

# The use of digital platforms for business—insights from Women’s Business Diaries in Bangladesh

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In today's digital era, women who own micro and small businesses have many opportunities to harness digital platforms' power to expand their reach, connect with a broader audience, and boost their business growth. Digital platforms offer a range of benefits, from cost-effectiveness and improved customer engagement to enhanced marketing capabilities and streamlined operations. But how much does it percolate to the ground level? What does the digital life of female business owners look like? In this second edition of "The Big Smalls of Bangladesh" insights series, we unpack how female business owners in Bangladesh use digital platforms for business and examine the challenges they encounter.





## How can female business owners harness the power of digital platforms?

In this section, we will answer the above questions with the help of three case studies from MSC’s Women’s Business Diaries research in Bangladesh. Let us dive in.

### 1. Empowering female business owners financially through mobile financial services: Faria’s inspiring story



Meet Faria, a motivated entrepreneur in her forties who runs a small tailoring shop in Nasirabad, Chittagong. Faria has used a smartphone for several years, which she initially adopted as part of her job as a data collector for an NGO. With her children’s help, she learned to use mobile financial services (MFS) for her transactions.

Two years ago, during a conversation with a customer, Faria noticed that women felt uncomfortable when they approached male agents for their financial service needs. That inspired Faria to start offering MFS services as part of her business. She recognized the potential of offering MFS services to her customers and designated a small space in her shop for a female MFS agent to operate. By doing so, she wished to create a safe and comfortable environment where the female residents of the hostel nearby could conduct their mobile transactions. Faria took the

initiative to understand the various services an agent could provide and started to offer them independently.

Initially, she struggled to understand the features of MFS. However, Faria proactively contacted the service providers to seek assistance and developed a more comprehensive understanding. This prudent step proved crucial to boost her confidence and improve how well she delivered MFS services.

Faria has developed a loyal customer base within her neighborhood, where she has lived for many years, including many men. Faria’s friendly approach and consistent delivery of quality work have earned her customers’ trust and built strong relationships within the community. She has provided convenience and empowered herself financially by catering to the needs of women and embracing MFS.

### 2. From struggles to success: How Kobita transformed her business with digital promotions



Kobita started her beauty parlor, clothing, and cosmetics store in Dhaka 16 years ago. Even though she battled financial constraints and societal judgment, she gained popularity

in her area through hard work. However, as competition grew and the COVID-19 pandemic hit, her business suffered, and her customer base dwindled sharply.

When the pandemic situation improved, and some customers returned to Kobita’s beauty parlor, they suggested Kobita should promote the business on the popular social media platform TikTok.

Kobita was excited about the idea and sought help from a customer to set up her TikTok account and learn how to create videos. She started sharing videos of herself and her customers, which gained followers. Some videos even went viral, which led to more people learning about her beauty parlor. The positive response on TikTok encouraged Kobita to create a Facebook page to showcase her clothing line and conduct live sessions to showcase her products.

Even as she promoted her business digitally, Kobita faced several difficulties. Posting different

makeup looks attracted some negative comments along with positive ones, which initially discouraged her. However, she persevered and chose to ignore the negative comments and focus instead on the positive impact of her efforts.

Kobita’s dedication to digital promotions paid off. With 22,000 followers on TikTok, her beauty parlor now attracts customers outside Dhaka. People travel from faraway places, such as Cumilla, to visit her beauty parlor. Presently, around 80% of her customers discover her business through digital platforms. When she adopted the use of popular digital media platforms, Kobita revived her business and changed people’s perceptions of her, which earned her recognition as a successful woman in her community.

### 3. From YouTube to dairy farm success: Rabeena’s inspiring journey



Rabeena Akhter is a determined entrepreneur from Munshiganj who defied the odds and achieved remarkable success in dairy farming. Despite her limited education, Rabeena’s passion for dairy farming led her to start a thriving business.

Rabeena discovered YouTube videos about dairy farming and became fascinated by the stories of successful farmers. Inspired by a video featuring a woman who managed a large dairy farm, Rabeena decided to pursue her dreams. She immersed herself in online resources to learn everything she could about running a dairy farm. She used financial support of BDT 100,000 (USD 926) from her husband, who has migrated to Singapore for work. With the money, she rented her sister’s land near her house, bought two milking cows, and built a shed for them.

She understood the importance of finding customers to sell her dairy products. She approached local sweetmeat shops and secured bulk orders for fresh milk. As her business flourished, Rabeena gradually expanded her farm to accommodate 22 cows. She now employs two dedicated staff members to help with daily tasks, such as cleaning, feeding, milking, and delivering milk to the shops.

Rabeena’s reliance on YouTube and online platforms showcase the growing importance of digital resources to empower individuals in rural areas as they acquire knowledge and skills to improve their businesses. Through her proactive engagement with online content, Rabeena shows how technology can bridge information gaps and empower aspiring entrepreneurs with the tools they need to succeed.

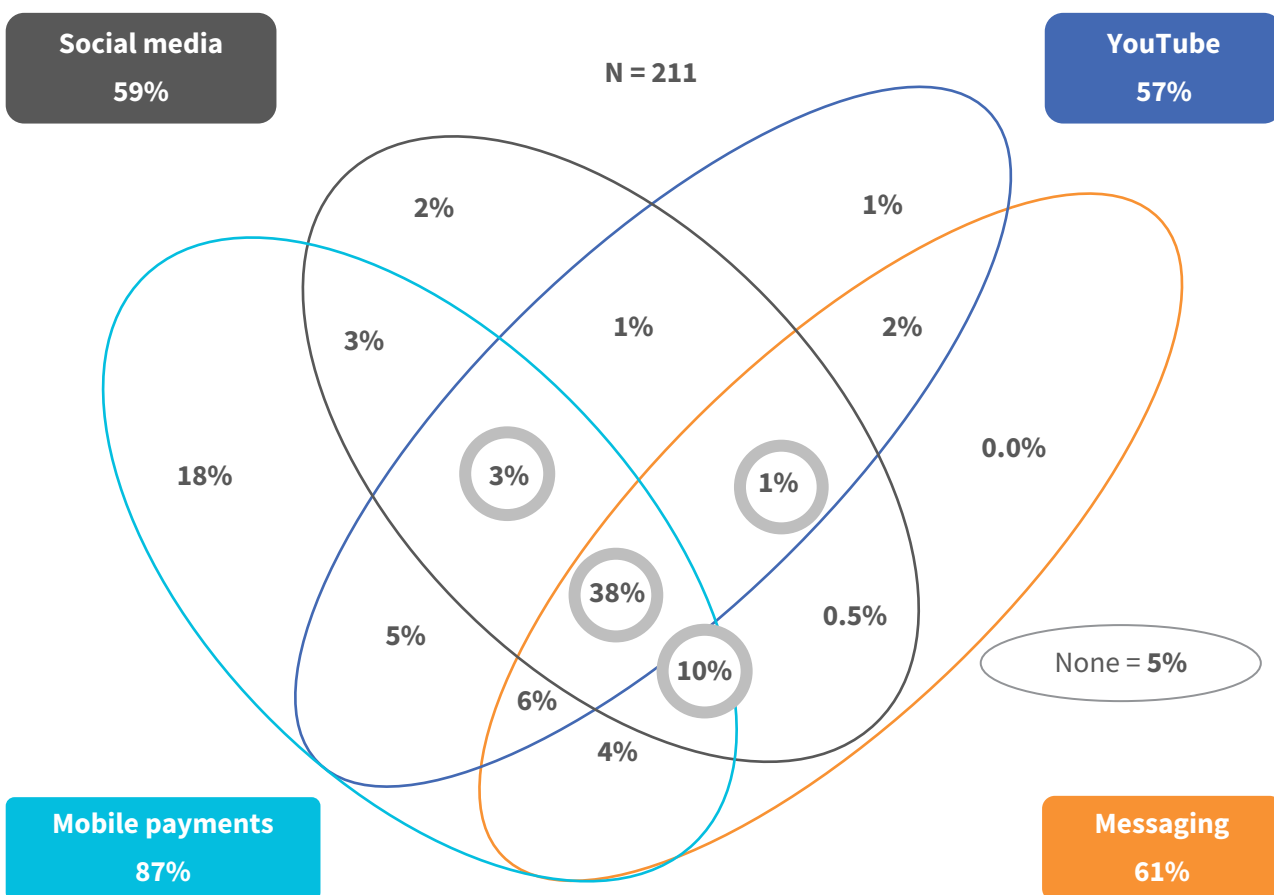


## Unveiling the present landscape: The state of digital platform adoption among female business owners

Quite intuitively, female business owners prefer phones, especially smartphones, to interact with digital platforms. A prerequisite for our Diaries study was access to phones of any type by all female diarists. Among our respondents, 72% of men and 67% of women reported using smartphones. But what do they do with their phones? What are the major use cases, and which ones benefit their business? Let us find out.

### 1. Besides calling or messaging, the major use cases for mobile phones are mobile payments, messaging, social media, and YouTube.

The following infographic shows phone usage patterns, as reported by our diarists in an IVR-based survey (211 women)\*.

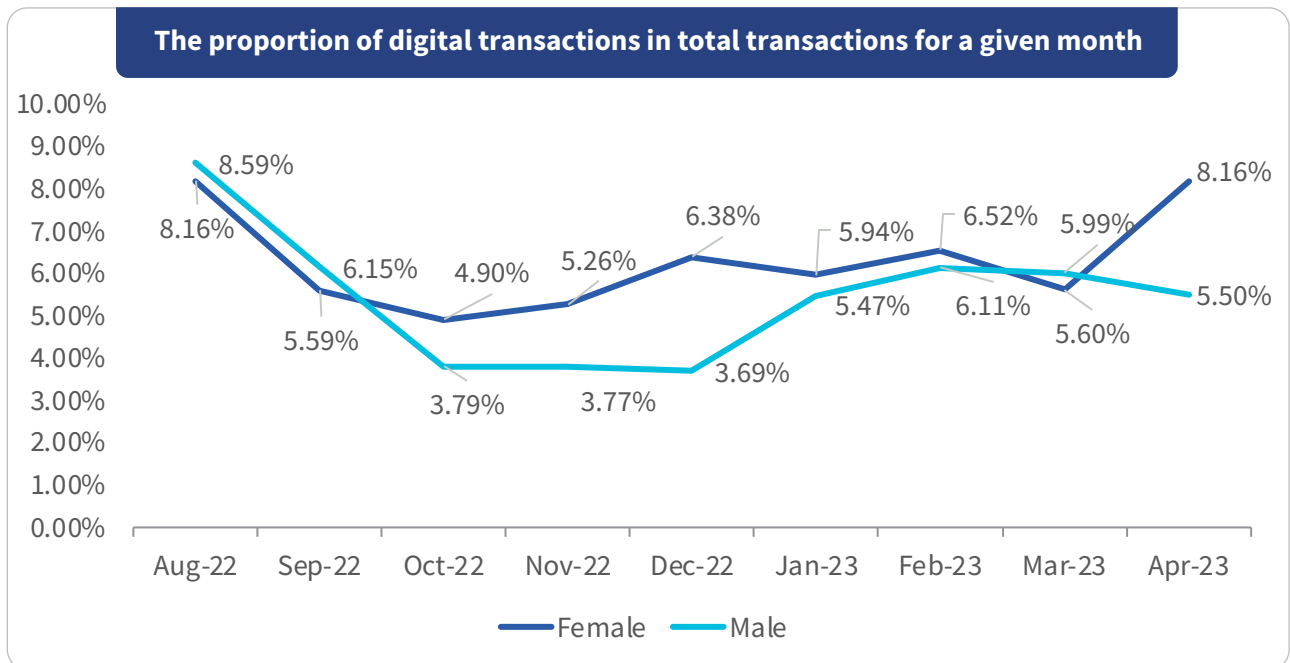


\*MSC collected and analyzed the IVR-based survey data in partnership with Decodis

Only 38% of women reported they use all four platforms—mobile payments, messaging, social media, and YouTube. Messaging is mostly through WhatsApp, while Facebook and Instagram comprise social media. On the surface, 87% of individuals reported using mobile payment methods, primarily bKash, followed by Nagad and Rocket, which seems encouraging. Yet the situation is not as promising when we examine the frequency of usage more closely.

Let us explore the current scenario in the use of digital platforms for business purposes. An analysis of nine months of Bangladesh Diaries data uncovers two significant insights:

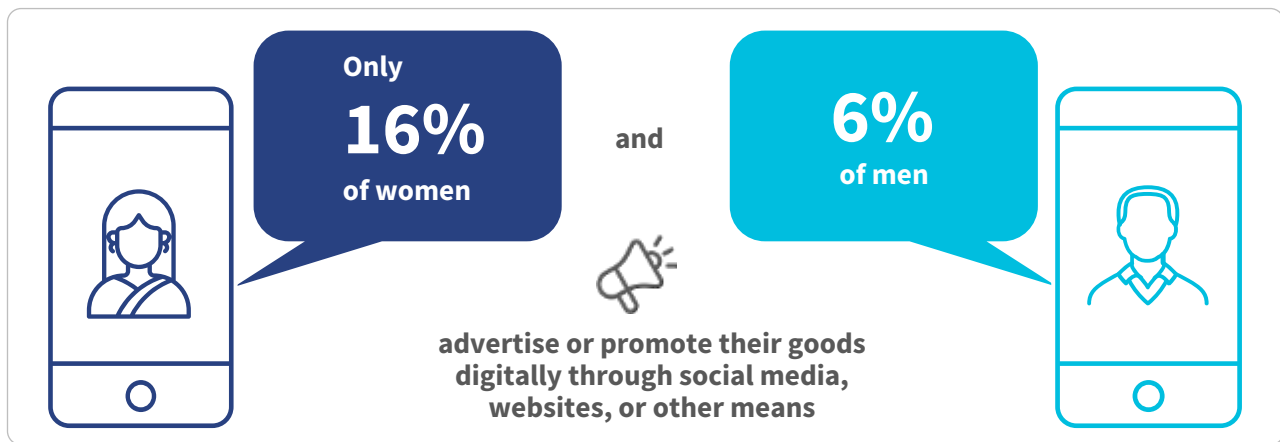
- Only half of the diarists performed at least one digital transaction in each of the nine months.
- Only 4-8% of all transactions are digital, and this trend is consistent over time.



These two points above indicate that though most diarists report using MFS, the frequency and scale of digital transactions remain lower than traditional payment methods.



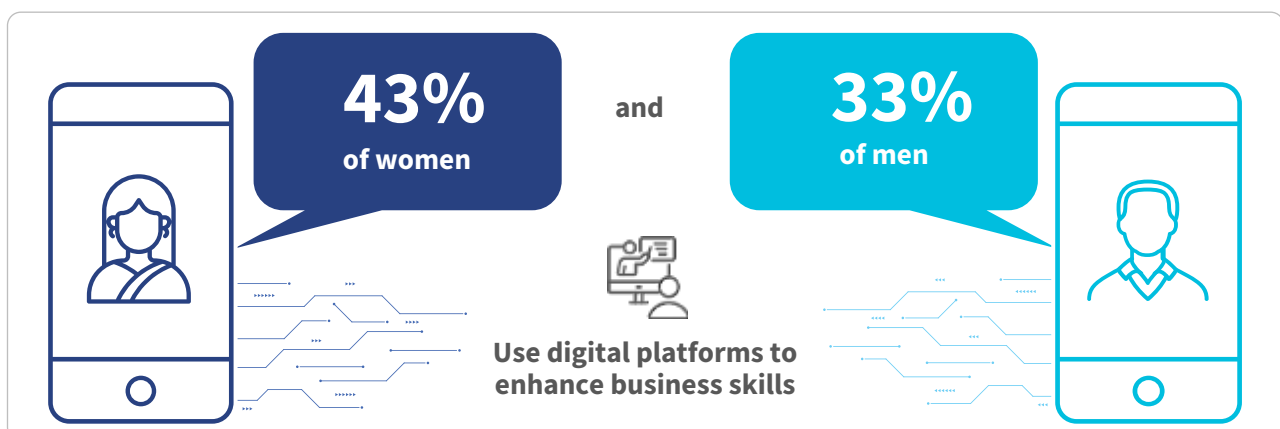
## 2. Only a few small business owners promote their businesses online.



The practice of digitally promoting goods and services is comparatively stronger among women in urban or semi-urban areas (20-22%) and among women in manufacturing (51%) and service (24%) businesses. Among women who digitally market their products, only a few (9%) use e-commerce websites, such as ShopUp and Bikroy.com. Most women use Facebook to promote their business, while 60% and 50% of women use the instant messaging applications WhatsApp and imo, respectively.

Women use these platforms to interact with customers, provide product-related information, and occasionally take online orders. Women with boutique shops and beauty parlors primarily use Facebook and live streaming to promote their products. Owners of bakeries and food businesses use Facebook and FoodPanda as effective channels to connect with their customers. Other mediums of digital marketing are TikTok videos and WhatsApp statuses.

## 3. The use of digital platforms to enhance business skills is moderately high.





More women use digital platforms to acquire business knowledge than men. This practice is relatively more prevalent among women in manufacturing (76%) and service (53%) businesses. The prevalence is comparatively low at 37%, 31%, and 16%, respectively, in retail or wholesale trading, livestock, and agri-based businesses. Younger women and women in urban areas are more likely to use their phones to gain business knowledge—diarists reported using YouTube and Facebook most commonly as platforms to access information.

Diarists have reported acquiring a wide range of skills through Facebook and YouTube. For instance, they have learned valuable tailoring techniques by watching tutorials on YouTube. Similarly, diarists in the food industry have expanded their culinary capabilities by accessing new cooking recipes online. Beauticians found inspiration for new makeup ideas, while agri or livestock business owners gained knowledge of livestock rearing and food processing through videos on YouTube and Facebook posts.



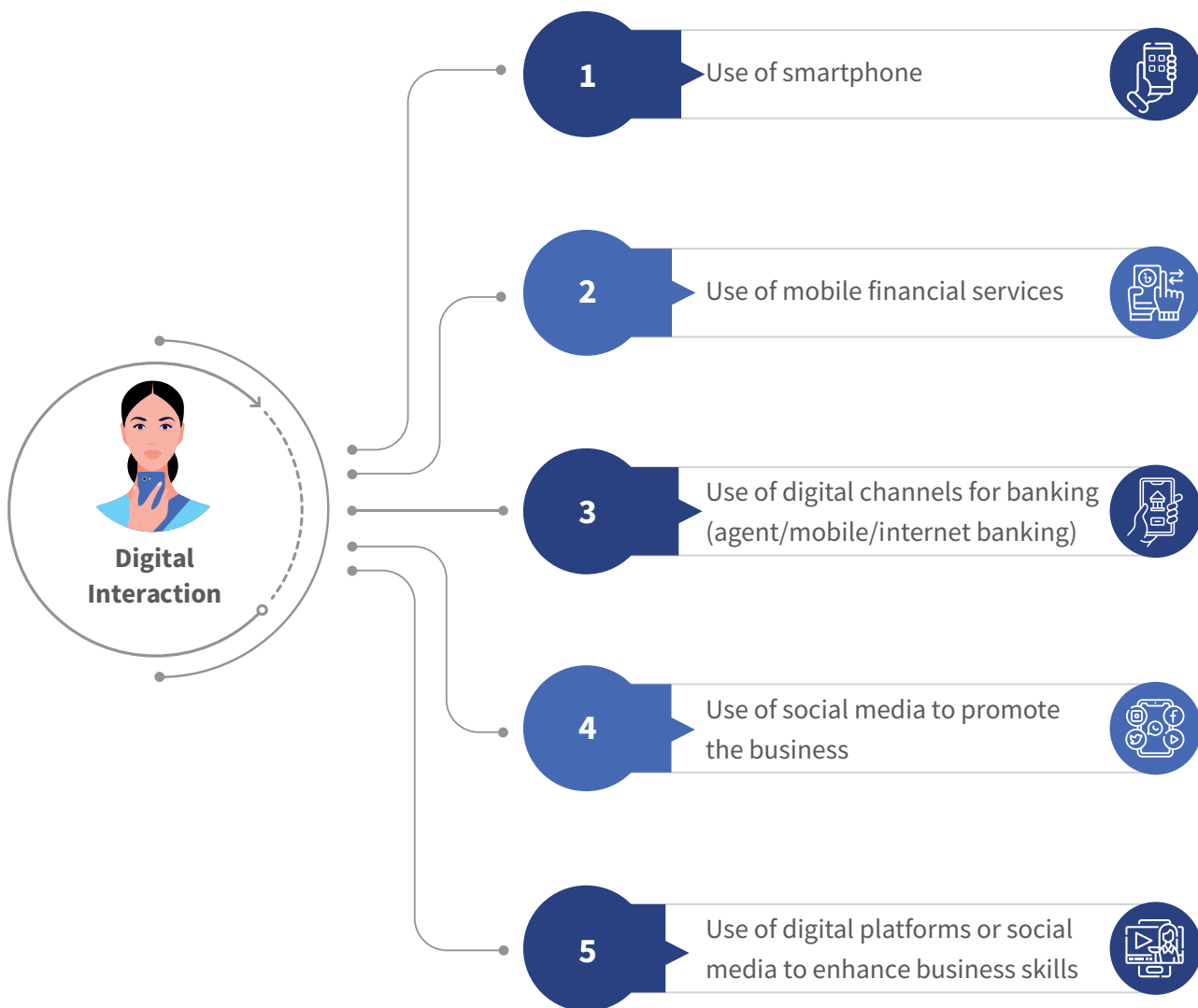




## How can we summarize the use of digital platforms for business and financial services?

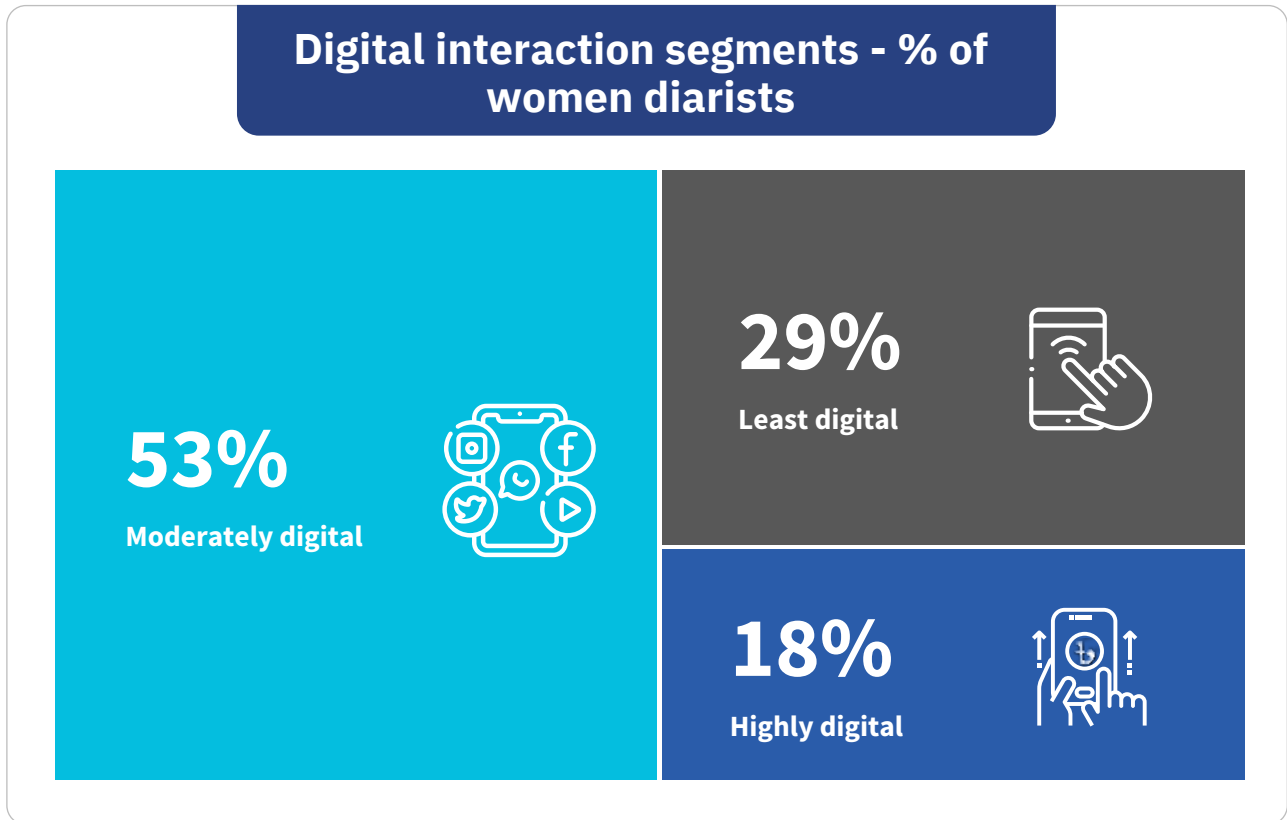
We have already seen various use cases of digital platforms and the variability in usage of digital platforms across female business owners. These bring up questions—can we summarize the use of digital platforms by female business owners, and are these female business owners a monolithic group regarding their usage?

Our approach to answering these questions is by creating a digital interaction score to categorize diarists’ digital behavior with a focus on business and financial services. This score would be based on a face-to-face survey of 429 female and 78 male diarists. The infographic below depicts the parameters we used to construct this score.



The composite digital interaction score had a minimum value of 0 and a maximum of 5, where a low score indicates low digital interaction while a high score depicts high digital engagement. Based on these scoring criteria, we developed three segments. A score of 0 or 1 is “least digital,”

while a 4 or 5 is “highly digital.” A score of 2 or 3 constitutes “moderately digital.” More than half the business owners fall into the “moderately digital” category, followed by “least digital” and then “highly digital.”














Gender (%)		♂ ♀	
	Men	Women	
<b>Least digital</b>	23	29	
<b>Moderately digital</b>	60	53	
<b>Highly digital</b>	17	18	



The following tables provide an overview of women entrepreneurs' characteristics categorized into these three user groups based on location, age, and enterprise type. Among these groups,

female business owners in the “highly digital” category are situated in urban areas, belong to younger age brackets, and are involved in manufacturing or service industries.

 <b>Women entrepreneurs</b>	<b>Location (%)</b> 			<b>Age categories (%)</b> 				
	Urban	Semi-urban	Rural	18-24	25-34	35-44	45-54	55 and above
 <b>Least digital</b>	22	25	48	9	21	28	45	56
 <b>Moderately digital</b>	54	58	48	64	57	58	36	38
 <b>Highly digital</b>	24	17	4	27	22	14	19	6

 <b>Women entrepreneurs</b>	<b>Type of enterprise (%)</b> 				
	Agri-based	Livestock-based	Manufacturing	Retail/wholesale trading	Service
 <b>Least digital</b>	48	50	18	33	17
 <b>Moderately digital</b>	52	47	36	54	57
 <b>Highly digital</b>	0	3	46	13	26

Only less than one-fifth of diarists could be classified under the “highly digital” category. Most diarists, however, fell into the “moderately digital” or “least digital” categories, indicating that they encounter various challenges in adopting digital platforms for their businesses. More women than men fall into the “least digital” category. Women from rural areas who are older

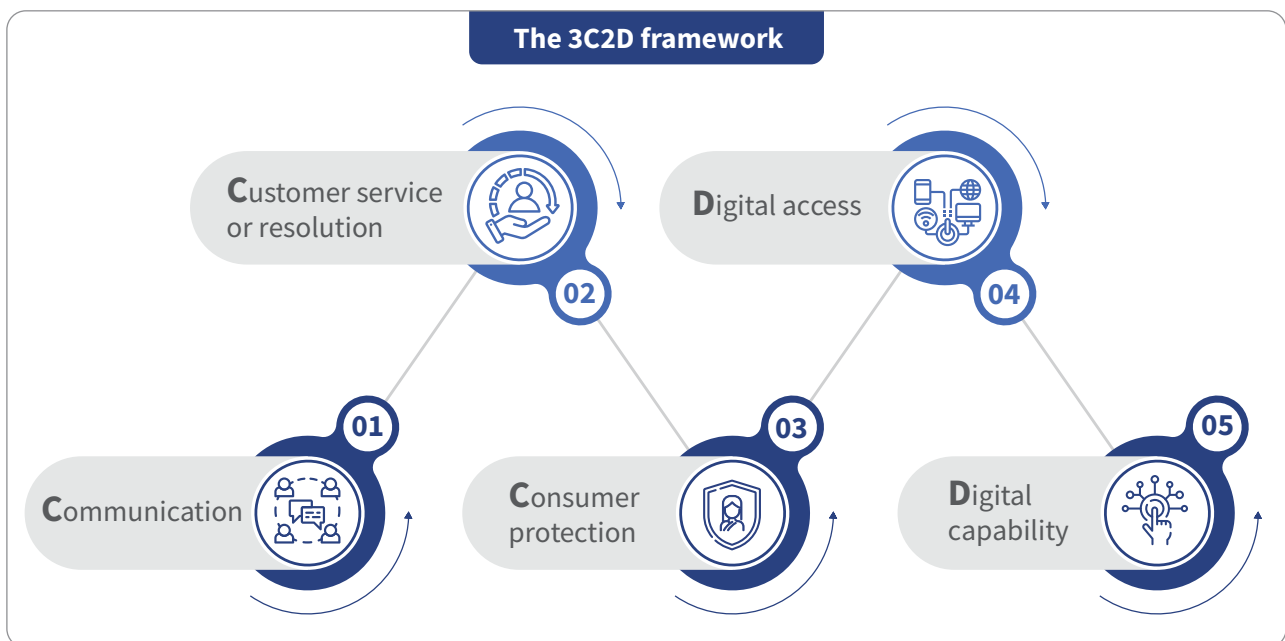
and who run agri or livestock-related businesses are more likely to fall into the “least digital” category.

Several factors inhibit female business owners when they attempt to adopt digital platforms for their business and financial services. We will explore these in the next section.



## What challenges restrict female business owners when they adopt digital platforms for business and financial services?

We use MSC’s 3C2D framework of digital adoption to understand in detail the challenges women entrepreneurs face in digital adoption.



The 3C2D framework highlights five interrelated bottlenecks that increase vulnerability, compromise trust, and threaten to delay the digital revolution. The following section delves

into these bottlenecks in detail within the context of micro and small women entrepreneurs in Bangladesh.

### 1. Communication: The lack of targeted communication from service providers or policymakers on digital platforms’ potential benefits leads to a lower understanding of the value digital platforms can bring to their businesses.

A common perception that hinders the use of digital platforms for marketing is that it will not benefit their business, as shared by almost half the female diarists. Additionally, around three in

10 female diarists are unsure which platform to use to promote their businesses. Some diarists wanted to promote their business online but admitted they did not know how to do so. Most



respondents stated that managing an online presence requires excessive time and effort, which they cannot afford.

Among the different business types of diarists, grocery stores are particularly prone to this perception. Due to the nature of their operations, many diarists state they felt no need to take their business online. The decision to venture into the online market also relies on the overall digital landscape in their specific region, with businesses in urban areas showing a greater inclination

toward online platforms. Additionally, the diarists engaged in agriculture and livestock are unsure if they need an online presence at all.

The nature of the business also influences the inclination and need to use digital platforms for learning. Women who own handicraft businesses are more inclined to embrace digital platforms to acquire new skills than businesses that do not require particular skills—mostly trading businesses, such as grocery shops, cosmetics shops, and utensil shops.



I run a cosmetics shop. My customers come directly to my shop to check and buy products. Selling online will not help my business.

- Rubina, grocery shop owner, Munshiganj.



## 2. Customer service or resolution: No access, limited access, or priced access to customer service and grievance resolution

Anjuman Onjona, a diarist from Dhaka, operates a beauty parlor and has successfully built a robust online presence for her business on Facebook. She invests in boosting them through paid promotions to enhance her posts’ visibility. However, she encountered challenges as some posts got restricted for unknown reasons. Anjuman lacks the support and guidance from

the platform to help address these issues. Like Anjuman, many female diarists do not know about the support mechanisms and grievance redressal processes for digital platforms. This lack of know-how leaves them unsure of how to address the problems they encounter with digital platforms.

## 3. Consumer protection: Lack of security and data privacy, extensive scams or fraud, unauthorized charges, and predatory lending

Diarists worried that using MFS exposes them to a higher risk of scams and theft. They doubt the security of storing money digitally and prefer to use cash for a greater sense of security. While

discussing the use of digital channels for banking, such as agent banking and mobile banking, some diarists revealed they would consider using these channels only when they establish trust through

the usage by family members or friends and their validation.

Diarists also showed reservations about embracing e-commerce due to incidents where customers place orders but fail to follow through

with the purchase. These reservations lead to additional costs related to delivery and wasted time for sellers. The absence of face-to-face interactions poses a challenge for diarists in building trust in digital platforms.

I used to sell apparel online a year back. But I incurred losses multiple times as the customers canceled their orders at a late stage. Yet I still had to pay for the delivery fees. Now I have stopped selling online, and only take orders if I know the customer personally or if they have paid completely in advance.

- Sabina, apparel seller, Chattogram.

#### 4. Digital access: Lack of smartphone access, social norms, and cost of accessing digital platforms

The usage of smartphones is crucial to facilitate digital access for female diarists. However, three factors influence smartphone usage: age, education level, and income. Older women tend to resist the adoption of smartphones, and their educational background also affects their level of

willingness. They struggle to read instructions and hence choose not to use smartphones. Moreover, some individuals perceive smartphones as overly expensive. They struggle to make ends meet and consider smartphones more of a luxury than a necessity.

Smartphones are quite costly. I cannot afford them.

- Sofina, tailor, Dhaka

In large parts of Bangladesh’s society, what the husband or in-laws think is vital to a woman’s decision-making. Some diarists do not use smartphones as their husbands disapprove of them. While discussing phone usage, in some

cases, women responded they do not need a smartphone as their husband already has one, which they can share. In certain situations, their spouse supervises their social media usage.



I use a basic feature phone. I wanted a smartphone to ease my communication with customers and suppliers—all of them use WhatsApp, and I do not. Yet my husband does not want me to use a smartphone, especially social media, and I must listen to him.

- Radia, cosmetics shop owner, Rangpur.

When they access MFS platforms, diarists tend to make their selection based on the usage patterns and preferences of the people around them. The Nagad platform has gained popularity due to its lower charges than bKash and has been a key motivator for people to switch from bKash.

Despite this, bKash still enjoys a broader user base owing to its first-mover advantage in the market. However, it has started to reduce the charges as well. Yet platform charges still often deter diarists from using MFS.

I am in Munshiganj and most of my suppliers are in Dhaka. But I do not pay them through MFS. Who will bear the platform charges? I wait till a neighbor plans to go to Dhaka and give him the cash to pay my supplier.

- Sadaf, cosmetics shop owner, Munshiganj

Factors such as the user base and the entrepreneur’s ability to create pages without incurring costs influence their choice to use digital platforms for promotions. Most diarists, therefore, prefer Facebook as their platform of choice. Moreover, some diarists pay to boost their posts and run ads to expand their content’s reach and






visibility. Notably, female owners who undertake this strategy often do so after their page has already gained traction and established a solid presence. However, these women are unsure if the platform investment is worthwhile and struggle to judge its potential impact.



## 5. Digital capability: Limited knowledge and experience, which increases vulnerability and exclusion

Women with lower levels of education hesitate to use smartphones by themselves as they worry they will make mistakes or click on the wrong options. The same hesitation applies to using MFS.

We also observed that gender, location, and age are critical to determine how confident users feel when they perform MFS transactions independently.

 <b>Women entrepreneurs</b>	Gender 		Location (%) 			Age categories (%) 				
	Men	Women	Urban	Semi-urban	Rural	18-24	25-34	35-44	45-54	55 and above
 The proportion of respondents who can perform MFS transactions independently	68%	50%	64%	54%	31%	70%	59%	52%	45%	31%

Diarists mentioned they avoided the use of e-commerce because they doubted their ability to handle it independently and anticipate the need for assistance. Additionally, some diarists doubt their products’ online appeal.

Women display greater confidence than men when it comes to learning skills online. However, their focus revolves primarily around traditional

skills, such as cooking, sewing, and gardening, often associated with specific roles or activities.

The younger generation excels in using smartphones as they stay up-to-date with trends and navigate other online platforms. Young female business owners familiar with social media and Facebook pages engage primarily in online business.

I have bKash in my phone, but I do not use it by myself. I fear that I might do something wrong and will lose money. I use it only when my daughter is around.

- Nafsiya, tailor, Dhaka



## What can policymakers and digital service providers do to break the barriers to digital adoption by female business owners?

Bangladesh is a “break out” zone country per the [digital intelligence index](#). It ranks 83rd on the current state of digitalization out of 90 countries. The country is an impressive 23rd in the “momentum” aspect, which indicates the potential for growth in digitalization. Mobile devices and digital platforms can benefit female business owners significantly, including improved productivity and added convenience.

Digital platforms are a promising medium for effective social interactions that ensure access to information alongside financial services. However, challenges persist, including a lack of (i) confidence and awareness, (ii) perceived need, and (ii) trust driven in part by social norms, among other factors. The following strategies offer policymakers and digital service providers a pathway to overcome these challenges:

### **Use the low-hanging fruits to maximize impact:**

Younger and urban women entrepreneurs in service and manufacturing businesses tend to adopt digital platforms more. Financial service providers should work closely with this segment to enhance their skills and assess if they can maximize the benefits from these services.

**Mark and use the entry point to digital adoption:** Digital payments present the most efficient use case for female business owners as a gateway to digital inclusion. The introduction of a wide range of digital financial services to female business owners and the provision of

training on how to use these services effectively is a necessary first step. Incentives for business owners through reduced platform charges can also help increase MFS usage.

Yet the key is establishing the use cases for digital payment and handholding the female business owners to do this frequently. Large communication campaigns from the financial service providers and policymakers can make the target group aware of these use cases.

**Build confidence, capability, and trust:** As lack of confidence, trust, and knowledge pose significant barriers for women when they adopt digital platforms, they must build their capacity and receive encouragement to use the platforms. Clearing the misconceptions regarding the use of digital platforms and addressing the concerns related to data security is also important. But just run-of-the-mill training programs will not work—they must be complemented with personal handholding.

Providers can identify [digital ambassadors](#) among women entrepreneurs who use digital platforms effectively. They can serve as role models to inspire and motivate others to learn from their experiences and can encourage women to embark on their digital journey. Implementing peer learning based on the success of a select group could be an effective strategy to promote digital engagement.



**Policy interventions:** Policymakers can consider subsidizing the platform fees for particular sections, such as female business owners, to increase digital adoption. As the perception of a business being unsuitable for digital platforms

hinders adoption, communication campaigns through TV or newspapers to highlight the use cases of digital platforms for each type of business can help.

## To conclude



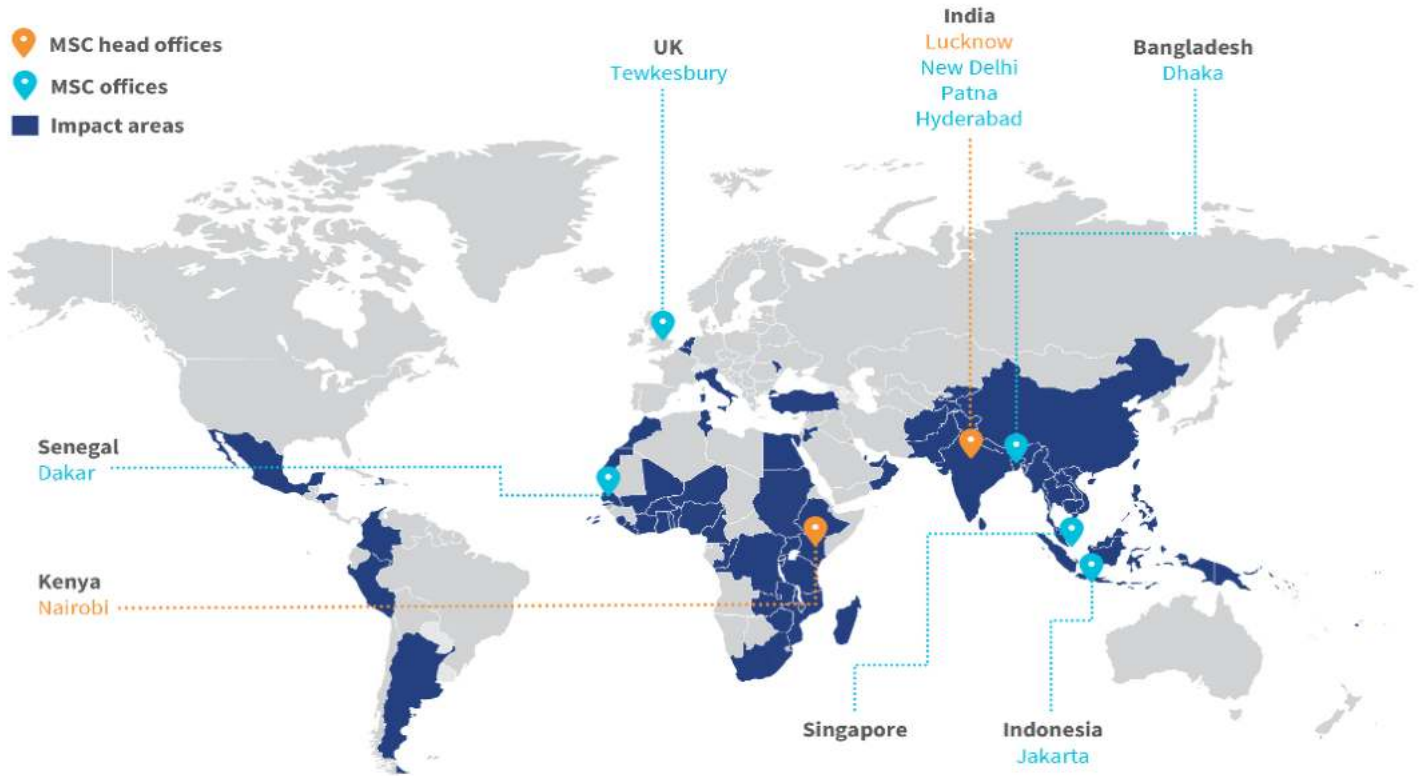
MSC has provided several services to the Women’s Business Diaries research participants to bridge the identified digital gaps and foster engagement among women. We have provided capacity-building advisory on the use of MFS, agent banking, and e-commerce through training and handholding. We will measure the effects of this intervention and share insights in a future edition of the “Big Smalls of Bangladesh” insights series.

Stay tuned.





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