



E-TAILING: EMERGING OPPORTUNITY IN RURAL SECTOR

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Abstract

Financial situation or financial status of any family can be assured by various factors like debt to income ratio or savings to cover an unexpected expense or emergency. But when it comes to rural sector, these financial status only means the present expenditure because for all the needs they majorly depends on which will results into higher debt to income ratio. Habit of spending is directly related to financial status and income of the family. But attractive easy instalments plan, no down payment options and take now pay later has all made online shopping a tempting things which everyone wants. E-commerce has made this debt purchasing much more than expected. As the behavioural economics says that pain of paying restricts the customers to purchase the unwanted things as they feel pain while paying cash from pocket but when it comes to online shopping, this pain of paying disappears and customers tend to purchase tempting and unwanted things thereby affecting their financial status. Earlier ICT were the concept of urban & rich but as internet & computers have reached to every now & then online shopping is also becoming much popular in rural areas also. This online shopping system has its own significance. Presently paper evaluates the [reason & future prospects of online shopping of the rural India where people hardly believe in virtual objects.

Keywords: Online shopping, rural sector, internet Banking, E-Commerce.



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Introduction:

Firms across the globe have adopted E-Commerce in their operations & have reaped benefits thereof. The fruits of information technology sector such as internet, blue chips, online shopping & nanosecond email have failed to cure century old malaises like illiteracy, poverty. Citizens are moving towards the era of online shopping, Railway reservation, online payment, Paytm & many more but original of rural India shows a controversial of one hand poverty & unemployment & on the other hand, online e commerce shows India grooming & developing in the midst of challenges. Nothing is predicable in India except change in today's India people are dramatically changing the disposable income of the middle class is rising and the emphasis is more on spending than saving. The study might serve as a starting point for further research in E-Commerce in rural India.

Literature Review:

Ernst & Young 2001, Mahajans, Mullas & Bass(1990) overtime the internet buyer, Once considered the innovator or early adopter has changed while once young professional male..

With higher educational levels incomes tolerance for risk, social status and a lower dependence on the mass media or the need to patronize established retail channel.**Bridging Digital divide: Efforts in India.**The paper discusses various technology options for connecting viz., terrestrial wireless, satellite, wirier etc and present snapshots of select successful projects that made an impact in helping to bridge digital divide in India e.g, Akakshganga, Akshay ecetntre, Bjoomi etc.**Impact on demographics factors of consumers on online shopping behaviour.** A study of consumers survey on various parameters like satisfaction, Frequency of online shopping, no of items purchased & overall spend on online shopping which clearly states the demographic factors do indoubtly affect the use of e-commerce & online shopping in India.

Objective of Study:→ Various studies shows that www has drastically changed the view point of customers and their shopping methods. Even the rural India is indulging into Digital India but does it really and to what extent? So, the present study aims to see the changing rural India through -ecommerce

Some MileStones of E-Commerce:→

1969—CompuServe, the Ist Major American e-com company is founded.

1982—Bulletin Board System based marketplace for selling used computers –one of the first platform for e-commerce

1990—the first ever web-browser called world wide web is released by TimBresLae

1995—Amazon.Com an extremely prominent online marketplace is launched by JeffBezos

2007-- Flipkart a popular Indian online marketplace launches.

2016—Single day sales on Alibaba sites reach a record of US 17.7 billion

Growth Rate of sales through e-commerce



Source:→Internet and Mobile Association of India(IAMAI) report 2016

From the above data it is very clear that growth rate of sales over mobile and internet banking has increased manifold and almost double from 2015- to 2016, which has the major reason of indulgence of rural sector. Online shopping is a form of electronic commerce which allows consumer has s to directly buy goods or services from a seller over the internet using a web browser. Since 2013 there is a drastic increase in the growth rate and a huge change can be seen from 2015 to 2016 which has proved this era as digital era.

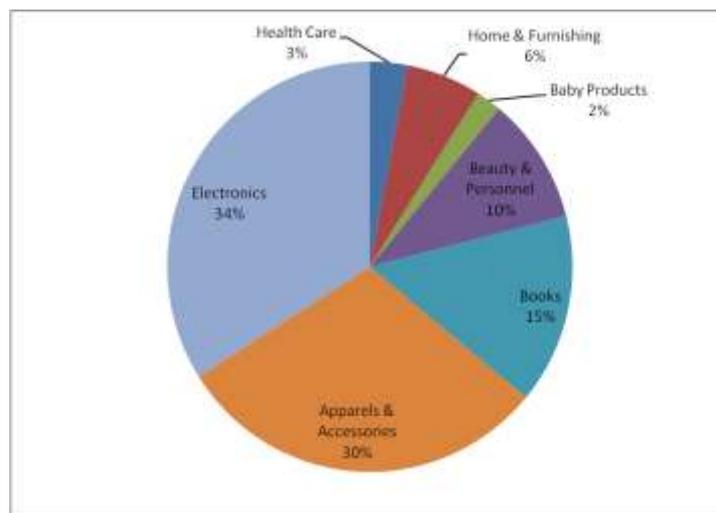
Out of the total transactions done on the internet irrespective of device:

Travel transaction proved to be the fuelling factor of the e-commerce

Non travel transactions includes e-shopping followed by financial services and then matrimony and classifieds segment

Other services included in e-commerce are online-banking, Railway reservation paytm etc making combinely a part of digital India. Jan Dhan Yojna as a part of Make in India is also emphasising on cashless economy where instead of metals coins a “mouse-click” is used sitting on the arm chair. Digi banking can be said as aforced choice but online shopping is a self made interest among across the gender and for all ages. By the people who want to explore the urban area without going in that fizzi area market. When we are talking about the e-shopping it consists of all the things from scratch to mountain that is available on the online shop.

Interest of people in purchasing various things through e-tailing



Above is the study conducted by the IMAI showing prospects of e-commerce in Indian Business context. People in India more rely on the things which they can touch and feel especially if the things which require a lot of attention like Health care and Baby Products because these are the two areas where rural people even think it’s wastage of money rather

than value for money. E-tailing mainly comprises of buying consumer items such as books apparels, footwear jewellery. Mobiles cameras, computers (desktops/laptops/notebooks/tablets), home and kitchen appliances, vouchers/coupons, flowers and toys, gifts online. The most preferred shopping interest through internet is in electronics and apparels which has almost covered more than 60% of the market leaving very little for the remaining sectors.

Preferred mode of payment by the e- users in 2015 and expected in 2020



Source:<https://www.statista.com/statistics/257478/preferred-payment-methods-of-online-shoppers-in-india/>

When it comes to preferred mode of payment cash on delivery is the first and continue to be the first choice of customers Due to the advancement the world has become a global village, the chart shows the comparison between 2015 and expected situation in 2020 as well because of the lack of trust which miles needed to go in the Indian Economy. There also cash in delivery will remain the first and foremost choice followed by debit cum ATM card which contributes 15% the total payment option.

In India people only believe in cash, credit system is not taken as well-well situation After cash they only think money kept in their bank account is their money which can be mobilised through ATM cards, Online banking and M Wallets are the new concepts because of lack of knowledge people still don't want to believe that there money is safe while making any online transaction or paying through mobile wallets. The statistics clearly shows that cash on delivery share of e trading is gradually taken by the other payment options.

There are various sectors which are sure to grow in e trailing like travel & tourism, Electronics appliance, Hardware products & apparel. There are also some essential factors which will significantly contribute to the boom of e commerce industry ie, replacement guarantee, better logistics shipment options, location based services. T&C should be clear &

realistic, Dedicated 24*7 customer care centre, Quick response and exchange factors etc, People are aware about e commerce but there is a strong need to educate them.

Findings and Recommendations: →

- 1) **Lack of Education and Unemployment:** → The basic fear factor of rural India etoday is lack of education when they don't know how to access the laptop or Smartphone properly how they will know to order online. Although a big change can be seen in the young generation coming even from the rural areas.
- 2) **Lack of touch and Feel factor:** → Indian customers want to buy anything only once they are sure about it. Once they check it from their eyes and by touching to apparels or other assescoriits then only they are sure to purchase it. This touches and feels factor is totally absent from the online shopping. In case of the products like medicines etc that is of not much amount for them they feel it a headache for ordering on the internet and then for waiting it to deliver.
- 3) **The fear of carrying the transaction over the internet:** → Even after the digital India campaign cashless economy and many other big names the fact is that a common man does not know even today the process of transaction over the internet that how it works for them its very difficult to believe that their money is safe over the internet transaction .Today youth generation is aware about it but from the physical layer that this is the app or website for purchasing they also are not aware about the exact process of making payments and safety of their amount .
- 4) **The lack of trust and the fear of being fooled:** → there are many jokes which are even cracked today which show the difference between what is ordered and what they get finally. This lack of trust resists them to order online as they are not aware that what is shown in the picture is a real truth or a myth which will leave nothing in their hand.
- 5) **Lack of proper courier services in the villages:** → the big name in e-tailing like amazon, flipkart alibaba even has not reached to the villagers if they have to purchase they have to make it deliver to their anybody known address where courier service is available and wait for the person to come. They can be seen in villages and can't be delivered to their address.
- 6) **Lack of support, return and replacement:** → when even delivery and courier service is not available how can one expect return and replacement is possible because for that

a nice network is required which can first deliver the product understands the problem take them back and return or replace it.

Rural India interestingly has shown substantial growth in the active internet users since past few years. There were 69 million active internet users in rural India as of Dec'14 according to news papers. there are much more number of people who have only looked for information on products and services but have not bought anything online. This segment on users denotes the one who research about the product on the internet but for same reason, do not purchase it online, converting this segment of users from non shoppers to online shoppers will increase the market size of digital commerce in India, India is a country having most unorganised retail market. Traditionally it is a family livelihood with their shop in front and house at back, while hey run the retail business, 99% retails function in less than 500 square feet of shopping space. This data shows lack of trust of people, they want to order them or not, is there any manufacturing defect, what is shown on the site is actually what is given on them and most important that if they pay first they will be compelled to purchase.

It is a difficult task for the online companies to totally replace the traditional market which has been the main player in the Indian Trade and commerce since decades. However it has started giving the stores in the big cities of India a run for its money. The challenge lies to capture the rural sector as well. Now it remains to see how there intangible giants will turn their challenges into opportunities,

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