

A Current Analysis of E-commerce in Rural India

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ABSTRACT: E-commerce is now a crucial part of our daily lives. We use e-commerce regularly making it essential for the economic growth of our nation and the world as the whole. Ecommerce is selling of goods and services over the Internet. There has been a significant increase in investment since last year and more is forecast in coming years. Although online business and the government are taking a significant initiative to improve rural e-commerce, there are already several obstacle and challenge that are looming. Increasing Internet and mobile usage demonstrated digital economy but it is unclear how the government and Internet can transform this into a viable internet that utilizes this economic benefit. This article presents the factors driving the growth of Indian e-commerce sector.

INTRODUCTION

These days e-commerce play a significant role in economy, especially for businesses that sell goods and services online. India has one of the largest consume market in the world with variation in rural- urban divide, education level and other factors. While emerging technology have boosted e-commerce, unequal distribution of service and limited Internet and broadcast coverage in rural area have hindered its growth. Rural area face challenges such as poor Transportation, Security concern, doubt about product quality, payment difficulty and lack of familiar with the technology due to low literacy rates. The Indian government is focused on the ensuring fast Internet connection reach every village and town. Currently there are 155000 post office and around 400 e-commerce stores serving rural area. Companies like Amazon and Flipkart have expanded into place like Dharvi Mumbai and village in Rajasthan and Haryana. According to report from April 2021, the Indian e-commerce industry is projected to reach \$200 billion by 2026. The Market in India is expected to grow\$ 38 billion with a 40% growth rate while China leads globally with a \$672 billion e-commerce business (source: The Hindu business line). In 2024 India's Internet penetration rate increased to over 52% from 14% in 2014 compared to 14% in 2014 although these figures seem to be modest, they mean that more than off of the population 1.4 billion people had Internet user the country also came in second position. The number of active Internet user in India is expected

to grow to 900 million from current 759 million by 2025 according to IAMAI (internet and mobile association of India). The e-commerce industry in India was worth around 22 billion U.S. dollar in 2018, by 2030 the number was predicted to reach 350 billion U.S. dollars. Consumer loves the convenience of shopping from their own homes. About 81% of people conduct research online before making a purchase. fast and free delivery are primary factor when deciding where to buy .one of the most notable shifts is how young generation is driving up an e-commerce sale, especially with mobile device. With a population of 7.9 billion, that means that 27% of all people alive are digital buyer.

Literature review

Anand Vyas, Sachin Gupta, (2017) This examines paper examines the difficulties that the Indian e-commerce marketplace has. There are nonetheless widespread segments of the Indian e-trade industry that have remained untapped, in particular in rural areas. In line with the survey, India ranked 4th in the variety of net customers in 2017, and it is projected that it would be one of the pinnacle e-commerce Centre by using 2020.

Dr. Ramesh, Dr. Pawan, (2020) on this take a look at rightly talked about the difficulty and challenges in the increase of e-trade in rural areas of Haryana. According to findings, international has emerge as a worldwide marketplace because of technological progress we're looking to make our us of a digital, right here are some challenges and need a legal Framework for E-trade to allow the enlargement and the destiny of e-trade in rural region could be vibrant.

Boateng, R; Heeks, R; Molla, A; Hinson, R (2008)- Drawing from the size of the development time table, dimensions which espouse development through or alongside capitalism – modernisation (economic growth-orientated) and neoliberalism (market-led) – do emphasise the economic angle of improvement results to be finished through e-commerce. The centre recognition is to remember e-trade effect in facilitating exchange and other profits-producing activities, accordingly contributing to the gross national product through exports and entrepreneurship and employment opportunities on the local and national degree. Different dimensions which exceptionally aid capitalism – human-targeted – do emphasise the social perspective of development.

Raghunath & Panga (2013)an evaluation of numerous nuances of e-trade at the same time as accentuating that, at gift time each commercial enterprise pastime, be it marketing, ordering and fee may be done inside the virtual atmosphere. The paper also enlists numerous factors at

the significance of e-commerce that are accountable for its improvement as the brand-new conference. It has enabled the creation and exploitation of recent enterprise possibilities, at the same time increasing the say of customers inside the improvement of recent services and products. E-trade has no longer simplest augmented the overall performance of internal commercial enterprise management however, has additionally enabled higher customer relationships through selling an enterprise version that is largely based on records sharing.

What is E-commerce

E commerce is way of purchasing and selling goods and services online Ecommerce is a way of purchasing and selling goods and services online. Ecommerce business can also be characterized by terms such as affiliate marketing. To drive online sales, we can use ecommerce platforms such as your own website, an established selling website such as amazon, or social media. E-commerce is done by means of an application such as EDI, email, shopping carts, and digital commerce. Digital commerce facilitates the selling process over the internet and supports the development and maintainability of an online relationship with the customer across multiple channels, such as retail mobile, direct, and indirect.

Objective of the study

- 1 To understand the current state of E commerce adoption in rural India
- 2 To analysis the role of government in growth of E commerce in remote and rural area.

Research Methodology

This Is mainly based on research and book on effect of broadband Internet penetration in rural area. This paper does not include conference paper, master and doctoral dissertation, unpublished work paper as well as book review and analysis.

Analysis

The E-Commerce sector is living its impact in rural areas.

Household Sector

Since the majority of people in rural India have a large variety of household goods at their doorstep, a significant shift in peoples lives has occurred. Amazon is launching mask distribution in rural market to benefit the smalltown market. according to the report Amazon had served about 90% of village for delivery .As smartphone penetration rises small town and rural India can no longer be ignored, and ambition level lead to surge to a online shopping.

Handicrafts

It has been reported that the handicraft industry has become the primary source of income for many rural Indians. A significant portion of the population, especially women, creates various kinds of handicrafts by using various types of agro-based materials and providing a source of income for them. These handicraft items and products are now available on Internet platforms, establishing a large customer base among rural people and people from marginalised communities. The penetration rate is not particularly high but is expected to increase in the future.

Agro-Based Product

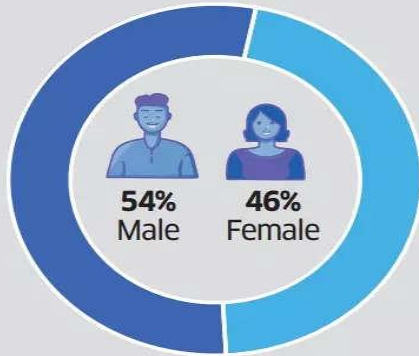
There has been a significant shift in rural business models and a noticeable difference is apparent as a result of increasing online presence of agriculture products. Various types of crops are fertilised and their products are now available online in recent times, which have simplified life for people living in rural areas and farmers in India.

Internet penetration in rural areas in India

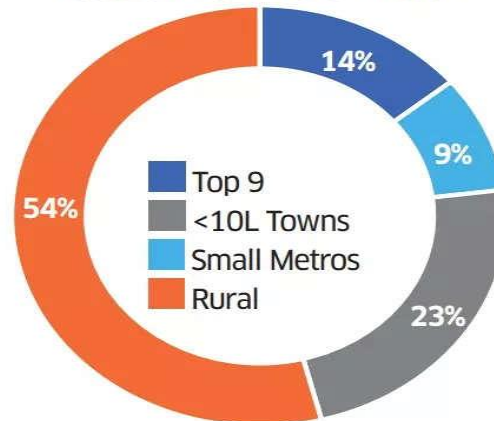
The India e-commerce industry is on the rise as a buzzword and reality. India is a country where the bulk of retailing is done in an unorganised market or nearby stores. The rise of e-commerce in India has resulted in a rapid growth of the same Indian consumers who were previously satisfied with that or were now looking for a more convenient way of shopping. The online market space in the region includes a wide variety of products and services, including travel, hotel reservations, virtual goods such as books and music downloads, fashion accessories, and software. The overall tele density in the country increased 84.69% at the end of August 2023 to 84.76% at the end of September 2023, (Telecom Regulatory Authority of India). In 2023, the number of smartphone users in India was predicted to reach one billion. The number of smartphone users in India was predicted to increase to 1.5 billion by 2040. India has more than 820 million active internet users in the present. Over half of them, 442 million, now come from rural parts of the country. In 2023, internet penetration grew 81% year on year. Overall mobile internet usage is on the rise but rural areas are still unable to use such services due to illiteracy and language barriers. However, in the era of mobile commerce, there are some risks such as illiteracy and an inability to grab the benefits that can be attributed to the increased m-commerce. The provider should develop a hassle-free model so that rural people are able to easily connect themselves to mobile services.

Active internet users in India have crossed the 800-million mark. Rural India has more internet users than urban areas

Gender divide has narrowed over the years.



More than half of internet users live in rural India



Source: Internet in India Report 2023, by the Internet and Mobile Association of India (IAMAI) and KANTAR

Challenges faced by e-commerce facilitator in India.

1 Inefficient Internet service - E-commerce businesses in rural area are unable to function in a smooth manner due to poor and incompetent Internet in the majority of India's geographical boundaries

2 Trust issue - A significant number of people in India's rural area find it difficult to rely on products sold online because they fear that they will be damaged ,looted ,difficulty returning the product.

3 Concern related to online payment - Since the cash on delivery scheme is not available in every village .we need to raise awareness online transactions, since it will also impact trust when doing money transaction online.

4 Lack of public awareness - Many people in rural areas of India are unaware of the entire process of online shopping which also pose a challenge to the company.

5 Nature of rural people - People in rural areas tend to have less education ,lower socio-economic status and may not believe in online product rather than traditional shopping.

6 Poor transaction facility - Transportation facility in rural area is not good when compared to urban areas.

Future of e-commerce

As a seventh largest country by geography, second most populous country and most populous democracy, India has a huge future for e-commerce. Expert believe: The Indian e-commerce market is expected to reach \$170 billion by 2025(Brain). India's online buyer base will reach approximately 500- 600 Million by 2030, making it second largest in world (IBEF). According to Invest India, India boasts the world's second largest Internet user base with whopping 881 million users. From this position India will become the third largest online retail market by 2030. E-commerce Market revenue are expected to reach US \$60.66 bn in 2024 .According to statista in In e-commerce market the number of user is expected to amount 375.2 million users by 2029 and user penetration will be 16.9% in 2024 and it is expected to hit 25.5% by 2029. The average revenue per user is expected to amount to US\$ 248.40. Future of e-commerce in India is likely to be influenced by some innovation such as digital advancements, use of drone, artificial intelligence, use of search engine optimization.

Finding of the Study

In general e-commerce companies such as Flipkart and Amazon have developed their business and established themselves in top tier e-commerce. E-commerce has had a hug effect on our country and even in our rural areas.

- 1 In Rural areas the growth of e-commerce has been enhanced because the adult growth has been increased
- 2 in order to convince the rural people, the e-commerce facilitator has implemented a robust safety system.
- 3 For providing the best service to the customer these companies are looking for more people to serve as delivery guy to transport the goods in various places in a rural area and employment growth also increased.
- 4 In rural areas, the majority of people are able to buy things online.
- 5 E-commerce businesses provided Win-win situation for all party associate in it.

Conclusion

The future of e-commerce in India has potential to be promising, provided that concern related to week cyber law and fundamental rights like privacy, intellectual property, fraud prevention, and consumer protection are addressed. As highlighted in the current study there

are several factors driving the growth of e-commerce in India, such as evolving lifestyle, increasing Internet penetration, rise of smartphone and tablet with 3G and 4G capability and growing the disposal income of Indian population. For providing the best service to customers, these companies are looking for more people to serve as delivery guy to transport the goods in various places in rural area and employment grow also increased. Thus, in India future of e commerce is enormous.

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