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### E-COMMERCE IN RURAL INDIA OPPORTUNITIES AND CHALLENGES

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#### ABSTRACT

Electronic Commerce (E – Commerce) is the Process of Trading of Goods and Services with the help of internet. Unlike the Traditional Business here Buyer of the goods or services ordered his required products in online business sites say E- Commerce websites. The movement of Village e-commerce has found a market. For most e-commerce business beginners and new entrepreneurs, the rural Indian market assures immense potential to become the market leader. It is high time for merchants to profit in their online business by targeting the rural population. It's also important to essential to acknowledge the obstacles and opportunities of selling to consumers. it is high time for the retailers to achieve profit in their online business by tapping the rural population. there is also the need to understand the challenges and opportunities of selling to the consumers

**Keywords:** E-Commerce, Rural areas

#### 1. E-COMMERCE (INTRODUCTION)

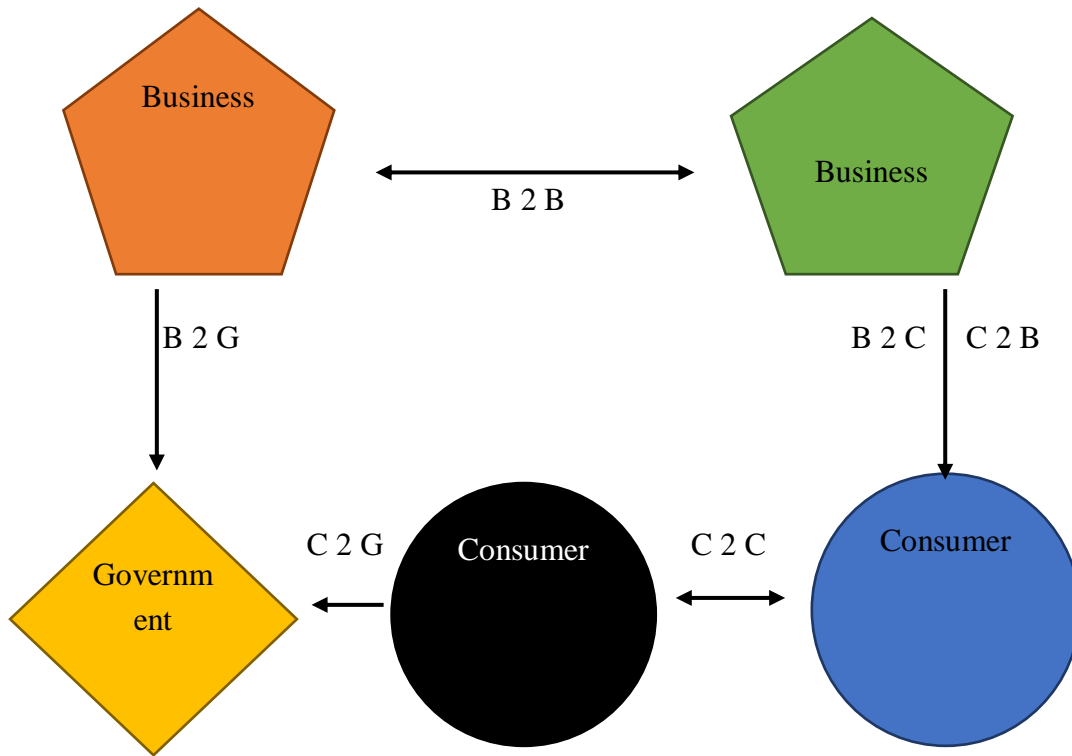
Electronic Commerce (E – Commerce) is the Process of Trading of Goods and Services with the help of internet. Unlike the Traditional Business here Buyer of the goods or services ordered his required products in online business sites say E- Commerce websites. As the advancement of technology these E- Commerce activities increased in good number even in rural areas across the nation.

According to Indian census Majority (65% - 70%) of the Indian citizens are lived in rural areas and approximately 38% of that rural population has been using internet as per latest TRAI report. These Numbers would influence and force the E- Commerce companies to expand their businesses in rural areas also.

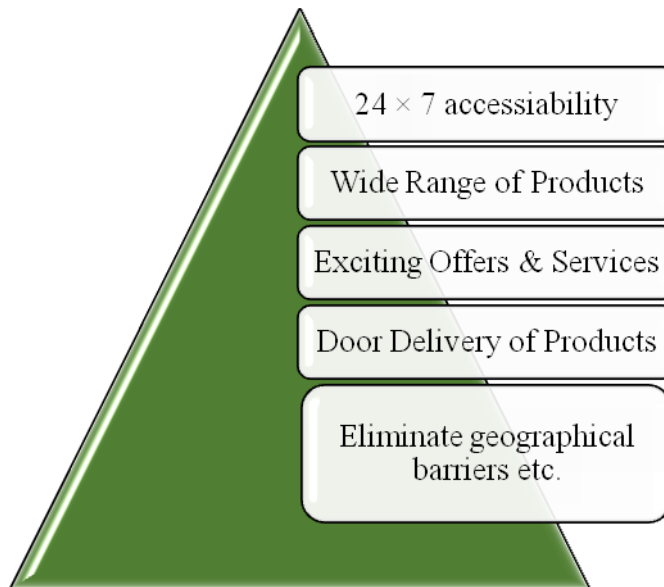
#### Major Types of E – Commerce Businesses:

Types	Abbreviations
B 2 B	Business to Business
B 2 C	Business to Consumers
C 2 B	Consumers to Business
C 2 C	Consumers to Consumers
B 2 G	Business to Government
C 2 G	Consumer to Government

Out of the above six B 2 C type is the most famous and frequently seen E – Commerce activity. The Process of these 6 types is shown below:



Major factors that make Rural People to Adopt / Use E – Commerce services Than the Traditional services:



## 2. REVIEW OF LITERATURE

Are E-Commerce (Shopping) Companies Targeting the Right Segment in India (2022) Rohit Sood E-commerce is increasingly putting traditional trade and business under pressure. E-commerce has reached the majority of consumers in the urban sector, particularly the youth, but enterprises face a difficulty in reaching the rural sector and the elderly. To buy luxury goods, India's rural inhabitants must travel to surrounding cities'-commerce has the potential to expand its scope of operations and assist them.

**E-ENTREPRENEURSHIP IN INDIAN RURAL MARKET: AN OVERVIEW** RAKESH KUMAR (2022) In this era of digitalization and globalization, entrepreneurial growth in rural areas is a concern. Rural residents confront unemployment and poor infrastructure, both of which could be remedied by the formation of rural E-entrepreneurs' -entrepreneurship is defined as entrepreneurship that is built on the digitization of business operations and procedures that were previously handled manually in traditional enterprises. India is quickly adopting e-commerce and establishing the pattern for retail growth in the coming years, thanks to increasing internet penetration and mobile-based customer behavior, as well as the emergence of e-commerce and developing digital payment infrastructure. Rural E-entrepreneurs improve people's living standards and purchasing power by creating job opportunities in villages. An Overview of E-Learning and its Challenges in India (2022) Technology is evolving at a faster rate nowadays, and with its widespread use, knowledge access has gotten easier, and remote learning has become a frequent practice. It boosts a person's learning aptitude as well as skills in several aspects in new subject areas. The nicest thing is that it allowed people to learn without really meeting the teacher-Learning is one of the most popular forms of remote learning. With increasing technology improvement, online education must go a long way. In the same way that many other countries are evolving around innovative technologies, India is one of them. With a population of 1.3 billion people, India's adoption of smart technology is growing at an exponential rate.

#### **ENTREPRENEURSHIP IN INDIAN RURAL MARKET: AN OVERVIEW**

**Need for the Study:** In rural India, e-commerce provides new opportunities for retailers and small-scale industries such as handicrafts to get their products online and expand their businesses. The availability of the internet services in India's rural areas has allowed consumers to obtain the things they need at their convenience. It has opened up significant opportunities for rural customers to adopt a new and more efficient ways of life, as well as for e-commerce enterprises to build a large customer base by catering to the demands of people in India's rural areas

**Objective:** The main objective of this paper is to study the impact of E-commerce in rural India opportunities and challenges.

**Methodology:** This paper is mainly based on articles and books related to impact of broad band internet penetration in rural areas.

#### **ANALYSIS:**

**The sectors where e-commerce is leaving its impact are in rural areas**

##### **Household Sector:**

There has been a significant transformation in people's lifestyles as most people in rural India now have access to a large selection of home supplies delivered to their door. Amazon, the e-commerce firm, is investigating mass distribution in rural regions in order to assist small-town customers. As smartphone penetration rises and achievement levels rise, the order from small towns and rural India can no longer be ignored, resulting in a wave of online shopping. The rural consumer's struggle has just begun for Indian e-commerce giants locked in a war for supremacy. Because the return procedure in rural areas or villages is less than in metropolitan areas, e-commerce enterprises' logistic costs are lower in rural areas than in urban ones.

##### **Handicrafts**

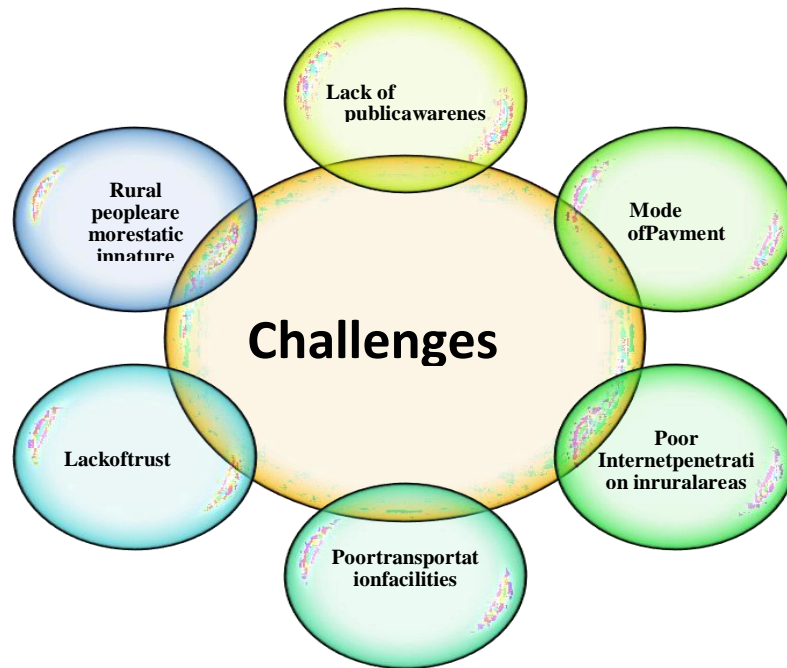
Handicrafts have become a source of income for many rural people in rural India, according to reports. A significant portion of the population, particularly women, manufactures various types of handicrafts using various types of agro-based materials, providing them with a source of income. These handmade items and products are now readily available on online platforms, resulting in a large client base for those living in rural areas and marginalized populations. Although penetration is low, it appears to be increasing in the next years. Marginalized communities would have the opportunity to promote their intangible cultural legacy, which is in desperate need of promotion. Well-known e-commerce businesses like Indian Roots, Crafts villa, Crafted India, and Engrave are working hard to promote artists by developing market connections with customers prepared to pay higher prices without hesitation.

##### **Agro-Based Products**

There has been a huge shift in rural business practices, with a noticeable difference due to the growing internet presence of agricultural products. Seeds for numerous sorts of crops, fertilizers, and a variety of other products are now available online, making life easier for individuals living in rural areas and farmers in India.

#### **Challenges and Opportunities faced by E – Commerce facilitators in India:**

##### **Challenges-**



- 1) **Lack of Public awareness:** Even though many people in rural areas using E –Commerce sites but still huge gap between urban and rural usage of E – Commerce due to the lack of public awareness.
- 2) **Mode of Payment:** People in Rural areas generally prefer COD (Cash on Delivery) due to the security reasons but it may not be available for some products, so people may reject those products and services.
- 3) **Poor Internet Penetration in Rural areas:** As we discussed earlier only 38% of people in rural areas using internet services, so that number would still to be increase. And in rural areas there is still some internet issues like connectivity issues, less no of internet towers etc.
- 4) **Poor transportation facilities:** Transportation facilities in rural areas is not good when compared to urban areas. Due to this delivery may take long time.
- 5) **Lack of Trust:** People in rural areas may not believe in online products rather than the traditional shopping.
- 6) **Rural people are more static in nature:** People in rural areas are generally static in nature and they are not dynamic. i.e., Rural people are not changing regularly according to new technologies and innovations.

#### Opportunities:



- 1) **Large Market Share:** As we discussed earlier 70% of the Indian Population lives in rural areas, so there is a wide range of Scope for increasing market share. Not only Market share of the company it will indirectly contribute towards the GDP.
- 2) **Untapped Industry:** E – Commerce Industry in rural areas are classified as Untapped because of low competition in rural areas and even some areas are still open for competition, so as a new arrival there is wide range of scope for new arrivals.
- 3) **Incentives from Government:** Government also provide economic benefits to the industries who provide E – Commerce services in rural areas. Even in the latest budget sessions, Smt. Nirmala Sitharaman stated that their focus was to developing rural areas.
- 4) **Word of Mouth:** Word of Mouth is a promotional activity that spread speedily in rural areas than in urban areas. E – Commerce service facilitators can use these opportunities without spending single rupee.
- 5) **Trade Inclusion:** As we know the term Financial Inclusion, In the same manner there is chance for Trade inclusion in rural areas where many localities is still lacking this.
- 6) **Enhancement of Standard of Living:** E – Commerce services creates various opportunities to the rural people like creating new job opportunities, economic benefits, technology advancement in their lives. This would ultimately improve the standard of living of rural people.

### 3. FINDINGS

Generally, E-Commerce like flipkart, Amazon, Myntra etc., has developed their business and established themselves in top range E-commerce had created a lot of impact in our country and even in our rural areas So, here we can discuss about the rural opportunities for E-commerce and what challenges they are facing

- In rural areas the growth for E-commerce purchase has been developed because the adult growth has been increased.
- There is a still chance to many E – Commerce facilitators run their business in rural areas.
- E – Commerce facilitators has to make strong security systems in order to gain the rural people belief.
- E – Commerce businesses Provides Win – Win scenario to all the parties involved in it.
- Due to that these companies allotting/ recruiting more people as delivery guys to transport those goods in various places

- So that due to rural areas the employment growth also increased.
- Most of the people in rural areas are willing to purchase goods like (shoes, clothes etc...) Repeated purchase these items most of the people will use and again they order any other product.

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#### 4. CONCLUSION

The competition among ecommerce companies in urban India is intense. And, considering the inherent current trends due to combined efforts of ecommerce companies, governments, and infrastructure builders, the rural market will undoubtedly be the next frontier for India's ecommerce enterprises. It is essential for both established firms and new entrants to understand the market shift and plan their strategies accordingly in order to be ready for future chances.

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