

Exploring failure in the life-cycle of F-commerce in non-durable shopping goods. A case study in Bangladesh.

Abstract

Easy establishment and a growing market base although attracted Facebook users to start online businesses (F-commerce) but with a higher fail rate. As a result, the morale of entrepreneurs breakdown. Through the lens of SHELL (Cantamessa et al., 2018; Hawkins 1975) model's five components – (business model, customer/user, organisation, product and environment), the authors attempted to develop a holistic understanding of failures of f-commerce ventures. Thirty-six interviews were conducted with failed Facebook business entrepreneurs from 1st April 2021 to 30th September 2021. The findings reveal expected challenges and unexpected intricacies in the pre-launch, launch and pre-delivery, delivery, and post-delivery stages. Strong knowledge of customers, products and their sourcing, distribution channels, and good management skills and financing supply may minimise the quick failure of the f-commerce venture.

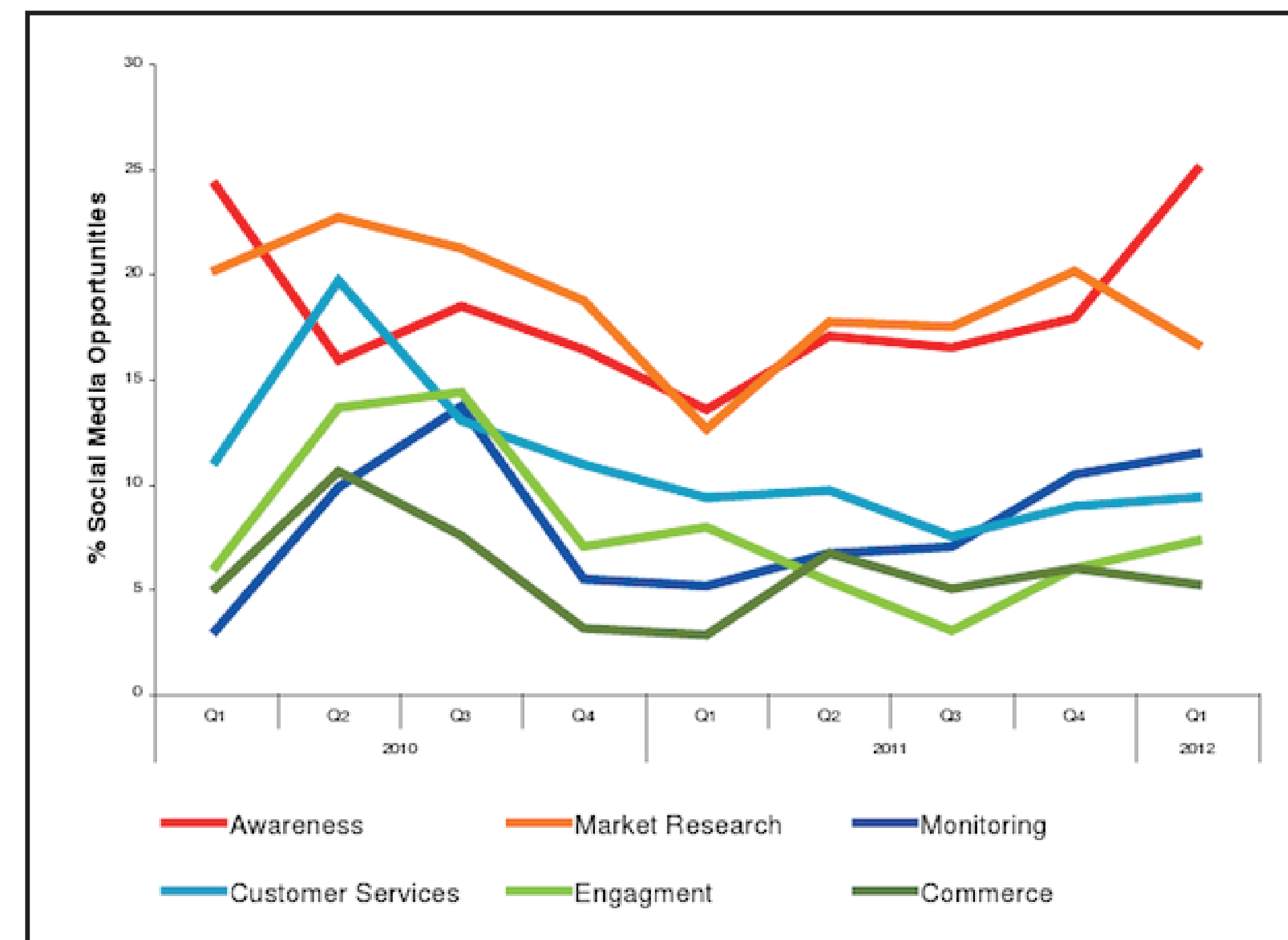
Introduction

- Social commerce, a recent innovation through an Internet-based social media platform facilitates active participation of people in marketing products, and services gained enormous popularity among citizens (Hettiarachchi et al. 2017; Lu et al., 2016).
- Little entry barrier, easy set-up of Facebook platform business, minimal establishment complexities, broad customer base attracted a lot of Facebook entrepreneur to sell their offers to a diversified group of customers. However, it is often observed that the continuation and smooth selling is stressful. As a result, Facebook ventures often remain idle or shut down.
- The proposed study attempts to explore the reasons for the failure of social commerce or in particular, Facebook ventures to scrutinize the factors behind this failure.

Research Question: Why do Facebook ventures of non-durable shoppings goods fail?

Literature Review

- Zhou, Zhang, & Zimmerman (2013) conducted a meta-analysis on social commerce research and illustrated four essential elements of social commerce, their alignment and integration relationships, and strategic fit between strategy and infrastructure levels in each element. These elements are people, information, business and technology.
- A Facebook entrepreneur needs to identify the challenges that are in the scope of the integrated framework of Zhou, Zhang & Zimmerman (2013). The four elements of the framework business, people, technology, and information can best be investigated through the **SHELL model** developed by Hawkins (1975), and Cantamessa et al. adapted further (2018).
- The five components of the model are business model, customer/user, organization, product and environment.



Research Methods

- Qualitative Technique
- 36 Interviews
- Failed Facebook Business Entrepreneurs
- 1 April 2021 to 30 Sep 2021
- Thematic Content Analysis

Findings

1. Pre-Launching

- Unexpected shipping cost and bribery
- Who to select as couriers
- Expected trust issue
- Fail to identify right source
- Lack of customer awareness

2. Launch and Pre-Delivery

- Lack of fund to appoint people to manage business
- Lack of Marketing and Communication
- Lack of time and involvement in correspondence
- Lack of time and involvement to check orders arrival
- Lack of available intermediaries (courier) and long arrival time window
- Lack of proper time allocation for getting involved in business
- Internet issue for live session
- Excessive Competition

3. Delivery

- Limited time availability of customers to pick up
- Lost of address due to heavy rainfall
- Customer not available during pick up
- Natural calamity and packaging destruction
- Intermediaries handling product
- Package holding damage issue

4. Post-Delivery

- Lack of satisfaction
- Lack of reviews
- Bad service
- Bad product



References

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