



# Kardan Journal of Economics and Management Sciences (KJEMS)

ISSN: 2616-3950 (P) 2959-0493 (O), Journal homepage: [kjems.kardan.edu.af](http://kjems.kardan.edu.af)

## Impact of Ukraine-Russia War on Online Business in Bangladesh: A Case Study on Book-O-Pedia

**Dr. Salma Akter, Jannatul Ferdous Shetu, Fariza Binte Mahbub**

**To cite this article:** Akter, S., Shetu, J. F., & Mahbub, F. B. (2024). Impact of Ukraine-Russia war on online business in Bangladesh: A case study on Book-O-Pedia. *Kardan Journal of Economics and Management Sciences*, 7 (1), 25-42.  
DOI: [10.31841/KJEMS.2024.156](https://doi.org/10.31841/KJEMS.2024.156)

**To link to this article:** <http://dx.doi.org/10.31841/KJEMS.2024.156>



© 2024 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license



Published online: 31 March 2024



Submit your article to this

# Impact of Ukraine-Russia War on Online Business in Bangladesh: A Case Study on Book-O-Pedia

Kardan Journal of Economics and  
Management Sciences 7 (1) 25–42

©2024 Kardan University

Kardan Publications

Kabul, Afghanistan

DOI: 10.31841/KJEMS.2024.156

[https://kardan.edu.af/Research/CurrentIssue.aspx?j=](https://kardan.edu.af/Research/CurrentIssue.aspx?j=KJEMS)

KJEMS

**Dr. Salma Akter**  
**Jannatul Ferdous Shetu**  
**Fariza Binte Mahbub**

Received: 26 Dec 23  
Revised: 30 Jan 24  
Accepted: 24 Feb 24  
Published: 31 March 24

## Abstract

*Book-O-Pedia is a Bangladeshi pre-order-based book importer on Facebook. This case study focuses on the challenges faced by the import-based business during a global crisis and how the company's survival became critical. This is a single case study and the data were collected from the owner's in-depth interviews using a semi-structured questionnaire. The theoretical framework of this case study is based on the Stimulus-Organism-Response (SOR) model. The study focuses on the present struggle and challenges faced by Book-O-Pedia and how the global crisis affected the decisions of the entrepreneur. The findings indicated that due to the COVID-19 pandemic and the Ukraine-Russia leading to global inflation, dollar crisis, and high import costs, the sales growth of 'Book-O-Pedia' has decreased, and all expansion plans have been halted. This case enriches the literature on import-based and online entrepreneurship businesses. The case type was decisional.*

**Keywords:** F-commerce, Ukraine-Russia War, Dollar Crisis, COVID-19, Case study, Globalization.

## 1. Context of the Study

Facebook commerce, popularly known as F-commerce, has become a well-known platform for online business. F-commerce refers to advertising, auctioning, purchasing, and selling goods and services through Facebook, a social media platform (Zabben et al., 2013). F-commerce is a form of electronic commerce or e-commerce; however, both are significantly different. E-commerce maximizes shopping efficiency by offering product catalogues, advanced search systems, recommendations, and one-click purchases. On the other hand, F-commerce focuses on direct social activities and shares secondary attention with online shopping (Huang & Benyoucef, 2013). Despite this difference, F-commerce has become a popular source of online shopping. Owing to the significant number of active Facebook users in Bangladesh (approximately 46 million), small businesses are encouraged to take this platform as their marketplace. As a result, there are more than 3 00,000 F-commerce pages in Bangladesh (Rabab, 2021).

Book-O-Pedia is a Facebook-based business page established in 2019 which mostly sells original imported books written by non-Bangladeshi authors. The owner of this business, Mr Saif Zaman, identified a huge demand for original books in Bangladesh and decided to import books from India. Upon realizing the popularity of F-commerce, he decided to sell books on Facebook. It became a huge success, as customers were getting original books at an affordable price. A business that started with 50-60 orders monthly now

receives an astonishing number of 340-350 orders monthly, even after facing various challenges due to the COVID-19 and Ukraine-Russia war.

The 2020 COVID-19 pandemic has revolutionized the e-commerce industry, including F-commerce. This affected customers' overall purchasing behaviour as e-commerce websites became a substitute for traditional stores (Bhatti et al., 2020). The sales of companies such as 'Foodpanda', Hungrynaki, and Bikroy.com saw a tremendous increase (Zahir, 2020). In 2020, Walmart's grocery e-commerce increased to 74% as people tried to maintain social distancing and purchase goods from home (Bhatti et al., 2020). However, only a few businesses have the same outcome. The sales of luxury goods were relatively low compared with those of necessary goods. The global supply chain was negatively affected by the pandemic, which led to a shortage of many products. A recent study in Malaysia concluded that most imported products originated from China. The lockdown of factories severely affected the online business of imported goods (Hasnat et al., 2020). Thus, it can be said that the pandemic has affected online businesses in both ways.

According to Boungou and Yatie (2022), the Ukraine-Russia War has three major concerns: how long the conflict will persist, how Russia will cope with sanctions, and the impact of the crisis on the economy. The effect of the Ukraine-Russia War followed a similar trend.

Ukraine is known as a breadbasket of Europe. Ukraine and Russia exported wheat, maize, and sunflower oil, accounting for 34%, 17%, and 73% of the global exports of these products in the last few years (Abay et al., 2023). Ukraine is also the second largest cereal exporter after the United States (Jagtap, 2022). Both countries are major exporters of corn and barley (Behnassi & Haiba, 2022). Due to the war, the production of these foods has been severely reduced in both countries, creating national and global food shortages. According to the World Bank, palm oil and wheat prices are expected to increase by two-thirds by April 2022 (Arndt et al., 2023).

In 2021, Russia was the second and third-largest country in terms of gas and oil production, respectively (Hossain, 2022). The conflict between Russia and Ukraine disrupted the supply chain of these products. A study conducted by the World Bank mentioned that the prices of natural gas and fertilizers will double in 2022 from previous years, thanks to the global war (Arndt et al., 2023). Another study concluded that crude oil and natural gas prices inflated significantly after the war (Huang et al., 2023). As oil and gas play an essential role in the production of almost all products, worldwide inflation is inevitable.

Bangladesh has also been affected by war in several ways. Bangladesh imports wheat, edible oil, fertilizers, chemicals, steel, and aluminium from Russia (Hossain, 2022). The cost of importing these products has increased due to global sanctions on Russia, leading to a price hike in the domestic market. Russia is also the third-largest oil-producing country (Khatun, 2022). Due to the war, global oil prices are seeing an upward trend, negatively affecting oil-importing developing countries, such as Bangladesh. In August 2022, the Bangladeshi government increased fuel prices by more than 50%. The price of petrol increased from 86 BDT to 130 BDT, while the prices of diesel and kerosene increased by 42.5 per cent. The government blamed the war for the sudden price hike (Vaidyanathan, 2022). High oil prices are highly correlated with the high transportation

and production costs of various goods. This ultimately increases the prices of products in the domestic market, leading to inflation (Mirdha, 2022).

Bangladesh exports ready-made garments (RMG) to Russia and Ukraine. If the war continues to prolong, it could spread to Europe, which consists of 58% of Bangladesh's export earnings, and it can have far more detrimental effects (Hossain, 2022).

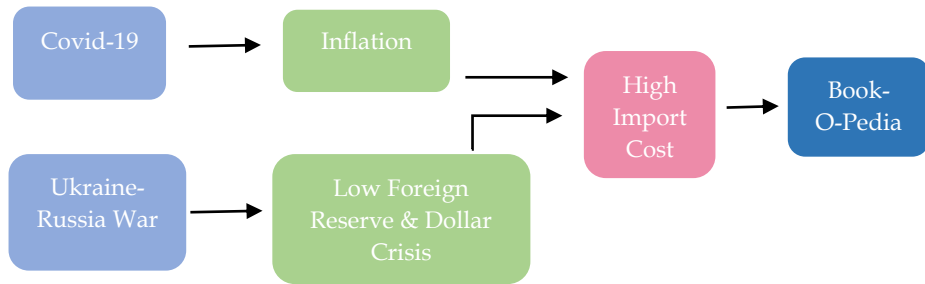
The ongoing dollar crisis in Bangladesh is also somewhat related to the Ukrainian-Russian conflict. Foreign exchange reserves, especially the dollar reserve, play a significant role in attracting foreign direct investment and reducing the risk of capital flight for developing countries. Developing countries are more affected by external crises, and a sufficient amount of dollar reserves is a vital tool to protect the economy from volatility by stabilizing currencies, ensuring smooth import payments, clearing debts, attracting foreign investments, etc. (Kruskovic & Maricic, 2015). A dollar crisis has been defined as a shortage of dollars in a country's foreign reserve. After the Covid-19 pandemic, Russia's invasion of Ukraine has increased the prices of oil, gas, and other commodities. As Bangladesh is heavily dependent on imported goods and dollars for import payments, this price hike has negatively affected the country's foreign reserves by reducing the amount of dollars in the reserve as import payments have now increased. In addition, the ongoing war also raises the demand for dollars worldwide, as U.S. assets are seen as safe havens. There is a common perception that war will have a comparatively less negative impact on the U.S. economy. Due to this situation, the value of most major currencies has devalued against U.S. dollars (Klein, 2022). Bangladesh is no exception, where the dollar value against BDT crossed 100 for the first time in May 2022 (The Daily Star, 2022).

The country's foreign reserves are declining with low export earnings and high import costs. From August 2022 to August 2023, the reserve of dollars has fallen from 36 million to 29 million USD, creating a huge dollar crisis in the country (Amit, S., 2024). Amid the dollar crisis, many banks in Bangladesh declined to open letters of credit (L.C.s) for imports, creating more challenges for importers (Rahman, 2022).

Globalization refers to a shift toward a more integrated and interdependent world economy (Hill, 2008). Globalization is not only the expansion of goods and services across borders but also the expansion of technological, cultural, political, and social factors (Majumder, 2016). It has various benefits, such as increased flow of capital, better products at lower prices, shared resources, cross-cultural exchange, and expansion of knowledge and technology (Globalization Partners, 2020). The world is interconnected and interdependent. Trade wars are gradually being replaced with trade agreements, creating a more economically stable, socially understandable, and culturally rich nation (Majumder, 2016).

However, there is a fair share of controversy. Illegal fund transfers, income inequality among and within countries, increased terrorism, human and drug trafficking, and organized crime are all dark sides of Globalization (Hindu, 2011). Environmental pollution has become a challenge in Globalization. Many researchers have concluded that foreign direct investment (FDI) can influence Carbon Dioxide (CO<sub>2</sub>) emissions of the host country and cause environmental pollution (Copeland, 1994; Shahbaz et al., 2015; Tang & Tan, 2015; Baek, 2016; Seker et al., 2015; Behra & Dash, 2017). Moreover, the recent COVID-19 pandemic has exposed the opposing sides of Globalization. Before the pandemic, the decision to internationalize the supply chain was seen as an effective

strategy to reduce costs. However, after the pandemic, it raised questions about the internationalization of supply chains, human capital, and investments. Firms have now realized that particular challenges may occur due to the internationalization of business activities (Guedhami et al., 2022).



**Figure 1:** The Impact of COVID-19 and the Ukraine-Russia War on Book-O-Pedia  
**Source:** Constructed by the Authors.

As an import-based business, Book-O-Pedia has been affected by COVID-19, the Ukraine-Russia War, inflation, and various government decisions. For example, banks' decision not to open a letter of credit (L.C.s) creates problems for the business. As a result, it has become difficult for them to import books from different countries. Moreover, due to the worldwide inflation caused first by the pandemic and now the ongoing war in Europe, people are mainly spending on necessary goods such as food and fuel. They are focusing less on buying imported books, now considered luxury products.

Based on the above discussions, the following research questions were identified:

- a) How is the ongoing Ukraine-Russia war affecting online import-based businesses in an emerging economy in South Asia?
- b) How is an ongoing war creating challenges for businesses involved in non-essential or discretionary products?

## 2. Theoretical Anchoring

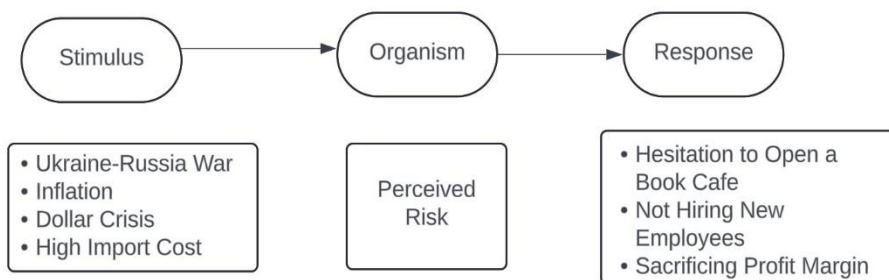
This study used the Stimulus-Organism-Response (SOR) theory to analyze the impact of war on 'Book-O-Pedia.' The Stimulus-Organism-Response (SOR) model was first developed by Woodworth in 1929, an extension of the Stimulus-Response model originally developed by Pavlov in 1927 (Pandita et al., 2021). This theory was later extended by Mehrabian and Russell in 1974 (Ming et al., 2021). This theory attempts to explain behavioural outcomes by analyzing the human internal evaluation process influenced by different types of stimuli (Shah et al., 2020). Another article defined SOR theory as a source of information that explains how atmospheric cues affect customers' emotions and cognition, which then influences the shopping behaviour of buyers (Jayanti & Tasrim, 2022). This theory originated in environmental psychology (Pavon et al., 2023).

The model states that 'stimulus' is an environmental factor arousing an individual's internal and organismic states (Song et al., 2021). According to Eroglu (2001), a stimulus is a factor that affects a person's internal state. These environmental signals influence an individual's psychological states, perceptions and decision-making processes (Koo & Ju, 2010; Jung et al., 2021). In the context of the 'Book-O-Pedia' case, the stimulus is a characteristic of the Ukraine-Russia War that affects the psychological state of the owner.

Bagozzi (1986, as cited in Pandita et al., 2021) defined 'organism' as internal processes and structures which consist of perceptual, physiological, feeling, and thinking activities that influence the final action of an individual. According to Wu & Li (2018), "organism" refers to an individual's affective and cognitive states that influence the impact of a stimulus on human behaviour. It is responsible for establishing the relationship between the stimulus and the response (Fu et al. 2021). The affective state is a person's emotional response to a stimulus (Ming et al., 2021). A customer's emotional state has a positive relationship with purchase intention (Baker et al., 1992, as cited in Jayanti & Tasrim, 2022). Cognitive states refer to an individual's mental processes while facing a stimulus. It also includes an individual's memory, knowledge, beliefs, and thoughts (Ming et al., 2021; Jayanti & Tasrim, 2022). Perceived risk is an example of a cognitive response (Kim & Lenon, 2013). Perceived risk refers to uncertainty about the outcome of a behaviour and the possibility of discomfort from that outcome (Forsythe & Shi, 2003). In this study, the organism refers to the emotional response of the owner of Book-O-Pedia towards the Ukraine-Russia war and related events. The perceived risk he experienced due to the war, inflation, and dollar crisis has influenced his response or actions in this situation.

The 'response' in the model was referred to as the outcome. This outcome can be positive or negative (Pandita et al., 2021). According to Mehrabrian and Russell (1974), an organism triggers an acceptance or avoidance response. It is an individual's final decision and behaviour based on the internal evaluation of the stimulus (Sherman et al., 1997, as cited in Ming et al., 2021). In the context of Book-O-Pedia, the owner's hesitation to open a book cafe, the decision not to hire new employees and the sacrifice of profit margin can be termed a 'response' according to the SOR theory.

SOR theory has been used in various studies to understand human behaviour. Lennon (2010) identified that consumer emotions can directly impact purchase decisions (response). Jayanti & Tasrim (2022) concluded their article that reputation, quality of the product, after-sale service, price of the product, warranty, etc. (stimulus) could influence buying behaviour, performance in the marketplace and loyalty of the customers (response). Another article focused on how website appearance, security, and online promotion work as stimuli to influence customers' trust (organism) and ultimately create a response to online repurchase intention (Zhu et al., 2020). This theory has also been applied to analyze the psychological impact of COVID-19 on students (Pandita et al.,



**Figure 2:** The Stimulus-Organism-response Model

Source: Constructed by Authors

2021), consumers' impulse buying behaviour (Ming et al., 2021), online purchase intention (Liu et al., 2018), retail buying behaviour (Chang et al., 2011), and tourists' behaviour towards smart tourist destinations (Pavon et al. 2023), customers' online hotel booking behaviour (Asilah et al. 2016), and social media engagement (Islam & Rahman,

2017). The justification for using SOR theory to understand human behaviour is that it takes a holistic approach to understanding the outcome. It not only considers the external factors and their response but also considers various internal processes, varying from individual to individual, which can significantly impact the response. Without analyzing the internal process, predicting patterns and making appropriate decisions is difficult (Brendl, 2024). Thus, by applying this theory, the decisions and actions of Book-O-Pedia's owner during the Ukraine-Russia war can be understood more holistically. It will help us analyze the internal processes that mediate between the stimuli and response.

### 3. Methodology

#### 3.1 Research Design

This study revolves around the interpretivism research philosophy: that reality is socially created, multifaceted, and subjective. In other words, we can only comprehend someone else's reality using their perception (Saunders et al., 2019). A qualitative approach was used to assess the actual reality and dig deep into the study. Qualitative research can provide a holistic understanding of non-numeric data, which are generally unstructured and contextual, through conversations with respondents (Ponelis, 2015). In-depth interviews are a popular method of collecting qualitative data. It is a method to extract detailed information or gain a deeper understanding of a concept in which participants are encouraged to discuss the topic in depth (Showkat & Parveen, 2017). The data collection tool was a semi-structured questionnaire that was a combination of closed-ended and open-ended questions. A semi-structured questionnaire opens the opportunity for elaborate discussions on necessary questions and assists in presenting the subjective reality behind every scenario (Saunders et al., 2019).

As the focus of this study is to gain a deep understanding of how a global event has affected import-based online businesses in Bangladesh, especially for non-essential goods, an in-depth interview using a semi-structured questionnaire worked as an effective tool to achieve the objectives of this study. The data collection tool and the data collection strategy fit with the interpretivism research philosophy and the qualitative approach.

#### 3.2 Selection of the Context

The main objective of this study is to analyze the impact of a global event such as the Ukraine-Russia war on the import-based online businesses of non-essential goods. We shortlisted 5-6 import-based businesses and conducted short interview sessions with all of them. After that, we finalized 'Book-O-Pedia' as our case study topic. There are several reasons behind selecting 'Book-O-Pedia' as a case study topic:

Book-O-Pedia is an import-based online business that operates through Facebook. It sells different types of fiction and non-fiction books written by foreign authors. As these books are considered non-essential products, analyzing the impact of the war on these types of products fulfils our research objectives.

Mr Saif Zaman, a 33-year-old businessman, is the founder, owner and sole manager of 'Book-O-Pedia'. At this very young age, he gained vast business experience and became a successful entrepreneur. His excellent observation skills helped him identify the demand for original books written by foreign authors. A Facebook-based business that started with only 50-60 orders per month witnessed a growth of 340-400 orders per month

in just three years and faced various challenges again due to the COVID-19 pandemic and the Ukraine- Russia war. These factors made 'Book-O-Pedia' a lucrative case to be analyzed.

### *3.3 Data Collection*

Data were collected through in-depth interview sessions using a semi-structured audio-recorded questionnaire. We interviewed Mr. Saif Zaman, Book-O-Pedia's owner, founder, and sole manager. The interview sessions were divided into several sessions. The duration of each interview session was approximately 1-1.5 hours. The interview was audio-recorded with the permission of the interviewee. Detailed notes on the conversations are also provided.

A semi-structured questionnaire was used to collect data instead of a structured questionnaire. A semi-structured interview allows the discussion to be topic-specific, accepts flexibility for appropriate deviation from the existing questions, and allows new topics and ideas to be brought up (Centeno et al., 2019). The semi-structured framework helped the interviewees to discuss the topics more openly and explore new ideas and information. The following topics were covered during the interviews:

- The story behind starting the business, motivation, or inspiration for business.
- Book-O-Pedia's history, product types, order procedure, import procedure, price, competitors, target customers, etc.
- Comparison between the initial years and the current situation
- In general, challenges faced by the owner.
- Challenges faced by the owner after the pandemic and the Ukraine-Russia war.
- Future Plans

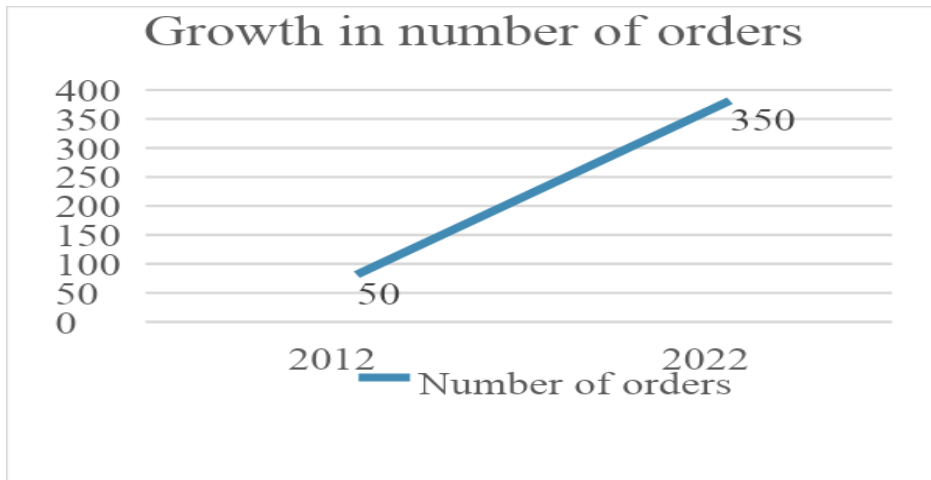
## **4. Case Discussion**

### *4.1 Beginning*

Book-O-Pedia's owner, founder, and sole manager, Mr Saif Zaman, had attempted to establish his mark as a businessman since he was a college student in 2011/2012. He started a pre-order-based business by using a private Facebook group. He was used to bringing unique stationery, books, diaries, pens, journals, crafting items, art supplies, wristwatches, shoes, clocks or other decoration items from China. Gradually, he established links in Kolkata, India, and began importing Indian goods from Amazon India. Zaman identified a massive demand for foreign books among avid book-readers in Bangladesh. He realized these readers wanted to purchase and collect books written by West Bengali authors, magazines, US/UK authors, and textbooks published in the Indian subcontinent. Of course, he knew pirated and cheap books were available in Nilkhet, Dhaka, but the demand for original books has always persisted. Not too late after that, Mr Zaman opened a Facebook Business page that focused on importing books and stopped importing all other goods. This was the birth of the Book-O-Pedia in 2019. Initially, he received 50-60 orders monthly on average, which increased to a mesmerizing number 340-350 monthly in 2023. Mr Zaman was satisfied with his business growth and never intended to switch fields or start any other job. With a staggering amount of



approximately BDT 2 Lakh in monthly revenue, Mr Zaman was happy to run his own importing business alone.



**Figure 3.** Growth of Book-O-Pedia over the years.

Source: Developed by the Authors.

#### 4.2 Product List

Book-O-Pedia never sold any Bangladeshi books written by any Bangladeshi author, nor did they plan to do so in the future. Surprisingly, Zaman was not much of a book reader, which he considered a business drawback. However, on his page, the types of books that could be ordered can be categorized as follows:

- a) Any book written by Indian authors (in any language) of any genre.
- b) Any book written by authors from any country on any genre available on Amazon India.
- c) Original textbooks of any educational level and subject by various authors worldwide.
- d) Indian magazines and their special Puja, New Year and Eid time issues.
- e) Children's books of various kinds: cloth books, hardboard books, and playbooks.
- f) Different versions of books: original paperback, premium paperback, hardcover books, special editions, illustrated hardcover editions, boxsets, etc.

In short, any book by any author available on Amazon India can be ordered via Book-O-Pedia, given the necessary shipping time.

#### 4.3 Target Customers and Competitors:

Book-O-Pedia increased its follower base to nearly seven thousand on Facebook. Their target customers were teenagers, students, young adults, and professionals from all countries. People in the age group of 15-35 were his primary customers. He received a 30% advance payment from new customers but does not necessarily need to do that from repeat customers. His competitors and their followers are:

**Table 1. List of Book-O-Pedia’s competitors and their number of page followers.**

Name	Number of followers
Bring Your Book	4,200
Merlin’s Beard	8,000
Books of Bengal (Operating both in India and B.D.)	42,000
Epilogue	10,000

Source: Developed by the researchers and based on the information provided by Book-O-Pedia’s owner.

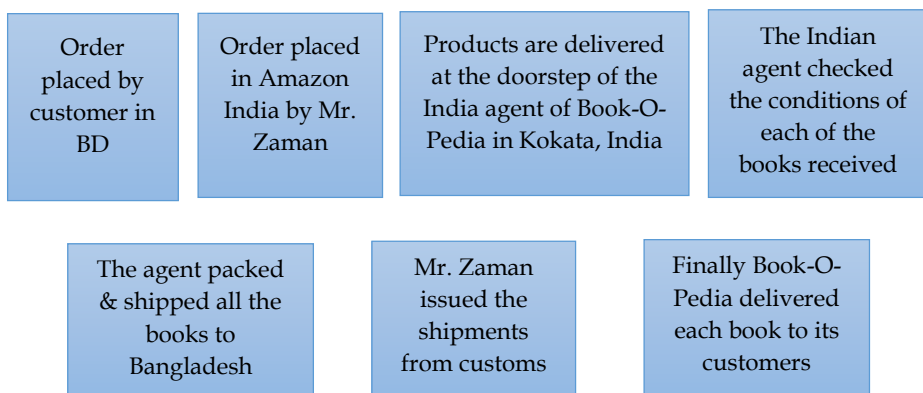
#### 4.4 Order Procedure

To order books, customers provide the book’s purchasing link from Amazon India to the Book-O-Pedia page to request the price. Customers also asked for the price of a book by sending a message to the Facebook page. Mr. Zaman cross-checked the ratings of Amazon sellers and prices. The conversion rates were calculated as follows:

1 Rs (Rupee) = 1.85 BDT (For non-Bengali books)

1 Rs= 1.60 BDT (For Indian Bengali books)

After the customers confirmed the order, agreeing to a shipping period of 30-35 days, Mr. Zaman placed the order on Amazon India. Book-O-Pedia partnered with an agent in Kolkata, who was paid monthly and had been working for Book-O-Pedia since the beginning. The books were delivered to his address by Amazon, and their quality was checked for any defects and damage. Subsequently, the agent carefully packed each book and shipped it to Bangladesh. The shipments entered Bangladeshi customs via an L.C., in which many other importers were also members. A customs agent then discharged the L.C.s and sent them to Dhaka. Mr Zaman received them from Dhaka and checked for defects or damage again. Finally, he dispatched them using the Steadfast Courier home delivery service, which had two different delivery charges for inside and outside Dhaka deliveries.



**Figure 4:** Order Procedure at Book-O-Pedia

Source: Developed by Authors.

Outside Dhaka, Mr Zaman never faced any problems with his agents in Kolkata. He was very professional and managed the India-side business of a few other online pages in Bangladesh. Sure, there were still a small number of books that were damaged either during shipment to Bangladesh, customs, or even before delivery to the customer in Bangladesh, which Zaman considered collateral damage. This could not be avoided even if his books were safely wrapped while dispatching. Zaman had stabilized on Steadfast Courier after changing a few delivery services. For outside Dhaka deliveries, he used cheap and fast Sundarban deliveries.

## **5. Challenges Faced by 'Book-O-Pedia' due to the Covid-19 pandemic and the Ukraine-Russia War**

### *5.1 Impact of COVID-19*

Mr. Zaman admitted that the COVID-19 pandemic negatively hit Book-O-Pedia. The pandemic severely hampered his business by almost stopping orders and imports. There were several months at a stretch during the lockdown when Book-O-Pedia received very few orders, and they could not issue shipments at customs. However, gradually, things started to improve after the first rush of COVID-19. At the end of 2021, sales increased significantly.

### *5.2 Impact of Ukraine-Russia War*

The recent Ukraine-Russia War has seriously negatively hit Book-O-Pedia. It created a ripple effect by increasing inflation, creating an import-dollar crisis, and making imports more expensive. As of November 2022, all shipments stopped at customs because opening a new L.C. was prohibited. Furthermore, with a then-inflation rate of 7.23% (BBS, October 2022), the USD dollar crisis jeopardized the newly recovering business.

#### *5.2.1 Sacrificing profit margins*

Even if the cost of books imported by Book-O-Pedia increased due to the inflation of USD, Book-O-Pedia did not increase its conversion rate. He did so because raising the conversion rate as per the increasing rate of USD would increase the price of his books, ultimately discouraging customers from placing orders. Thus, he was sacrificing their profit margin to retain customers, which was not a sustainable plan in the long term. Furthermore, people still wondered when and how soon the USD crisis would resolve fully; thus, depending on such a volatile and non-profitable business process was unhealthy. In addition, the profit margin significantly decreased because Book-O-Pedia did not increase or change the conversion rate.

#### *5.2.2 Changes in Spending*

Other than textbooks, fiction and non-fiction books fall in the 'luxury goods' category, which people purchase for their recreation and satisfaction purposes, the utility of which is not critical for life. Thus, the market for imported books has been volatile since COVID-19 and during the Ukraine-Russia War. Customers have been thinking about spending money twice in this category. As a result, Book-O-Pedia has been experiencing fluctuations in sales since the pandemic hit and now during the ongoing war.

#### *5.2.3 Hesitation in Opening a Physical Store*

Book-O-Pedia had a long-cherished vision of starting a physical store in Dhaka. Mr Zaman intended to start by collaborating with a café and perhaps opening a book café as

a result. Nevertheless, he decided to hold his investment after the start of the Ukraine-Russia war and the impending ripple effect it created.

#### *5.2.4: Not to hire new employees*

Since July 2022, Book-O-Pedia plans to expand its task force, hire a social media manager, and open office space to maintain inventory. However, with the current high inflation rate and oncoming recession, Book-O-Pedia refrained from furthering its expansion decisions.

### *5.3 Other Challenges*

Mr. Zaman was not much of a reader, yet he ran a successful book business, which was relatively uncommon. He considered it a challenge for his business because he felt that if he were an avid reader, he would know which books were famous among which age, which books and authors were classic, which were the upcoming books, and which authors were widely hyped. He also was not ahead with Booktok (book-related videos on Tiktok), Bookstagram (book videos, reels, and photography on Instagram), Goodreads (a book review platform by readers) or Hive (book readers socializing media). He felt that more knowledge about and within these areas would help him provide suggestions to his customers.

## **6. Conclusion and Recommendations**

As we continue to live in an era of Globalization, all nations are connected and interdependent. Owing to this growing integration, businesses are easily affected by any global incident, either positively or negatively. In the case of Book-O-Pedia, the aftermath of the pandemic and the ongoing war have created serious challenges for the book-importing business. Their profit margin has decreased, and it has become difficult for them to import books from other countries because of the barrier to the L.C.'s opening. Nevertheless, their uncertain future made them abandon their dreams of opening a physical bookshop.

One of the main reasons for this problem is Book-O-Pedia's dependency on foreign suppliers for its products. Because the business was fully import-based, the firm depended heavily on foreign companies. Since its inception, it has not diversified its supply chains. Diversification might reduce the ongoing challenges for Book-O-Pedia in the short and long run. Book-O-Pedia can also focus on local sourcing. It could cheaply purchase books from local suppliers and sell them to its customers to recover the increased costs in the short run. In the long run, it would help the company expand its market, acquire new customers, and create more protection against global challenges. Besides diversifying supply chains, Book-O-Pedia could diversify its product lines. They can add books written by local writers for the time being and sell book-related stationery items.

Another approach the business could take is to 'wait and watch'. It can observe the situation and wait for the right moment to take action. Book-O-Pedia currently uses this method. It was holding off on its investments and has not taken any strategy to cover losses, as it has been observing the situation until now. However, this approach can have a detrimental effect, and you may have to pay a very high price for not taking any steps.

## 7. Future Research Scope and Practical Implications

The above case study used a qualitative approach to explore the challenges an online import-based book business faces due to COVID-19 and the Russia-Ukraine War. It focuses on how a global incident can affect the discretionary items business. However, it did not cover the impact of the essential items. Therefore, there is ample opportunity to research the impact of necessary items and to conduct a comparative analysis between the impact of essential and luxury items. Moreover, it mainly focused on import-based businesses and did not cover businesses which source their products from the local market. Hence, there is also an opportunity to explore the impact of the Ukraine-Russia war on locally sourced businesses and conduct a comparative analysis between the two. This study also recommends supply chain diversification for online import-based businesses. However, this study does not analyze the impact of this type of diversification. Thus, the positive and negative impacts of diversification can be explored in the future.

The case study findings also have various practical implications for firms.

First, firms should focus on supply chain diversification. Various studies conclude that diversifying the supply chain reduces risk and increases profitability. Sodhi et al. (2012) in his article concluded that supply chain diversification improves the firm's ability to cope with supply chain disruptions and risks. Recent research on 1434 Chinese manufacturing firms revealed that firms with diversified supply chains enjoyed profitability during the COVID-19 pandemic (Lin, 2021). Depending on a specific country for supplies or a specific product category can increase the risk, especially in the case of a global war or pandemic.

Second, firms must have strong contingency plans. Contingency planning refers to planning for risks associated with unexpected or unknown events, which can be threats or opportunities for organizations (Skipper, 2007). Contingency plans protect business elements, information systems, employees, critical processes, and the environment if any disruption or disaster occurs (Fischer, 2019). The goal of contingency plans is to ensure quick restoration to normalcy (Fernandes, 2008). Today's supply chain system, which follows a lean management process, has become fragile and, in some cases, less adaptive. Thus, various coping mechanisms are required to deal with probable disruptions (Skipper, 2007). Research conducted by Matta (2017) focuses on how contingency planning can be used to form a supply chain. Supplementing the planned capacity of the supply chain with reserve capacity helps obtain an uninterrupted supply of products, so there is no need to increase the price of the product. Thus, firms should proactively prepare contingency plans to avoid the risks associated with supply chain disruptions.

Finally, businesses should possess highly adaptive skills. It is necessary to understand the changing nature of various external factors and adapt to the situation promptly. Shoss et al. (2011) defined adaptiveness as the skill of having a high level of competency in response to change. The study concluded that adaptive performance was positively related to task performance. The adaptive capability of corporate managers has a positive and significant impact on a firm's performance. This is especially true when the business is small or medium (Ngatno, 2019). Therefore, businesses must identify new opportunities and adapt to changing conditions.

## References

- Abay, K. A., Breisinger, C., Glauber, J., Kurdi, S., Laborde, D., & Siddig, K. (2023). The Russia-Ukraine war: Implications for global and regional food security and potential policy responses. *Global Food Security*, 36, 100675.
- Amit, S., & Kafy, A. A. (2024). Addressing the dollar crisis by investigating underlying causes, effects, and strategic solutions in emerging economies. *Research in Globalization*, 8, 100187.
- Arndt, C., Diao, X., Dorosh, P., Pauw, K., & Thurlow, J. (2023). The Ukraine war and rising commodity prices: Implications for developing countries. *Global Food Security*, 36, 100680.
- Asilah, E., Hazwani, H., Asyikin, H., Dahlan, A., Azila, A., Saiful, B., Azmi, A., & Kamal, S. B. M. (2016). Factors influencing online hotel booking intention: A conceptual framework from stimulus-organism-response perspective. *International Academic Research Journal of Business and Technology*, 2(2), 129-134.
- Baek, J., (2016). A new look at the FDI-income-energy-environment nexus: dynamic panel data analysis of ASEAN. *Energy Policy*, 91, 22-27.
- Baker, J., Levy, M., & Grewal, D. (1992). An experimental approach to making retail store environmental decisions. *Journal of Retailing*, 68(4), 445.
- Bangladesh, U. N. (2022, October 23). Experts share 3 reasons behind the falling of Bangladesh's forex reserve. *The New Age*. <https://www.newagebd.net/article/184453/experts-share-3-reasons-behind-falling-bangladeshs-forex-reserve>
- Bazzoni, E., Jacob, M., Land, S., Rupp, M., & Welcher, S. (9). Charts that show how inflation and the Ukraine war are impacting European consumers. In *World Economic Forum*. (June, 13). Available at: <https://www.weforum.org/agenda/2022/06/how-inflation-and-the-conflict-inukraine-are-impacting-european-consumers>.
- Behera, S.R. & Dash, D.P., (2017), The effect of urbanization, energy consumption, and foreign direct investment on the carbon dioxide emission in the SSEA (South and Southeast Asian) region. *Renewable and Sustainable Energy Reviews*, 70, 96-106.
- Benefits and challenges of Globalization. (2020, February 6). *Globalization Partners*. <https://www.globalization-partners.com/blog/benefits-and-challenges-of-globalization/#gref>
- Bhatti, A., Akram, H., Basit, H.M., Khan, A.U., Raza, S. M. & Naqvi, M.B. (2020). E-commerce trends during COVID-19 Pandemic. *International Journal of Future Generation Communication and Networking*, 13(2), 1449-1452.
- Boungou, W., & Yatie, A. (2022), The impact of the Ukraine-Russia war on world stock market returns. *Economics Letters*, 215, 1-3.
- Brendl, C. M., & Sweldens, S. (2024). Defining the stimulus in stimulus-response interventions: on the need to embrace theory and organism in stimulus-organism-response. *Consumer Psychology Review*, 7(1), 116-120.
- Byron, R. K., & Tasreen, Z. (2022, November 17). What is Bangladesh's current forex reserve? *The Daily Star*. <https://www.thedailystar.net/news/bangladesh/news/what-current-forex-reserve-3171306>
- Centeno, E., Cambra-Fierro, J., Vazquez-Carrasco, R., Hart, S. J., & Dinnie, K. (2019). The interplay between SME owner-managers and the brand-as-a-person. *Journal of Product & Brand Management*, 28(4), 555-572.

- Chang, H. J., Eckman, M., & Yan, R. N. (2011). Application of the Stimulus-Organism-Response model to the retail environment: the role of hedonic motivation in impulse buying behavior. *The International review of retail, distribution and consumer research*, 21(3), 233-249.
- Copeland, B. R. & Taylor, M. S., (1994). North-South trade and the environment. *The Quarterly Journal of Economics*, 109(3), 755-787.
- De Matta, R. (2017). Contingency planning during the formation of a supply chain. *Annals of operations research*, 257, 45-75.
- Dollar exchange rate shoots past Tk 100 for the first time in Bangladesh. (2022, May 18). *The Daily Star*. <https://www.thedailystar.net/business/news/us-dollar-costs-travellers-tk-102-3025721>
- Eroglu, S. A., Machleit, K. A., & Davis, L. M. (2001). Atmospheric qualities of online retailing: A conceptual model and implications. *Journal of Business Research*, 54(2), 177-184.
- Fernandes, L. J., & Saldanha da Gama, F. (2008). Contingency planning—a literature review. *SCM Competitiveness. Macmillan, India*, 457-467.
- Fischer, R. J., Halibozek, E. P., & Walters, D. C. (2019). Contingency planning emergency response and safety. *Introduction to Security*, 249–268. <https://doi.org/10.1016/B978-0-12-805310-2.00011-1>.
- Forsythe, S. M., & Shi, B. (2003). Consumer patronage and risk perceptions in Internet shopping. *Journal of Business Research*, 56(11), 867-875.
- Fu, S., Chen, X., & Zheng, H. (2021). Exploring an adverse impact of smartphone overuse on academic performance via health issues: a stimulus-organism-response perspective. *Behaviour & Information Technology*, 40(7), 663-675.
- Hasanat, M. W., Hoque, A., Shikha, F. A., Anwar, M., Hamid, A. B. A. & Tat, H. H., (2020) The impact of coronavirus (COVID-19) on e-business in Malaysia. *Asian Journal of Multidisciplinary Studies*, 3(1), 85-90.
- Hill, C. (2008). International business: Competing in the global market place. *Strategic Direction*, 24(9).
- Huang, M., Shao, W., & Wang, J. (2023). Correlations between the crude oil market and capital markets under the Russia-Ukraine conflict: A perspective of crude oil importing and exporting countries. *Resources Policy*, 80, 103233.
- Islam, J. U., & Rahman, Z. (2017). The impact of online brand community characteristics on customer engagement: An application of Stimulus-Organism-Response paradigm. *Telematics and Informatics*, 34(4), 96-109.
- Jagtap, S., Trollman, H., Trollman, F., Garcia-Garcia, G., Parra-López, C., Duong, L., ... & Afy-Sharah, M. (2022). The Russia-Ukraine conflict: Its implications for the global food supply chains. *Foods*, 11(14), 2098.
- Jayanti, A., & Tasrim, T. (2022). “Polarization” of Consumer Behavior: SOR Theory Perspective. *Jurnal Orientasi Bisnis dan Entrepreneurship (JOBS)*, 3(2), 107-116.
- Jung, Y., Choi, B., & Cho, W. (2021). Group satisfaction with group work under surveillance: The stimulus-organism-response (SOR) perspective. *Telematics and Informatics*, 58, 101530.

Kim, J., & Lennon, S. J. (2013). Effects of reputation and website quality on online consumers' emotion, perceived risk and purchase intention: Based on the stimulus-organism-response model. *Journal of Research in Interactive Marketing*, 7(1), 33-56.

Klein, M. (2022, June 1). The strong dollar and the war in Ukraine. *EconoFact*. <https://econofact.org/the-strong-dollar-and-the-war-in-ukraine>

Koo, D. M., & Ju, S. H. (2010). The interactional effects of atmospherics and perceptual curiosity on emotions and online shopping intention. *Computers in human behavior*, 26(3), 377-388.

Kruskovic, B. D., & Maricic, T. (2015). Empirical analysis of the impact of foreign exchange reserves to economic growth in emerging economics. *Applied Economics and Finance*, 2(1), 102-109.

Leong, L.Y., Jaafar, N. I. & Ainin, S., (2018). The effects of Facebook browsing and usage intensity on impulse purchase in f-commerce. *Computers in Human Behavior*, 78, pp.160-173.

Lin, Y., Fan, D., Shi, X. & Fu, M. (2021). The effects of supply chain diversification during the COVID-19 crisis: Evidence from Chinese manufacturers. *Transportation Research Part E: Logistics and Transportation Review*, 155, 102493.

Liu, Y., Luo, X., & Cao, Y. (2018). Investigating the influence of online interpersonal interaction on purchase intention based on stimulus-organism-reaction model. *Human-centric Computing and Information Sciences*, 8(1), 1-15.

Majumdar, A., (2018). Impact of neo-liberalism and Globalization. *ABC Journal of Advanced Research*, 7(1), 37-44.

Markus, S. (2022). Long-term business implications of Russia's war in Ukraine. *Asian Business & Management*.

Mehrabian, A., & Russell, J. A. (1974). *An approach to environmental psychology*. The MIT Press.

Ming, J., Jianqiu, Z., Bilal, M., Akram, U., & Fan, M. (2021). How social presence influences impulse buying behavior in live streaming commerce? The role of SOR theory. *International Journal of Web Information Systems*, 17(4), 300-320.

Mirdha, R.U. (2022, August 07). Industries Fear Severe Impacts of Fuel Price Hike. *The Daily Star*. <https://www.thedailystar.net/business/economy/news/industries-fear-severe-impacts-fuel-price-hike-3089486>.

Ngatno, N. (2019). The role of adaptive ability in firm performance moderating effect of firm size and age. *Asian Economic and Financial Review*, 9(7), 807-823.

Nieves-Pavón, S., López-Mosquera, N., & Jiménez-Naranjo, H. (2023). The factors influencing STD through SOR theory. *Journal of Retailing and Consumer Services*, 75, 103533.

Pandita, S., Mishra, H. G., & Chib, S. (2021). Psychological impact of covid-19 crises on students through the lens of Stimulus-Organism-Response (SOR) model. *Children and Youth Services Review*, 120, 105783.

Paul, B. (2022, July 1). What made the dollar crisis worse? *The Daily Star*. <https://www.thedailystar.net/opinion/open-sky/news/what-made-the-dollar-crisis-worse-3060891>



- Ponelis, S. R. (2015). Using interpretive qualitative case studies for exploratory research in doctoral studies: A case of information systems research in small and medium enterprises. *International Journal of Doctoral Studies*, 10, 535.
- Rabab, S. (2021, September 2). F-commerce in Bangladesh: Problems and prospects. *United News of Bangladesh*. <https://unb.com.bd/category/business/f-commerce-in-bangladesh-problems-and-prospects/77360>
- Rahman, A. & Hossain, S. (2023, May 31). Power Cuts May Worsen in June. *The Daily Star*: <https://www.thedailystar.net/news/bangladesh/news/power-cuts-may-worsen-june-3333701>.
- Rahman, M. (2022, November 11). Many banks in Bangladesh declining to open L.C. amid dollar crisis. *The New Age*. <https://www.newagebd.net/article/186201/many-banks-declining-to-open-lc-amid-dollar-crisis>
- Ratten, V. (2022). The Ukraine/Russia conflict: Geopolitical and international business strategies. *Thunderbird International Business Review*.
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students*. Essex: Prentice Hall: Financial Times.
- Seker, F., Ertugrul, H.M. & Cetin, M., (2015). The impact of foreign direct investment on environmental quality: a bounds testing and causality analysis for Turkey. *Renewable and Sustainable Energy Reviews*, 52, 347-356.
- Shah, A. M., Yan, X., Shah, S. A. A., & Ali, M. (2020). Customers' perceived value and dining choice through mobile apps in Indonesia. *Asia Pacific Journal of Marketing and Logistics*, 33(1), 1-28.
- Shahbaz, M., Nasreen, S., Abbas, F. & Anis, O., (2015). Does foreign direct investment impede environmental quality in high, middle-and low-income countries? *Energy Economics*, 51, 275-287.
- Sherman, E., Mathur, A., & Smith, R. B. (1997). Store environment and consumer purchase behavior: mediating role of consumer emotions. *Psychology & Marketing*, 14(4), 361-378.
- Shoss, M. K., Witt, L. A., & Vera, D. (2012). When does adaptive performance lead to higher task performance? *Journal of Organizational Behavior*, 33(7), 910-924.
- Showkat, N., & Parveen, H. (2017). In-depth interview. *Quadrant-I (e-text)*, 1-9.
- Skipper, J. B., Hanna, J. B., & Gibson, B. J. (2007). Applying contingency planning processes to supply chain disruptions: a service provider's response to Hurricane Katrina. *Journal of Transportation Management*, 18(2), 51-63.
- Sodhi, M.S., Son, B.G. & Tang, C.S., (2012). Researchers' perspectives on supply chain risk management. *Production and operations management*, 21(1), 1-13.
- Song, S., Yao, X., & Wen, N. (2021). What motivates Chinese consumers to avoid information about the COVID-19 pandemic? The perspective of the stimulus-organism-response model. *Information Processing and Management*, 58(1), 102407.
- Tang, C.F. & Tan, B.W., (2015). The impact of energy consumption, income and foreign direct investment on carbon dioxide emissions in Vietnam. *Energy*, 79, 447-454.
- Tanni, T. H. (2021, February 26). F-commerce: A double-edged sword. *The New Age*. <https://www.newagebd.net/article/131161/f-commerce-a-double-edged-sword>
- Vaidyanathan, R. (2022, August 14). Bangladesh Fuel Prices: 'I Might Start Begging in the Street'. *BBC News*. <https://www.bbc.com/news/world-asia-62519139>.

What the Russia-Ukraine war means for Bangladesh's economy. (2022, March 21) *The Daily Star*: <https://www.thedailystar.net/opinion/macro-mirror/news/what-the-ukraine-war-means-our-economy-2986941>.

Wu, Y. L., & Li, E. Y. (2018). Marketing mix, customer value, and customer loyalty in social commerce: A stimulus-organism-response perspective. *Internet Research*, 28(1), 74-104.

Yin, W. & Ran, W., (2022). Supply chain diversification, digital transformation, and supply chain resilience: Configuration analysis based on fsQCA. *Sustainability*, 14(13), 7690.

Zabeen, M., Ara, H. & Sarwar, N., (2013). F-Commerce in Bangladesh: "Venit, Vidit, Vicit". *IOSR J. Hum. Soc. Sci*, 17(5), 1-08.

Zhu, B., Kowatthanakul, S., & Satanasavapak, P. (2020). Generation Y consumer online repurchase intention in Bangkok: Based on Stimulus-Organism-Response (SOR) model. *International Journal of Retail & Distribution Management*, 48(1), 53-69.

---

## About the Authors

**Dr. Salma Akter**, Associate Professor, Department of Business Administration, East-West University, Bangladesh, [drsalma@ewubd.edu](mailto:drsalma@ewubd.edu)

**Jammatul Ferdous Shetu**, Senior Lecturer, East-West University, Bangladesh, [shetu259@gmail.com](mailto:shetu259@gmail.com)

**Fariza Binte Mahbbu**, Ph.D. Student, University of New Brunswick, Canada, [fariza.mahbub@unb.ca](mailto:fariza.mahbub@unb.ca)