E Commerce in Rural India

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ABSTRACT *E-commerce has become an integral part of the modern life style. As a symbol of globalization and advancement of information technology, it represents the cutting edge of success in this digital world. More than 70 per cent of the Indian lives in rural area, thus the involvement of rural people may affect the faith and progress of e-commerce related industries. The percentage of Indian e-commerce space is getting higher as more and more online retailers enter the market. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. The paper attempts to highlight the future of e-commerce by consideration the condition of its mass rural areas.*

INTRODUCTION

India has experience remarkable growth in information technology and e-commerce. The online market is offering different goods and service ranging from tour and travels, movies, hotel reservation, matrimonial service, electronic gadget, fashion accessories and groceries. According to the e-bay census guide 2011, India is home to 3311 e-commerce hubs, 1267 rural hubs, 391 export hubs and 2217 import hubs. Electronic Commerce (e-commerce) is a means of doing business through networks of computer. Advances in telecommunication and computer technologies in recent years have made computer networks an integral part of the economic infrastructure.

FACILITATORS OF E-COMMERCE IN INDIA

Information directories are provided in the e-commerce website, with the list of product and services with sub headings to make it easy for serious information seeker to find the need of the customer. Allied services are also provided with message boards, review of products by the consumer, chat room etc. Shopping in online follows payment system of cash on delivery, but in the rural and remote areas payment is made through either internet banking or mobile banking or debit card. Facilities for credit cards are still not available in many rural areas.

STATUS OF E-COMMERCE IN INDIA

According to the Indian e-commerce report released by internet and mobile association of India (IAMAI) and IMRB International, the total online transactions in India was Rs. 7080 crore in the year 2006-07 and projected to grow by 30 per cent to touch 9210 crore by the year 2007-2008. Home internet usage in India grew 19 per cent. Now it became 30.32 million and the e-marketers accept that there will be 71 million total internet users in India by 2011. In view of Awais Muhammad and Samin Tanzila (2012)[1], a developing country can be recognized if it introduces e-commerce effectively and efficiently. It will enhanced its output and gives competitive advantages.

Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. Many sites are now selling a diverse range of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers. With stock exchanges coming online the time for true e-commerce in India has finally arrived. On the negative side there are many challenges faced by e-commerce sites in India. The relatively small credit card population and lack of uniform credit agencies create a variety of payment challenges unknown in India. Delivery

of goods to consumer by couriers and postal services is not very reliable in smaller cities, towns and rural areas. However, many Indian Banks have put the Internet banking facilities. The speed post and courier system has also improved tremendously in recent years.

ADVANTAGES OF E-COMMERCE

E-commerce provides multiple benefits to the consumers in form of availability of goods at lower cost, wider choice and saves time. People can buy goods with a click of mouse button without moving out of their house or office. Similarly online services such as banking, ticketing (including airlines, bus, railways), bill payments, hotel booking etc. have been of tremendous benefit for the customers. The Indian e-commerce portals also provide goods and services in a variety of categories like apparel and accessories for men and women, health and beauty products, books and magazines, computer and peripherals, vehicles, software, consumer electronics, household appliances, jewelry, audio and videos, entertainment, goods, gift articles, real estate and services.

CHALLENGES IN E-COMMERCE

There are some barriers from which companies have to be aware of ecommerce business. Hamilton (2002)[2] indicate some barriers in using e-commerce, including no perceived benefit, lack of trust, security problems, lack of skills, cost etc. These factors combine to mean that there is a significant group in each national population of around a third of the adult population in UK does not envisaged ever using the internet. The lack of demand for internet service from this group needs to be taken into account when forecasting future demand.

E-commerce system have to be reliable to protect the interest of the customer, secured payment should be implemented to safeguard the confidentiality of personal information. There may be situation while imposing import duties and tax to foreign products, which may hamper the inflow of economic activities. The expectation of a customer by seeing the product through virtual screen may be different from the actual. Nowadays ecommerce retailer like Myntra has given option for trial facility.

FUTURE OF E-COMMERCE IN INDIA

E-commerce in India has grown rapidly across the country. The growth is mostly in both travel and retail. India is the world's 11th largest economy and also emerged as one of the key player in the global market. The e-commerce market in India is poised for rapid growth. According to a report by Asia Pacific Technographics Online Survey 2011, e-com-

merce revenues in India will increase by more than five times by 2016, jumping from US$ 1.6 billion in 2012 to US$ 8.8 billion in 2016. According to the latest research by Forrester, a leading global research and advisory firm, the e-commerce market in India is set to grow the fastest within the Asia-Pacific Region at a CAGR of over 57% in 2012 to 2016. Certain unique attributes of the e-commerce industry in India such as cash on delivery mode of payment and direct imports that lower costs considerably are probably going to bring about a speedy growth in this industry in years to come (Chanana and Goele 2012)[3].

Figure 1. TRENDS OF SALES BY E-COMMERCE

COUNTRY	SALES IN US $ BILLION	
	2012	2016
India	1.6	8.8
Australia	23.2	35.4
Japan	63.9	97.6
China	169.4	356.1

Sources: Forrester

PROSPECTS IN E-COMMERCE:

A retailer can save his existence by linking his business with the on-line distribution. By doing so, they can make available much additional information about various things to the consumers, meet electronic orders and be in touch with the consumers all the time. Therefore, E-Commerce is a good opportunity.

In the world of Ecommerce the existence of the wholesalers is at the greatest risk because the producer can easily ignore them and sell their goods to the retailers and the consumers. In such a situation those wholesalers can take advantage of E-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.

Producers can take advantages of e-commerce by linking themselves with on-line, by giving better information about their products to the other links in the business chain and by a having a brand identity.

As more people are getting linked with E-commerce, the demand for centre providing internet facility or cyber cafe is also increasing. Hence, the people who wish to take advantage of it can establish cyber and have their benefits.

There are also some essential factors which will significantly contribute to the boom of the e-Commerce industry in India i.e. replacement guarantee, M-Commerce services, location based services, multiple payment option, right content, shipment option, legal requirement of generating invoices for online transactions, quick Service, T & C should be clear & realistic, the product quality should be same as shown on the portal, dedicated 24/7 customer care centre should be there. We found various types of opportunities for retailers, wholesalers/distributors, producers and also for people. Retailers meet electronic orders and should be in touch with the consumers all the time. Wholesalers can take advantage of e-Commerce who are capable of establishing contractors with reputed producers and linking their business with the on- line.

THREATS INVOLVED IN E-COMMERCE

E-commerce has forever revolutionized the way business is done. Retail has now a long way from the days of physical transactions that were time consuming and prone to errors. E commerce services are about transactions, and transactions are very largely driven by money (Haran and Nepaia 2012)[4]. This attracts hackers, crackers and everyone with the knowledge of exploiting loopholes in a system. Once a kink in the armor is discovered, they feed the system (and users) with numerous bits of dubious information to extract confidential data (phishing). This is particularly dangerous as the data extracted may be that of credit card numbers, security passwords, transaction details etc.

Also, Payment gateways are vulnerable to interception by unethical users. Cleverly crafted strategies can sift a part or the entire amount being transferred from the user to the online vendor. Hackers often gain access to sensitive information like user accounts, user details, addresses, confidential personal information etc. It is a significant threat in view of the privileges one can avail with a false identity.

Viruses, worms, Trojans are very deceptive methods of stealing information. Unless a sound virus protection strategy is used by the e-commerce Solutions firm, these malicious agents can compromise the credibility of all e-commerce web solution services. Often planted by individuals for reasons known best to them alone, viruses breed within the systems and multiply at astonishing speeds. Unchecked, they can potentially cripple the entire system.

CONCLUSION

Due to the development of information technology and internet, the world market has converted toward e-marketing and business. But the low literacy rate in the country is the basic hurdle for the rapid growth of e-commerce; even the educated people are not able to handle i-phone, laptop and desktop with cyber technology. Many players of e-commerce still failed to reach many remote areas including the states of North East India. The benefit of e-commerce is available only to the capital district of the state except Assam. This may be due to the transportation facility and courier services are rarely available except speed post which is also facing many problems to reach the unreachable. Unavailability of 3G service and broadband is still a question in many rural areas of the country for the development of e-commerce.

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