

Refereed article

Supermarket Revolution in Bangladesh? Evidence from a “blind spot” on the Research Map

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Summary

Even though Bangladesh entered the supermarket era nearly twenty years ago, the country has remained something of a “blind spot” on the research map of the so-called “supermarket revolution” in countries of the Global South. The present paper strives to contribute to filling this research gap by providing an explorative, empirically grounded portrayal of the phenomenon of “supermarketization” in Bangladesh from the retailer perspective. The findings reveal that Bangladesh’s supermarket industry is thus far a “homemade” development, which, despite considerable achievements in the first nearly two decades of its existence, is still being hampered by considerable hurdles on both the supply and demand sides. The exploratory, primary data-based findings of this study provide a valuable base for further research in a dynamic field.

Keywords: Supermarkets, food retail, structural change, Global South, Bangladesh

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Introduction

Generally speaking, food retail can be understood as the marketing and sale of food items, both processed and fresh, to consumers for home preparation and personal or family consumption (Langer 2013). In food distribution channels, where goods flow from producers and manufacturers via wholesalers and retailers to ultimate consumers, retailers perform several important functions, from building a product assortment via breaking bulk to maintaining the information flow between the different parties along the distribution channel. That way, food retailers help bridge geographical and temporal gaps between production and consumption, and thus reduce transaction costs for other members along the channel (Levy, Weitz & Grewal 2018).

Since the early 1990s, food retail markets in several countries of the Global South, in particular in Latin America and East Asia, have been witnessing a sometimes drastic change from an atomistic market structure, which is characterized by a multitude of small, individual entrepreneurs such as small-scale grocers, kitchen market vendors, and street hawkers, to a rather oligopolistic structure, which is shaped by a comparably small number of dominant and powerful national and/or transnational supermarkets. In view of these restructuring processes, some observers also speak of a “supermarket revolution in developing countries” (Reardon & Hopkins 2006), which is considered as a “sudden large ‘shock’” (ibid, p. 524) to local food distribution channels. Critical voices, however, warned early on of hasty and generalized conclusions by pointing out that the actual extent and implications of such restructuring processes need to be studied carefully in explicit consideration of the specific characteristics of the respective prevailing local setting (Humphrey 2007). Against this background, the present paper is a descriptive, explorative case study, which aims to provide an empirically grounded picture of the actual “supermarketization” of Bangladesh, and above all its capital city Dhaka. The paper thereby draws on partial findings of a research project which examined the emergence and diffusion of supermarkets in Bangladesh’s capital from the complementary perspectives of consumers (Keck 2015), as well as “traditional”¹ and “modern” food retailers (Hobelsberger 2021).

The paper addresses the following research questions: 1) When, why, and how did supermarkets emerge in Dhaka? 2) How did supermarkets in Dhaka develop over

1 Finding a non-judgmental term to distinguish supermarkets from other food retail formats is challenging, but necessary for the purposes of this paper. The widely-used term “traditional food retail,” in contrast to “modern food retail,” should be applied with caution, as the term “traditional” may imply backwardness and inefficiency. Furthermore, the perception of what is “modern” highly depends on a contemporary understanding. Bearing this in mind, the author nevertheless henceforth applies the terms “traditional” and “modern” to distinguish between long-established modes of food retail, and more recent modes of food retail bearing supermarket characteristics such as a self-service mode of operation, a full-line product assortment, the application of a mass-merchandising strategy, and the exploitation of economies of scale.

the nearly two decades of their existence? 3) What development potential and what constraints do supermarkets face in Dhaka, and what strategies do supermarket managers implement in order to exploit this potential or to overcome these constraints?

In the following, the theoretical and conceptual background of the paper, as well as the research design, will be described. The paper then turns to the description of the empirical results on the emergence of supermarkets in Bangladesh. The final section concludes the paper, and gives a brief outlook on the need for further research on the subject matter.

Research Waves on Supermarkets in the Global South

The impact of supermarkets on actor groups along food distribution channels in the Global South has been attracting the interest of researchers, policymakers, and development practitioners for several decades already. In this context, two major research waves may be distinguished.

The first research wave emerged in the early 1950s and was based on the assumption that the promotion of modern food retail would have a positive impact on a country's socioeconomic development by triggering (technological) progress not only in the retail industry itself, but also in adjacent sectors such as agriculture, or food manufacturing (Collins & Holton 1963). Corresponding studies of that time, however, found that the modern food retail industry lacked the necessary preconditions to sustain and grow: On the supply side, long and interlaced supply chains and the absence of food quality and/or safety standards made consistent full-line product procurement for supermarkets difficult, and prevented them from exploiting the advantages of economies of scale. Deficiencies in the general infrastructure, e.g. in terms of electricity supply and sound transport routes, as well as the lack of food retail-specific infrastructure such as closed cold chains further impeded supermarkets' smooth operation. Given the immaturity or even absence of a local packaging industry and practices of branding and advertising, supermarkets could hardly apply the principle of self-service. Modern food retail's comparably high barriers to entry in terms of know-how and capital further deterred entrepreneurs from entering the modern food retail industry (FAO 1973; FAO 1975).

On the demand side, given their low and often irregular income, the shopping patterns of the vast majority of the population were hardly compatible with supermarkets' mode of operation. Thus, consumers put price before convenience, product variety, or quality, and preferred to purchase food very frequently in only small amounts. A lack of storage and refrigeration capacity and limited mobility further encouraged the high frequency of purchases from food retailers within easy walking distance. The more distant supermarkets, with their comparably sophisticated shopping atmosphere and often more expensive (imported) items therefore held only low appeal for great proportions of the population (FAO 1973;

FAO 1975). Consequently, supermarkets in the Global South initially evolved and expanded, if at all, at only a slow pace, and some researchers even came to the conclusion that most countries in the Global South were “[...] not ready for food distributive innovations of the West” (Kaynak 1981, p. 88).

In the early 2000s, the issue of modern food retail in the Global South found its way back onto the research agenda. This second major research wave was triggered by scholars who had observed a rapid expansion of supermarkets since the early 1990s in several countries of the Global South (Reardon, Henson & Berdegú 2007), which led to the question “who gains and who loses from the supermarket revolution?” (Timmer 2008, p. 743). Corresponding studies identified various factors which had given modern food retail the decisive impetus.

On the demand side, economic development and the corresponding increasing per capita income had caused a change in diet patterns and shopping habits. Thus, customers not only attached more importance to food quality and safety, but also shifted from consuming mainly starchy staples toward costlier food (Reardon & Berdegú 2002; Pingali 2007). A rise in ownership of cars and refrigerators led to a lower shopping frequency and a higher number of items bought per purchase. Together with a significant increase in women entering professional life outside their homes, consumers sought more convenient and time-saving forms of shopping and cooking (Faiguenbaum, Berdegú & Reardon 2002; Koç et al. 2008). In some cases, the westernization of lifestyles, in particular among the younger generation, as well as shopping experiences abroad, further strengthened this trend (Chen, Shepherd & da Silva 2005). Rapid urbanization thereby provided modern food retailers with important entry gateways to these emerging customer segments. In such settings, supermarkets increasingly attained considerable competitive advantages compared to their traditional counterparts by establishing themselves as convenient and service-oriented one-stop shopping destinations with quality and safety promises (Faiguenbaum, Berdegú & Reardon 2002).

The most decisive influencing factor for the rapid diffusion of supermarkets, however, could be found on the supply side: a surge of foreign direct investment from transnational supermarket chains, which sought new expansion opportunities beyond their already rather saturated home markets. These ventures not only brought considerable financial resources and know-how to their target markets, but also made strong efforts to establish their own procurement systems tailored to their specific needs. Taken together with competitive responses by domestic supermarket chains, the deluge of FDI led to considerable growth and the consolidation of modern food retail (Reardon, Henson & Berdegú 2007).

When describing the diffusion of supermarkets in the Global South, sources tend to refer to several geographical waves which, roughly speaking, took their roots in Latin America, and then continued in (South)east Asia, then southern and eastern Africa, and finally South Asia. In terms of geographic diffusion within a country, rapidly growing bigger cities provided modern food retailers access to dense

concentrations of relatively affluent consumers with receptiveness toward new forms of shopping practices. With increasing competition and saturation in these initial market niches, modern food retailers gradually expanded their operations into intermediate and small cities, and finally even into small towns in rural areas (e.g. Reardon, Henson & Berdegué 2007). The diffusion of supermarkets over consumer segments usually started in the high-income customer segment. Over time and with mounting competition, modern food retailers increasingly directed their efforts at tapping the market segments of the (lower-) middle class, and finally the segment of the urban poor (e.g. Weatherspoon & Reardon 2003).

The following sections of this paper turn toward the examination of the specific case of emerging supermarkets in Bangladesh and its capital city Dhaka.

Fieldwork on the Emergence and Expansion of Supermarkets in Dhaka/Bangladesh

In order to examine Dhaka's food retail market and its potential structural changes under the influence of supermarkets, the author triangulated several types of data and research methods with the aim of validating, enriching and completing the results achieved with each single source of information and research method (Flick 2017).

In the course of her fieldwork in Dhaka (October to December 2011, and August to September 2012), semi-structured interviews were the author's most important source of primary data. In order to learn about the evolution of supermarkets in Dhaka and Bangladesh, the local supermarket landscape, and its potential future development, the author conducted in total 16 semi-structured interviews with supermarket founders and managers on-site, namely with the president and general secretary of the Bangladesh Supermarket Owners' Association (BSOA), the founders of Dhaka's three major supermarket chains Agora, Meena Bazar, and Shwapno, as well as with managers of smaller chains and outlet ventures. Previous extensive theoretical and conceptual reflections on market theories, the fundamentals of (food) retail management, and the history of supermarkets in the eastern and western hemispheres provided the author with an important basis for the elaboration of the interview guidelines, and the assessment of the empirical results.

The author furthermore conducted qualitative observations (Creswell 2014). To this end, the author visited numerous supermarket outlets, wet markets, grocery shops, and food wholesale markets in Dhaka with the goal of understanding the physical structure and organization of these food vending sites, as well as the corresponding activities and processes on-site. The author was further invited to observe the food procurement processes of two supermarket chains, and to interview the respective supply chain managers.

By the time the field work was conducted, academic literature on the evolution of supermarkets in Dhaka, or Bangladesh, was rather scant. The same applied to official statistics on food retail on-site. Thus, analysis of press articles represented the most important additional information source. For this purpose, the author carried out systematic research on press articles in the internet archives of Bangladesh's most popular English-speaking local daily newspapers. To this end, the author applied key words such as "supermarket," "BSOA," or the names of specific supermarket ventures. Overall, the author evaluated 76 relevant press articles covering a period from 2003 to 2013, the year the research project ended. Besides the non-confidential material she was given by the supermarket managers interviewed, supermarkets' online presence in the form of websites, Facebook accounts, and YouTube videos provided the author with further relevant information on supermarkets' retail strategies, as well as their self-representation toward the public.

With five years lying between the end of the research project and the actual completion of the PhD thesis underlying this paper, the project's empirical results were finally complemented by additional desk research and document analysis, which followed the above-described scheme and covered the time period from July 2013 to December 2018. This time, the research revealed an increasing academic interest in Bangladesh's supermarket industry, which was reflected in a growing number of publications on the subject matter, especially on the consumer perspective.²

The gathered data was finally analyzed with MAXQDA 11 by applying an analysis grid in the form of codes (Creswell 2014).

The Outset of Modern Food Retail in Dhaka

Traditional food retail in Dhaka and Bangladesh, with its low barriers to entry, originally "[...] had never been perceived as an industry, but rather as an individual or family business with a very limited scope for organized expansion" (Hussain & Leishman 2013). As a consequence, traditional food retail is characterized by countless small individual or family businesses such as *mudir dokans* (grocery shops), *kacha bazars* (wet markets), and mobile street hawkers offering narrow or even single product line assortments with mainly undifferentiated commodities (Ali & Faroque 2017).

2 For a comprehensive overview of studies on the perception of supermarkets by Bangladeshi customers see Alam & Noor (2019).

Picture 1: Facets of Traditional Food Retail in Dhaka

From left to right: a mobile hawker selling bananas; a vendor at a *mudir doka*; a vegetable and meat vendor at a *kacha bazar*



Source: Author's own pictures (October 2011–September 2012)

In this atomistic setting, domestic venture PQS can be considered the innovator. With the launch of its first supermarket outlet on 5 September 2000 in Dhaka's high-income ward Uttara, PQS brought elements of modern food retail to Bangladesh's capital, and the country as a whole. One year later, local venture Rahimafrooz Superstores Ltd. followed with the opening of its first Agora outlet in Dhaka's (upper-) middle-income ward Dhanmondi. Despite the prior existence of PQS, the appearance of Agora is to the present day publicly regarded as Bangladesh's entrance into the supermarket era — a perception that is not least fostered by Agora's claim to be the “first modern [food] retail chain in Bangladesh” (Rahimafrooz Ltd. 2020). In the course of the following decade,

numerous supermarkets proliferated in the city, among them two other major supermarket chains, namely Meena Bazar (established in 2002), and Shwapno (established in 2008). Even though Bangladesh's capital city Dhaka can be considered the "cradle" of the country's modern food retail industry, over the years, the major supermarket chains Agora, Meena Bazar and Shwapno have expanded their business operations into other bigger cities such as Chittagong, Khulna, or Sylhet. Simultaneously, these cities also witnessed the emergence of local ventures (Bangladesh Supermarket Owners' Association 2012).

In search of the initial impulses that led to the evolution of Bangladesh's supermarket industry, the author came across driving forces on the demand side, which, in combination with visionary and innovative entrepreneurs on the supply side, had already played a pivotal role in the emergence of supermarkets elsewhere. Thus, an important stimulus for the advent of supermarkets in Dhaka, and Bangladesh, was the country's socioeconomic development. Over the 40 years of the country's independence since 1971, real per capita income has increased by more than 130 percent (Government of the People's Republic of Bangladesh 2012) and, in the first decade of the 2000s, Bangladesh's economy achieved an annual GDP growth rate of nearly 6 percent on average (World Bank 2013a). These developments were also being increasingly reflected in new food shopping and consumption patterns, in particular among the more affluent and higher educated share of Bangladesh's urban population. These changes had not gone unnoticed by Bangladeshi entrepreneurs:

"People are getting busier day by day. About 10 years back you would see that the husband is the only working family member, while the wife used to be at home. But now, both of them are working, and they don't have enough time to go to the wet markets."³ (Modern food retailer A, 21.10.2011)

"In the past, every family used to have four to six members. I have four brothers. When I was busy, one of my brothers used to go to the wet market. But now the families have less children. And they are busy in the universities or schools. So they have no more time for shopping."⁴ (Modern food retailer H, 27.08.2012)

Just as formerly in other countries, the increasing lack of time went along with growing demand not only for enhanced shopping convenience, but also for time savings in food preparation and consumption. Furthermore, increasing per capita income made consumers less price sensitive and more focused on food quality and safety (Hussain & Leishman 2013). According to the supermarket managers interviewed, these trends in shopping and food consumption practices have been further enhanced through frequent media coverage of food scandals, public discussions on the increase of widespread diseases, and not least customers'

3 From 2000 to 2013, the labor force participation rate of women in Bangladesh rose from 26.66 percent to 31.42 percent (World Bank 2013b).

4 The average size of households in Bangladesh's urban areas has continuously declined from 5.89 in 1974 to 4.29 members in 2011 (Bangladesh Bureau of Statistics 2011).

exposure to global consumption patterns and lifestyles through the media, internet, and stays abroad. The supermarket founders interviewed reported that they had thus perceived a discrepancy between the emerging demands of an ever-increasing consumer base with higher disposable income, and the actual supply of food retail services in the country:

“Especially working people who are earning good money want to have a comfortable life. They want convenience, hygiene, and everything. But those wet markets do not guarantee you hygiene, the right weight or after sales services. So there was a supply gap. And we [the supermarket founders] wanted to fill up this supply gap” (Modern food retailer E, 01.11.2011).

Inspired by their personal shopping experiences at supermarkets abroad, domestic entrepreneurs thus set out to get a foot in the door of the promising and yet untapped business opportunity of modern food retail in Bangladesh.

“They [the supermarket founders] have spent a long time in the US, in Europe, Malaysia, or Singapore. Then they decided: ‘let us, the upper class, contribute to the development of our society.’ So they invested in ventures such as Agora, Shwapno, and Meena Bazar” (Modern food retailer L, 20.09.2012).

Dhaka’s Supermarket Landscape at the End of its First Decade

At the end of its first decade, Dhaka’s supermarket landscape featured three major supermarket chains with more than ten outlets each, namely Agora (which took over “innovator” PQS in August 2011), Meena Bazar, and Shwapno. In addition, there was a medium chain named Nandan Mega Shop with five outlets, a number of smaller modern food retail chains with not more than two or three outlets, and a multitude of single-outlet supermarkets. There were no transnational supermarket chains at all — no greenfield investments, joint ventures, or acquisitions. There were some foreign-owned single-outlet ventures, e.g. a Korean supermarket in Dhaka’s high-income bank and embassy area, Gulshan. However, these ventures were operated by individual private entrepreneurs and not associated with any transnational supermarket chain.

In January 2012, representatives of the “Bangladesh Supermarket Owners’ Association” spoke of 21 modern food retail ventures countrywide, and 19 ventures operating 89 outlets in Dhaka. These figures, however, only referred to the association’s member companies. The supermarket mapping that was conducted in 2012 in the course of this study’s partnering project found 9 supermarket chains running a total of 68 outlets, and another 27 single-outlet ventures in Dhaka (Keck 2015; see also Table 1). Another study from that time vaguely spoke of about 30 companies operating around 200 supermarket outlets across the country, and “roughly” 40 supermarket outlets in Dhaka (Hussain & Leishman 2013). While the reasons for the discrepancies between the last two sources remain unclear, they reflect the difficulty of attaining reliable data on the supermarket industry in Bangladesh and its capital.

Table 1: Supermarket Outlets in Dhaka (2012)

Supermarkets	Number of outlets
Shwapno	30
Meena Bazar	14
Agora	11
Almas Supershop	3
Prince Bazar	2
Nandan Mega Shop	2
Carrefamily	2
Consumer's Mega Shop	2
Somobuy Bazar	2
Supermarket chains (in total)	68
Single outlets (in total)	27
In total	95

Source: Keck (2015, p. 295, modified)

In 2013, BSOA representatives estimated supermarkets' market share to be about 2 percent of total food retail in Bangladesh, and not more than 5 percent of total food retail in Dhaka.

Generally speaking, modern food retailers in Dhaka offered a full-line product assortment that comprised non-food products, such as houseware and cosmetics, and food products from grocery items including dairy products fresh fish, meat, vegetables, and fruits. The breadth and depth of the product assortment varied considerably depending on the retail strategy of the venture in question. In some cases, modern food retailers even adapted their assortment in a specific outlet to the particular needs of the customers in a given location.

“Our Gulshan branch is different [than] our other branches. The other branches were set up according to our local peoples' demand, so we don't have so many imported items like e.g. cherries or mozzarella cheese. In Gulshan, they import nearly everything, because there are many foreign people, and the customers' choice is different” (Modern food retailer C, 25.10.2011).

In regards to customer segments, Dhaka's modern food retailers entered the food retail market by focusing on (upper) middle- to high-income customers, including affluent expatriates. Accordingly, supermarket outlets were mainly located in high-income city districts, such as Gulshan and Uttara, or (higher) middle-income wards like Mohmmadpur and Dhanmondi, where consumers were not only amenable, but also financially able to adapt to new ways of shopping. A remarkable exception was the major supermarket chain Shwapno, which followed a different retail strategy. In accordance with the management's ambitious vision “to bring the habit of supermarket shopping to the masses” (Modern food retailer A, 21.10.2011), the chain offered everyday essential products and equal service in a comparably small

sales area wherever its outlets were located. Shwapno further sought to achieve the locational advantages of a “neighborhood supermarket” (ibid.) by establishing its outlets in close proximity to housing complexes or schools, even in lower income wards.

The Bangladesh Supermarket Owners’ Association (BSOA)

To the present date, Bangladesh’s supermarket industry is publicly represented by the “Bangladesh Supermarket Owners’ Association” (BSOA), which unites the major supermarket chains Agora, Meena Bazar and Shwapno, and several smaller food retail chains and single-outlet ventures. The BSOA is not only the modern food retailers’ most important public mouthpiece and lobbying body in Bangladesh, but also a platform for collaborative learning and knowledge exchange.

In the course of the author’s interviews, Bangladesh’s modern food retailers expressed their strong conviction that their industry was an important change agent and contributor to the country’s further socioeconomic development. The supermarket managers interviewed further held the view that they would change their countrymen’s lifestyles for the better by offering a comfortable, safe and time-saving shopping environment where customers could find a consistent and wide range of safe and healthy food at fair and fixed prices under one single roof. In this context, modern food retailers described themselves as “educators” (Modern food retailer E, 01.11.2011) who help their consumers to develop their health, food safety and quality awareness, and corresponding product knowledge. Modern food retailers further stressed the important changes their businesses would bring to the upstream members of the food distribution channels. Hence farmers would benefit from higher surpluses through shortened and more efficient distribution channels. On the level of food processors and manufacturers, supermarkets would encourage the improvement of manufacturing, packaging and distribution technology, and stimulate large-scale food production. In the end, this would lead to higher levels of food quality and safety, and would even provide local producers with opportunities for export. The government would not only see the supermarket industry creating employment — in modern food retail and in related industries such as food production or packaging — but would also benefit from the supermarket industry as a driving force for the transition of food retail from often untaxed, informal spheres to taxable forms. Furthermore, by stimulating the introduction of up-to-date technologies along the food distribution chains from the farm to the shop level, the supermarket industry would make a considerable contribution to the achievement of the government’s goal of a “Digital Bangladesh.”⁵ Or, as put briefly by a supermarket manager: “By getting into this

5 The goal of a “Digital Bangladesh” is constituted in the government’s “Vision 2021” and based on the assumption that enhanced application and usage of information and communication

[modern food retail] business, we are actually doing a favor to the nation” (Modern food retailer E, 01.11.2011).

With the goal of spreading this word among the broad public and creating favorable conditions for the supermarket industry’s further development, BSOA’s working strategy is based on the three strategic pillars of: 1) the establishment of good rapport with relevant ministries and authorities; 2) the promotion of intensive public relations in order to create a clean, positive and credible image of modern food retail in society; and 3) the implementation of special projects such as training programs on supply chain management, or merchandising techniques (Bangladesh Supermarket Owners’ Association 2012).

By the time the fieldwork for this paper was conducted, in view of the above-described socioeconomic developments, Bangladesh’s modern food retailers were quite confident about the future of modern food retail in their country:

“Setting up superstores in Bangladesh is just like swimming downstream. I have been frequently visiting England and the US, so I know superstores are commonplace in developed countries. All countries formerly had wet markets, and then gradually transformed them into supermarkets. Bangladesh is yet a developing country. But it’s only a matter of time until our people will come to the superstores” (Modern food retailer J, 06.09.2012).

Furthermore, the BSOA representatives interviewed envisioned Bangladesh emerging as the leader among the latecomer countries of the so-called “supermarket revolution,” and expressed their conviction that, after the ready-made garment industry, Bangladesh’s growing modern food retail industry would be the country’s next booming industrial sector. In regards to the industry’s market share in Dhaka’s food retail, some supermarket managers expressed their hope to achieve 40 percent by 2017.

Factors Hindering the Expansion of Supermarkets in Dhaka/Bangladesh

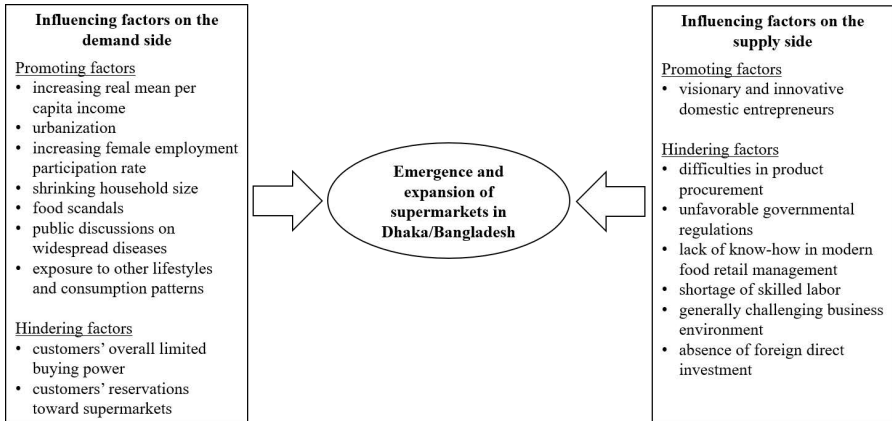
However, the author’s complementary desk research at the end of the year 2018 revealed that, in retrospect, modern food retailers’ visions and estimates appear to have been too optimistic. Having arisen from a rather euphoric gold-rush atmosphere, modern food retail’s development in recent years has significantly lagged behind the industry representatives’ initial great expectations. In 2018, supermarkets’ countrywide market share was estimated to range between 1.52 percent and 2 percent (Mahmud 2018). These figures indicate that, compared to an estimated countrywide market share of 2 percent in 2013, Bangladesh’s supermarket industry seems not only to have grown no further, but might even have shrunk slightly in recent years. The same applies to modern food retail’s

technologies is a decisive precondition for Bangladesh’s future development (Government of the People’s Republic of Bangladesh 2012).

market share in Dhaka, which in 2017 was estimated to be “no more than 2 per cent of the total grocery retail industry in the city” (Ali & Faroque 2017, p. 295).

Up to the present date, the rapid expansion of supermarkets in Dhaka, and even more in Bangladesh as a whole, is being hampered by various factors on both the supply and the demand side (see also figure 1).

Figure 1: Influencing Factors on Modern Food Retail in Dhaka/Bangladesh



Source: Author’s own visualization.

While all of these factors were already present by the time the fieldwork for this study was conducted, the results of the author’s complementary desk research suggest that some of the factors have become more significant in recent years. The following sections describe the supermarket industry’s most important challenges in Dhaka/Bangladesh, and modern food retailers’ corresponding coping strategies.

Difficulties in Product Procurement

The establishment of stable and efficient supply chains has been an essential precondition for supermarkets’ competitiveness and successful expansion ever since. Direct business relations with a selection of reliable, dedicated suppliers on a long-term basis allow modern food retailers to not only achieve the necessary reduction in purchase and transaction costs, but also to fulfil their promises regarding product availability, diversity, quality, and safety (Reardon, Henson & Berdegú 2007). However, similar to their counterparts in other countries prior to the emergence and dominance of supermarkets, to the present day, Bangladesh’s modern food retailers face considerable challenges on their way to achieving this goal: Bangladesh’s agricultural sector is shaped by innumerable small and medium farmers who are spread throughout the country and sell small amounts of marketable surpluses of the crops they grow. Agribusiness struggles with several

hampering factors such as inappropriate technology, irregular power supply, and poor business development services. Traditional food distribution channels are highly fragmented, and, according to the supermarket managers interviewed, agricultural products have to pass through between four and eight intermediaries on their way from producer to consumer. Wholesalers in the cities function as essential nodes along these traditional food distribution channels by maintaining close and frequent contact with a broad network of suppliers all over the country. In this system, commercial agreements tend to be based on verbal contracts, which are underpinned by long-standing reciprocal and trust-based business relationships between supplier and wholesaler. While these broad supplier networks have proven to be very efficient and resilient in the context of traditional food distribution channels (Keck 2016), they by no means comply with modern food retailers' specific requirements.

According to the modern food retailers interviewed, assembly of the widely dispersed agricultural products is very intricate and inefficient. A lack of market transparency and prevalence of on-spot transactions instead of long-term contracts leads to considerable price fluctuations and has a severe impact on supply chain stability, and thus the shelf availability of products. The absence of (sufficient) quality control mechanisms along traditional food supply chains further impedes product standardization and consistent product quality. Furthermore, the comparably long structure of traditional supply chains, with their numerous intermediaries, leads to unnecessary markups in food prices. In this setting, procurement of perishable products presents the greatest challenge:

“Procurement is still not easy, especially with perishables. There is no cold chain, nothing. Products are delivered on open trucks. Products are not properly kept in temperature. We are wasting 35 to 40 percent of our fresh produce due to improper storage, packaging and transportation. This is a great challenge we all face together” (Modern food retailer E, 01.11.2011).

As for processed and storable food, because of modern food retailers' comparably small size and procurement needs, according to the supermarket managers interviewed, producers consider it more profitable to sell their products to traditional wholesalers, which are capable of purchasing in larger quantities. For the case of imported food, supermarket managers reported intricate procedures and tax rates of more than 200 percent, which would make foreign items expensive luxury goods. Inadequate transportation infrastructure across the country as well as severe congestion may further lead to heavy delays in delivery, which prevents goods from reaching the stores on time. In view of these circumstances, Bangladesh's modern food retailers face great difficulties in securing a reliable supply of products of consistent quantity, quality, and price to reduce their (transaction) costs, and to achieve the necessary economies of scale that would allow them to become price competitive compared to traditional food retailers.

In particular, Bangladesh's three major supermarket chains are trying to tackle these challenges by establishing direct relationships with preferred suppliers and implementing private standards along their supply chains:

“So, what did we have to do? We had to catch small people, bring them to our classroom and tell them: ‘This is the quality that we want. This is the variety, that we want. You fix it and then you come and deliver to us.’ That way we started building small, small suppliers to help us” (Modern food retailer E, 01.11.2011).

This measure allows supermarkets not only to reduce their transaction, coordination, and search costs, but also to assure the suppliers' consistent responsiveness to supermarkets' specific requirements. Additionally, direct relationships with suppliers help to cut out all actors along the supply channel that do not fulfill any value-adding functions.

With the goal of enhancing the suppliers' capacities to grow along with their clients, all major supermarket chains have rolled out their own supplier development programs — in some cases with the support of foreign development agencies (see e.g. Business Innovation Facility 2013, n.p.). In addition to providing support in the procurement of capital equipment, these programs may include training on issues such as the use of fertilizers and pesticides, or the prevention of post-harvest losses. Taking food consumption trends in other countries as an example, Meena Bazar even strives for first mover advantages by placing special emphasis on organic farming. Given the producers' often only low level of formal education, some training also focuses on basic commercial knowledge and a range of business skills.

Instead of further relying on the traditional mode of fragmented, per-store procurement on a daily basis, the major supermarkets in particular have shifted to centralized procurement via distribution centers at the outskirts of Dhaka, to which suppliers are required to organize their deliveries — from grains and meat to vegetables and fruits. The centralization of procurement allows modern food retailers not only to substantially reduce their coordination and other transaction costs, but also to purchase at a mass scale, which goes along with stronger bargaining power relative to their suppliers. Besides serving as collection points, these distribution centers are also used as sites for value-adding activities such as the grading or packaging of products. Some of these venues also feature their own small laboratories where incoming goods are controlled and tested for potential contamination, in particular with the much publicly discussed chemicals formalin and calcium carbide. In order to smooth their product procurement and to secure the shelf availability of products, Bangladesh's modern food retailers are also increasingly applying up-to-date logistical technology. Thus, warehouse management systems, Enterprise Resource Planning (ERP), or Point of Sale (POS) software systematically track the supermarkets' business processes and allow for more efficient management of procurement and stocking operations.

Lack of Know-How and Shortage of Skilled Labor

Most of the supermarket ventures in Bangladesh were founded by enterprises or entrepreneurs with no prior experience in food retail. This even holds true for the country's three major supermarket chains, whose parent groups are all renowned Bangladeshi enterprises with core businesses such as the power storage and energy industry, engineering, pharmaceuticals, or agribusiness. Given the high degree of novelty of modern food retail in Bangladesh, managers of supermarkets of all sizes reported undergoing a "trial and error" process (Modern food retailer J, 06.09.12) and "learning by doing" (Modern food retailer K, 14.09.12).

Modern food retailers apply a considerable variety of approaches in order to gain and deepen their know-how on modern food retail management. The approaches range from internet research and reading technical literature to more sophisticated activities such as the deployment of staff for training, the observation of modern food retail abroad, and the recruitment of foreign consultants. Thus, expertise and know-how in modern food retail management are transferred to Bangladesh's supermarkets from all over the world: from the USA and various European countries, but also Indonesia, Sri Lanka, and Kuwait.

As the interviews with modern food retailers further revealed, finding and retaining skilled and experienced labor at the management level — from the level of outlet manager to back office positions, such as marketing or procurement management — poses a considerable challenge. On the one hand, the interviewees traced these difficulties back to the low attractiveness of the supermarket industry for highly educated people. On the other hand, modern food retailers explained the shortage of skilled labor with reference to a lack of corresponding education and study programs in Bangladesh. It is therefore not surprising that employees who have acquired know-how and practical experience in modern food retail management abroad are very sought after in Bangladesh's supermarket industry. Managers of the major supermarket chains even described their efforts to stimulate the development of academic curricula on agribusinesses, supply chain and modern food retail management at local universities. Some supermarket chains' web presences also feature specially produced films that illustrate the manifold amenities of developing a career in the modern food retail industry. Notwithstanding modern food retailers' strong efforts, a view of more recent sources reveals that the lack of skilled and experienced labor remains one of the major challenges for modern food retailers in Bangladesh (IDLC 2017; Datta 2018).

Unfavorable Governmental Regulations

Unlike in other countries or cities where supermarkets were proactively promoted through respective structural adjustment policies and regulations (e.g. Goldman 2000 for the case of Shanghai), the emergence and development of modern food retail in Bangladesh and its capital city Dhaka has so far taken place without the

Bangladeshi government or Dhaka's municipality playing an active role. In the course of the nearly past two decades, BSOA has made strong efforts "to get on the government's radar" (Modern food retailer F, 02.11.2011), and to direct the government's attention to the industry's visions and need for support. And, indeed, at first, BSOA's corresponding efforts seemed to bear fruit: in his speech at the BSOA's 10th anniversary, Bangladesh's industries minister acknowledged supermarkets as a "product of modern thinking," and appreciated the industry's previous achievements (see also Financial Express 2012). Nonetheless, BSOA's struggle for more favorable regulations to develop Bangladesh's modern food retail industry still seems to be far from over.

In the spring of 2013, Bangladesh's supermarket industry was reported to be experiencing negative growth for the first time since its emergence in 2000, seeing an 8 to 10 percent decline in sales. This development stood in sharp contrast to the prediction of 20 to 30 percent annual growth that BSOA representatives had made only one year before on the occasion of celebrating one decade of supermarkets in Bangladesh. Modern food retailers traced the unpleasant situation back to the government's decision in July 2012 to levy VAT on everyday essential products sold at supermarkets from 2 to 4 percent for the fiscal year 2012-2013. In view of that decision, modern food retailers felt disadvantaged compared to *mudir dokans* that, instead of paying VAT per item sold, would have to pay an annual VAT rate based on their store location and size. From that time onwards, at each pre-budget discussion for the fiscal year to come, BSOA representatives urged the National Board of Revenue (NBR) to reverse this "discriminatory policy" (Modern food retailer N, 25.09.2012), and to create a level playing field by ensuring a uniform VAT rate for all types of retail stores. A similar, but rather unsuccessful pattern can be observed in the discourse in regard to modern food retailers' struggle for a lowering of import duties on store equipment, such as cabinets, display counters and chilling facilities (Dhaka Tribune 2018; Mala 2018).

In view of frequent media coverage on food scandals in Bangladesh, and a corresponding rising public awareness of issues of food safety and quality, in the recent past, Bangladesh's government has made increased efforts to tackle the issue. While the modern food retailers interviewed welcomed the government's corresponding measures, they also stated that they themselves felt disadvantaged in comparison to the more "anonymous" traditional food retailers, while supermarkets, with their brand names, were disproportionately the center of the government's attention. Indeed, local media had repeatedly reported on various food adulteration inspections in supermarket chains, and on modern food retailers being fined for having offered adulterated and expired food (e.g. Chowdhury 2012; Mahmud 2018). According to the interviewed modern food retailers, these incidents were severe setbacks to the development of the supermarket industry, as supermarkets lost the hard-earned customer trust they had previously won. Modern food retailers further criticized that food inspections were mainly concentrated at the retail level, while neglecting upstream stages along food distribution channels.

As a consequence, modern food retailers felt unjustifiably held responsible for misconduct that had already been committed at the producer level. While the supermarket managers interviewed expressed a high commitment to contribute to safer and higher quality food in their country, they also stated that they suffered from unsystematic and poorly coordinated activities from the government's authorities, and outdated and inconsistent food laws and regulations. These complaints were not plucked out of thin air: A study by Rahman & Højskov (2010) on behalf of the United Nation's Food and Agriculture Organization had indeed revealed severe weaknesses in the government's enforcement and monitoring mechanisms.

The modern food retailers interviewed reported that they had chosen an approach of cooperation instead of confrontation, with the aim and hope of making a real contribution to a more effective food safety monitoring system in their country. In accordance with this approach, BSOA members therefore repeatedly sought conversations with government representatives to show their goodwill to cooperate with the government in its promotion of food safety. At the same time, via corresponding media coverage and personal meetings with high-level policymakers, the BSOA worked on raising awareness of the unfavorable situation of its industry. Government representatives repeatedly affirmed that they had taken note of the BSOA's concerns and demands, and further pointed to the new Food Safety Law of 2013 that would provide a remedy to the problems in the country's food safety enforcement and monitoring system. Nonetheless, Bangladesh's modern food retailers still call for food safety monitoring at the production and import levels, and the proper coordination of the numerous government food safety inspection agencies (Mala 2018). In parallel, modern food retailers are continuing their efforts to (re)gain and foster the public's trust, e.g. via the implementation of internationally recognized food quality standards (Shwapno 2017), or the organization of roundtables on food safety (The Daily Star 2018a).

Generally Challenging Business Environment

As proven by the history of supermarkets, in comparison to traditional food retail, modern food retail is a capital- and know-how-intensive business with considerable barriers to entry. In addition to these sector-specific barriers, the supermarket founders interviewed reported general hurdles for the private sector in Bangladesh. And, indeed, Bangladesh can regularly be found in the lower ranks of the Ease of Doing Business Index.⁶ According to the Index, Bangladesh's major business obstacles range from inadequate access to finance to the country's poor infrastructure, above all the lack of reliable power and gas supply, and to the absence of good transportation networks. Governmental bureaucracy works

6 The Ease of Doing Business Index is an annual report that presents quantitative indicators on business regulation and the protection of property rights. The higher the ranking, the more conducive a country's regulatory environment is to operating business.

inefficiently and slowly, and the inadequate and intransparent legal and judicial system leaves significant room for corruption. Last, but not least, Bangladesh's political situation is still considered as unstable, and the country's confrontational politics tend to erupt in continual violent general strikes (*hartals*) (The International Bank for Reconstruction and Development & The World Bank 2018; Rahman & Rashid 2018). Modern food retailers reported facing considerable difficulties in sustaining themselves and growing in such a business environment. The challenge begins right from the first step. In particular, founders of smaller supermarkets reported the difficulties they had in finding adequate bank loans to set up their ventures. The prevailing bureaucracy poses another significant barrier, and modern food retailers spoke of waiting periods of more than one year for all of the necessary permissions and licenses to open a new store.

Another challenge for modern food retailers lies in finding an adequate location for the future outlet. Modern food retailers in Dhaka stated that they attach great importance to a store's visibility and accessibility from the main roads, its proximity to their customers' homes, and sufficient space for warehouses, cold stores, and parking facilities. Given the high construction density and tremendous real estate costs in Bangladesh's capital, such sites are, however, hard to find.

In view of these constraints, modern food retailers found themselves trapped in a vicious circle:

“Due to this situation, we cannot open up stores. When we cannot open stores, we cannot drive volume. When we cannot drive volume, we cannot get direct supply. All this prevents us from exploiting the full potential of the superstores.”
(Modern food retailer N, 25.09.2012)

While the managers interviewed from the larger supermarket chains showed a certain confidence in being able to somehow cope with these hurdles, some owners of smaller supermarkets, in particular single-outlet managers, expressed serious worries regarding the future of their ventures. According to their statements, they felt squeezed between the more powerful and resourceful major supermarket chains, and the low-cost operations of *kacha bazars* and *mudir dokans*. This would make it difficult for small players to amortize high initial investments and following considerable operating expenses, e.g. for salaries, or power supply. Finally, other than larger ventures, managers of small ventures did not see the scope for compensating losses from other outlets or business branches. The manager of a small chain with two outlets even admitted:

“I got into this business after my retirement. If I had known before how tough it is, I would have never stepped into this.” (Modern food retailer H, 27.08.2012)

The unfavorable conditions described have already made several owners of smaller supermarkets, including former key pioneer Nandan, give up their businesses, or sell their outlets to larger competitors (see also Rahman 2008; New Age 2013). It is therefore not surprising that some of the small entrepreneurs interviewed no longer have any motivation to expand their businesses.

Absence of Foreign Direct Investment

To this day, Bangladesh's modern food retail industry is a "homemade" development, which has been inspired, though not initiated or spurred, by transnational ventures. Consequently, foreign direct investment, one of the most important drivers of the so-called "supermarket revolution," has not yet unfolded. However, studies on business opportunities for foreign ventures in Bangladesh's consumer goods markets, as well as the country's food production and retail industry (e.g. van Gorp et al. 2013; Munir, Muehlstein & Nauhbar 2015), may be interpreted as hints that the developments in Bangladesh's food retail sector are not going unnoticed abroad. Likewise, the modern food retailers interviewed reported receiving first approaches from foreign transnational supermarket chains.⁷ While the author's interview requests with representatives of transnational supermarket chains on their prospective expansion strategies in Bangladesh were rejected due to the confidentiality of this information, some of the modern food retailers reported that market entry by foreign competitors has so far been deterred by the population's comparably low purchasing power, the country's unfavorable business environment, its significant infrastructural deficits, and political instability. However, none of the supermarket managers interviewed doubted that foreign supermarket chains would eventually enter the Bangladeshi market.

Given the still suboptimal environment for modern food retail in Bangladesh, interviewees expected transnational food retailers to use franchises or joint ventures, rather than make greenfield investments as initial market entry strategies, in order to protect their own brand image in a challenging environment. Most of the modern food retailers interviewed considered this scenario to be positive, as they were convinced that experience, resources, and the good reputation of foreign food retail chains would help their own businesses grow. However, the managers of the major supermarket chains in particular, showed a high commitment toward their own businesses, and made clear that they would not allow transnational entrepreneurs to drive their Bangladeshi counterparts out of the market:

"Everything we do is still on a small, small, small scale. But they [the transnational supermarket chains] will come with a lot of financial strength, with a lot of management knowledge, with a lot of infrastructure and facilities. We, who built this platform over the last 10 to 15 years, we could be knocked out in only one second. So, we will have to have our say about *how* they come in. If they get preferential treatment by the government, if they come and throw us in the Bay of Bengal, we will definitely have to create a campaign and resist them. But if they come to shake hands and grow together with us, they are very welcome, and our people, our farmers, our country, everybody will develop." (Modern food retailer E, 01.11.2011, emphasis by author)

7 In 2018, Walmart Inc. was also officially reported to be preparing to enter Bangladesh (The Daily Star 2018b)

In this context, some modern food retailers referred to the role model of Bangladesh's neighbor country India, where domestic modern food retailers have repeatedly defended their interests against transnational competitors (see Dholakia, Dholakia & Chattopadhyay 2012). However, at present it is still too early to predict whether and to what extent Bangladesh may also witness this kind of "indigenous retailer resistance" (Coe & Wrigley 2007).

Customers' Overall Limited Buying Power and Reservations Toward Supermarkets

As already previously described, Bangladesh's socioeconomic development has played a pivotal role in setting the initial impulse for the evolution of the country's supermarket industry. From 2011 on, Bangladesh has continued its strong development trajectory, with an annual GDP growth rate of between 6 and 7.3 percent (World Bank 2018). However, with one in four people living in poverty, and 12.9 percent of the population even below the national extreme poverty line, poverty reduction "remains as the major challenge of development in Bangladesh" (Bangladesh Bureau of Statistics 2017, p. 1). Given supermarkets' current focus on the upper-income customer segments and their manifold challenges on the supply side, at least at this point in time, modern food retailers in Bangladesh are thus far beyond the reach of the vast majority of the country's population.

But even among the targeted segments of high(er)-income consumers, supermarket managers perceive a kind of "supermarket phobia" (Modern food retailer E, 01.11.2011), as customers shy away from supermarkets' sophisticated appearance:

"Because supershops are air-conditioned, because there are all those nice facilities, people think: 'From the moment I go in here, I will be slaughtered.' This is a challenge we all face together. To bring the people in." (Modern food retailer F, 02.11.2011)

As a consequence, traditional food retail formats such as *kacha bazars* and *mudir dokans* are still serious competitors for supermarkets, not only for low-income customers, but also the middle-class consumer segment (see also Ali & Faroque 2017).

With the goal of countering customers' reservations toward supermarkets and creating loyalty toward their stores, modern food retailers continuously work on the improvement of their retail strategies, and the provision of an inviting and trustworthy shopping environment for the whole family — guarded parking areas, and child care services included. Customers at the meat and fish counters are served by shopping assistants wearing plastic gloves, aprons and hygienic caps, while information boards and clearly visible formalin detection kits foster the supermarket's promise of assuring food quality and safety. Information labels draw the customers' attention to special offers, and tasting booths invite them to discover and try new products. Numerous shopping assistants attentively wait to give advice, and to weigh and pack the customers' purchases. At the checkout,

customers can collect loyalty points on their customer cards. In some outlets, benches or cafés invite customers to take a rest. Modern food retailers organize festive events, be it on the occasion of the launch of a new store, upcoming national and religious holidays, or themed weeks. Customers are provided with discounts and are invited to participate in sweepstakes. In addition to advertisements in newspapers, and radio and TV spots, it is particularly the (major) supermarket chains that maintain their own websites and make extensive use of social media such as Facebook and YouTube to praise their virtues. Here, consumers are not only informed on new products, upcoming special offers and events, but are also provided with beauty advice, and nutritional recommendations. Recipe suggestions invite customers to prepare traditional Bangladeshi dishes and foreign delicacies — corresponding ready-made shopping lists included. In particular, customers of the major supermarket chains may further register for electronic newsletters or mobile phone information messages, and may address their questions and inquiries to consumer hotlines. In recent years, Facebook's dialogue functions have emerged as further important means for modern food retailers to interact and stay in contact with their customers.

Picture 2: Impressions from Supermarket Outlets in Dhaka

From left to right: a billboard at the entrance of a supermarket outlet; a tasting booth; shopping assistants waiting to serve customers; cashier with electronic cash register.



Source: Author's own pictures (October 2011 to September 2012)

In compliance with its working strategy, the BSOA maintains first-rate contacts with local key media in order to ensure steady and positive news coverage of the supermarket industry. Thus, newspapers feature lifestyle articles on the merits of modern food shopping, reports on supermarkets' measures for supply chain improvement, their fight for food quality and safety, or their role as generators of employment and the government's tax revenue. BSOA representatives can be found being interviewed by print media, and even on national TV talk shows, where they praise the amenities of supermarkets for consumers and Bangladeshi society and the economy as a whole. Being well aware of the public visibility of their ventures and brand names, modern food retailers also apply public relations to foster their image as good corporate citizens. Besides modern food retailers' efforts to promote and ensure food safety and quality, the public thus learns about supermarkets' voluntary activities that sometimes go far beyond their core businesses. Carefully designed graphics and videos on the ventures' social media channels, for instance, inform the viewers of the correct behavior in case of earthquakes, or the prevention of Dengue Fever infections. Shwapno has implemented vocational training programs for children with autism (ACI Limited 2017), and Meena Bazar sensitizes its customers to the need for waste reduction (Meena Bazar 2017).

Even though Dhaka's modern food retailers have been experimenting with different retail strategies, given the challenges described above, it can be stated that supermarkets have not established themselves as shopping destinations for the masses. On the contrary, the major chain Shwapno's modification of its original retail strategy to be a supermarket "for the common people" (Modern food retailer A, 21.10.2011) into a supermarket chain with an upgraded product assortment, interior and services (ACI Limited 2018) can be interpreted as a signal that continuing to focus on the more affluent customer segments seems to be more promising at this juncture.

Conclusion and Outlook

Based on the findings of this study, the following preliminary conclusions can be drawn: For almost two decades, an expansion of modern food retail in Bangladesh has clearly been under way. In this context, Dhaka, as the country's capital city and political, economic, and cultural hub, and with its with comparably dense concentration of affluent local and foreign consumers, can be considered the cradle of this development. It is here that modern food retail in Bangladesh took root and, over the years, expanded to other bigger cities throughout the country.

However, even though supermarkets have already become an inherent part of Dhaka's food retail market, compared to other countries in the Global South, one cannot yet speak of a "supermarket revolution" in Dhaka, and even less in Bangladesh as a whole. The combination of the unfavorable influencing factors on the supply and demand sides leads to a somewhat vicious cycle. Supermarkets can

hardly expand to an extent that allows them to achieve the buying power and large-volume purchasing capacity necessary to exploit economies of scale to deepen the market segment of affluent consumers, and to also penetrate the lower-income customer segments. In accordance with its assignment to the last geographical wave of modern food retail diffusion in the Global South so far, it can therefore be stated that, with only 1.52 to 2 percent estimated market share, Bangladesh's supermarket industry is still one of the smallest in the world. It therefore comes as no surprise that supermarkets' competitive pressure and impact on Dhaka's traditional food retail formats such as *kacha bazars* is still limited (see also Hobelsberger 2021).

According to their own statements, Bangladesh's modern food retailers are convinced and highly committed to evoking "positive changes" (Modern food retailer M, 20.09.2012) to all parties in the domestic food distribution channels, and in that way making a significant contribution to the country's socioeconomic development. The actual specific positive or negative effects of supermarkets on individual actor groups along Bangladesh's food distribution chains, however, remain to be seen and will heavily depend on supermarkets' further development. Here, two recent trends may give the developments so far a decisive turn.

First, in the course of recent years, e-commerce has assumed an increasingly important role in Bangladesh's food retail sector. The major supermarket chains Meena Bazar and Shwapno have established their own e-commerce divisions (IDLC 2017; Future Startup 2018). But furthermore, several domestic startups such as Chaldal or Direct Fresh have entered the food retail market with the aim of providing Bangladesh's (urban) consumers relief from their increasingly hectic lives by offering the opportunity to make purchases conveniently online (e.g. Chaldal 2018). As shown by domestic venture Deligram, which uses *mudir dokans* as e-commerce hubs, these startups may even find innovative ways to tie online retail to long-proven traditional food retail formats (Rahim 2019). In view of the widespread use of high-speed mobile internet services in Bangladesh, observers expect e-commerce to significantly gain in importance in future food retail (Karim & Qi 2018).

Second, during the present COVID-19 pandemic, Bangladesh's modern food retailers have reported surging sales, as customers seek sanitized shopping facilities and seem to have greater confidence in supermarkets compared to traditional *kacha bazars* (Parvez 2020). As similar cases such as the outbreak of avian influenza in Vietnam have shown (Phan & Reardon 2007), modern food retail in Bangladesh may receive a considerable boost from the pandemic.

Against this background, the exploratory findings of this study on the first two decades of supermarkets in Bangladesh from the retailer perspective provide a valuable base for further research in a dynamic field that can be assumed to be gaining great importance in the years to come.

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