, you can understand how amazing this amount is!

## **5.2. The cashback game**

You are saying that if an e-commerce company comes to the market with more cashback than the way Evaly is giving cashback, what will happen to Evaly?

Well, now I ask, is Evaly just playing a game with cashback strategy?

The question I ask again is simply, is so much growth in such a short time just for cashback?

The answer is not just focus on cashback.

Diversification Game is running in this place

Yes Diversification is a Strategy. This game is simple but complex. All the big Giant companies in the world were Giant with this game. Which is still going on

This diversification is usually done in 4 ways.

- 1. Horizontal
  - Concentric
  - Conglomerate
- 2. Vertical
- 3. Defensive
- 4. Offensive

(Since business strategy is both science and art at the same time, one person's point of view, analysis, interpretation may differ from one another.

1. Horizontal Diversification means adding a new feature product or service to your company. (Simply put)

This Horizontal Diversification can be done in two ways 1. Innovating or licensing. 2. Acquisition of any other company

However, this Horizontal Diversification is again in two ways.

1. Concentric 2. Conglomerate

Now come to Evaly,

See how Evaly has diversified everything so far Concentric. The main goal of this game is to retain the existing customer and create new customer attraction.

Here's a look at Evaly - online shopping mall

- 1. eBazar
- 2. eKhata
- 3. Evaly Hero
- 4. eConnect

5. Express Shop

6. Efood

In other words, if you want to diversify Concentric, the new product or service that you will bring will be related to your previous product or service.

Conglomerate Diversification is the opposite of Concentric. If you want to do it, the product or service will be completely new. For example, suppose you have a Clothing Company and you open a branch of Toy with it

I have not seen Evaly diversify in this Conglomerate Diversification yet.

●2

Vertical Diversification - This usually occurs in the supply chain. This is a very big issue, so I highlighted it briefly. Suppose your car manufacturing company but started selling tires for your business growth. If you look at the way the supply chain works in e-commerce, the whole vertical diversification.

Evaly.com.bd, daraz.com.bd, PriyoShop.com and other e-commerce companies in our country have no innovation in this vertical diversification so far. An innovative pipeline can be created in Backward & Forward Integration if desired.

Anyway, come on,

●3

.Defensive Diversification - Why would your company diversify? Instead of asking this question, how do you do it?

You see, Evaly, but you may think that there is not much growth in the places that have diversified so far. But the thing about defensive diversification is that you just need to survive here even if you lose profit.

●4.

Offensive - Defensive is followed by Offensive. Growth of Profit & Market Share will be the only time here.

Amazon is now second on the Fortune 500 Ranking list, where the survival of others is considered successful, while Amazon's market value is growing at a rate of 22,000%.

As we all know, Amazon CEO Jeff Bezos is a long-run gamer.



Amazon and its FlyWheel - Bangladesh's Evaly is starting to walk that path or walking  
Jeff Bezos has three important principals who handle his entire decision-making.

1. Customer Obsession
2. Extreme Innovation
3. Long-Term Management

Bezos's Secret in Customer Obsession is FlyWheel. This popular concept is of management guru Jim Collins.

(Since business strategy is science and arts at the same time. One person's point of view, analysis, interpretation may differ from one another.

■ FlyWheel Simply put, when we apply force to a very heavy rotating wheel, we keep turning again and again, but after a while, momentum is created. Later it starts spinning on its own as a result of momentum. (I don't understand the substance, brother, tell me what else is wrong)

Now we see in the language of business,

Amazonians spend all their time, work for their customers. Let their customers live a very good life. One of the ways is Lower - Cost. As a result, as many new and old customers as there are on Amazon, they always visit Amazon.com. This Number of customers again attracts the Seller. Seeing this Growing Traffic, Amazon's platform gets up and down.

And from here comes the revenue. And for this revenue, the economic scale increases a lot, which again satisfies the customer with a lower price and creates a new customer attraction to come to Amazon.com. In this way the flywheel keeps turning, keeps turning, keeps turning.

Amazon Employee, what is their job? They do not have to know. But all employees know a daily job. That is to push this flywheel a little. In this way they create Momentum with a flywheel.



As I said before, Bezos is a long run gamer, his job is not just to create momentum in this FlyWheel. His job is to bring extreme innovation in every step of this FlyWheel.

Now look at Evaly,

● Is Evaly walking the path of this FlyWheel?

I think so. I explained this wheel a little earlier. Think a little with the Evaly activities with him.

However, Evaly is the first step of this wheel, customer attraction, that is, they are busy with everyone to visit Evaly.com.bd. Which will attract sellers.

However, Evaly is pushing this flywheel by showing the bag of cashback to the customers.

Evaly combines Financial Strategy very well with the first concept of the flywheel.

Many say Evaly will kill money, blah blah will not last even a year. Yes, your personal opinion. You may think so. I don't see anything wrong.

But my personal opinion is that in the next 4-5 years another Amazon in Bangladesh, Alibaba will become Evaly.

Because Evaly focuses on the customer, not the competition. And this thing changes the game of e-commerce.

● How will Evaly do all this with so many negative customer experiences?

Brother / sister once the FlyWheel momentum is created then the negative experience will come down below 20%. And we don't just have to look at customer reviews in Bangladesh, Amazon, alibaba also come to see what the situation is.

### 5.3. Evaly: "Business to Customer (B2C)" or "Business to Business (B2B)"?

Evaly is a very popular name in the world of e-commerce in Bangladesh. The main point of criticism is late delivery. This post is not about that. Today I want to point out another issue. Mr. Mohammad Rassel, their management, specialty, CEO was extremely consumer friendly at the beginning of Evaly. This mentality brought him a lot of popularity. The delivery situation of Evaly is still the same as it was before. But in the last one and a half to two years, his "Customer First" attitude has changed. This change is having a great impact on their business policy. From what you see, it is clear that Evaly is not paying much attention to the customer.

Once upon a time there were very few restrictions in Evaly, which is now increasing day by day. They're offering a lot of discounts and "cashback" as an offer, but as much as these are customer friendly offers, Evaly doesn't check it out. For example, I bought a bike with 60% cashback for a few lakhs. I paid the full amount and confirmed the order and after a few days I got cashback of several lakhs more. Now there are various restrictions on spending cashback. Can spend a certain percentage (80-40), can spend a certain amount (which is a very small amount), can spend in certain stores (because popular stores are not so open here) - and so on. Although the amount of offers here is much higher, extra hassle and confusion is also being created. Which is why Evaly is losing so many regular day to day customers naturally? Which can be avoided very easily by reducing the overall discount or cashback and turning on the partial payment? Or, "Full payment makes more cashback" integrates these systems.

Maybe now more revenue is coming from Evaly than ever before by selling products. But if you look at some of the Evaly Buy-Sell groups on Facebook, you will see that the majority of their buyers are now resellers, who are buying products from Evaly with a certain investment and are reselling them for profit. And the cashback that accumulates for them is also a kind of investment, which they are cashing in by ordering by spamming during the cyclone or by ordering at their own express shop. Evaly's maximum business policy has become aggressively reseller friendly which is why I myself am now confused, is Evaly B2C type e-commerce or B2B type?

I was basically a regular buyer of Evaly from the beginning; the purchasing amount is also good. But due to their reseller-friendly policy, it has not been possible to buy anything for a long time. Although I am writing this post from my own point of view and not on behalf of anyone, I am fairly sure that many ordinary buyers like me are now avoiding it for these reasons.

**Chapter : Six**  
**Recommendations & Conclusion**

### 6.1.Recommended For Evaly:

Bargaining: I learned from a source that Muhammad Rassel (CEO of Evaly) wanted to do something in Evaly where customers could bargain with the seller. Which will be systematic with the whole app? But over time, that is likely to change. Many sellers now sell products at much higher prices than the original price. Which I personally have bought many times more expensive products.

2. Selling products at wholesale prices: Muhammad Rassel (CEO of Evaly) once said live that he want to do something so that any seller can sell products at wholesale prices and regular customers can buy them.

3. Evaly HUB: Muhammad Rassel (CEO of Evaly) wanted to open Evaly's Hub. Basically, the hub's job is to get the seller there with the goods that Evaly himself will send to other districts every day and deliver the goods from other hubs to the customers. Evaly's hub will work the same way. At first a lot of hard work was done but later it was not implemented for some reason.

4. Delivery Van: An acquaintance said that Evaly wants to deliver their goods all over the country by his own delivery van. At first I thought Evaly would launch her own courier service, but I'm not sure. But now a new service called Evaly Hero has been launched which is really commendable.

5. Deliver Product worldwide: Muhammad Rassel (CEO of Evaly) Live said that they can sell seller products not only in the country but also outside the country and you will see the whole system yourself. I think product refunds can be an obstacle here.

6. Supply of garments made in Bangladesh to the world: Everyone knows that our country is earning a lot of foreign exchange and the garment industry has achieved amazing growth in the last 25 years. This is not a very clear matter. Sometimes the client refuses to take a ready order and the factory owner has to wear it there. Evaly can clean this up. But recently I saw that trying to sell some new product called Evaly **Elife** is really admirable.

6. Replacement of Facebook Live: Muhammad Rassel (CEO of Evaly) once said live to make a replacement for the quality of Facebook Live. Although it is very difficult, I do not think it is impossible.

9. Refund Automated: I think I have requested a refund and it will be verified immediately. My request will be verified by a human verification (Human verification) and the fund I deposited will be kept in the system stack form and the refund request will be approved and the money from the fund will be auto. Will refund. If the refund system of this model is effective, the pressure of the subscribers is really a bit less.

## **6.2. Conclusion**

Bangladesh is a hotspot for business and investment. As we have 170million-population who are ready to become consumers for e-com business. Recent data showed that about 50 million+ people use the internet and other digital technologies. It's very lucrative for the investors to start an ecommerce business in the country. Business infrastructure for the startup ecosystem has shown a very positive growth in recent years, not only that due to this covid-19 pandemic situation the e-commerce sector has grown 200%. The given evaly case has shown that if the business can make a strategic consumer Friendly business model, than it will be a great success.

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