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## E-COMMERCE AND RURAL INDIA: A STUDY IN JHARKHAND STATE

**Sumiran Kumar Rajak**

Lecturer , Department of Commerce ,Sindri College,Dhanbad.

### ABSTRACT

**E**- Commerce, which is in existence for a long time but internet, revolutionized this mode of trading. India has become a major destination for E-commerce companies. Every person who has access to internet opts for this mode to buy and also sell products. But people living in rural regions of the country are not showing much interest in E-commerce. This paper is based on a survey conducted in four districts of Jharkhand state which are Sahibganj, Palamu, Giridih and Gumla. Objectives of the survey were to throw light on the obstacles faced by the people living in rural regions to shop electronically. Lack of knowledge, unreachability, lengthy procedures of returns and refunds etc were some of the outcomes of the survey. These hurdles seem to be temporary in nature and



may be removed by encouraging and providing proper guidance.

**KEYWORDS:** commerce, digital, rural, underdeveloped, growth.

### REVIEW OF LITERATURE:

It is necessary to refer to the past studies related to the subject under study. And also the pieces of literature which proved to be useful in conducting survey and formulating hypothesis. Following literatures were reviewed.

i) "Rural India and the emerging developmental challenges" By Anupam Hazra (2013): this book studies about the obstacles in front of

rural india. The book throws light on challenges in achieving a sustainable growth rate in rural regions of india.

ii) "E-commerce: an Indian perspective" By P.T. Joseph and S.J (2009) : provides a clear understanding of elements of E-commerce like supply chain management, customer relationship, payment etc.

iii) "Rural india- vision and action (vol-22): Trade and commerce" By G.B. Kashyap and J.P. Garg (2008): this book provides information regarding government programmes in rural india. Also tabulates some statistical data to enlighten the current rural situation in context

of trade and commerce.

iv) "An introduction to Research methods applied to psychology, sociology and education" By Dr. Parasnath Rai and Dr. C.P. Rai (2013-14): book familiarizes the readers with the concept of research and other related concepts like hypothesis, problem, experimental research, data etc.

v) "E-commerce : issues, perspectives and challenges in Indian context." By Versha Mehta, Alka Sharma, and Komal Nagar.: author enlightens the hurdles in front of electronic trading in india. Also suggests the future of such trading platform in a developing nation like india.

vi) "Technology and rural changes in eastern india (1830-1980): By Smriti Kumar Sarkar (2014): author states the results of technology induction in rural eastern parts of india. The book is helpful in concluding the

adaptability of rural india to new technology.

vii)“Research methodology: methods and techniques” By C.R.Kothari and Gaurav Garg. The book broadly explains the methods and tools of researching. It mainly focuses on tools used in social science for research and explains their procedures and applications.

### RESEARCH METHODOLOGY:

Research is an attempt to interpret the established facts, collected figures and data to draw conclusions regarding a new subject of study. It also includes study of new facts and collection of primary data. This paper is an attempt to search the possible reasons of slow growth of e commerce in rural regions of underdeveloped states of india. Both primary and secondary data is used for analysis of the subject. Primary data is collected by conducting a survey with the help of a questionnaire in four most rural districts of Jharkhand state. Secondary data was collected from the fact sheet provided by Census of india after conducting health survey in the year 2011-12 in Jharkhand state. In addition to above, information provided by various websites proved useful in drawing conclusions and suggesting measures.

### STATISTICAL METHODS APPLIED:

Following tools of statistics have been applied to collect data and draw conclusions.

- i)Survey
- ii)Non random sampling
- iii)Percentage analysis
- iv)Tabulation
- v)Questionnaire

### OBJECTIVES OF THE STUDY:

**There were only two objectives of study.**

- i)Throw light on the factors responsible for slow growth of e-commerce activities in rural regions of underdeveloped states of india.
- ii)Suggest measures to remove such obstacles.

### Limitations of study:

Study is restricted to only one state of india. Size of samples is small compared to total population of districts.

### Concept of e-commerce:

E-Commerce or electronic commerce refers to carrying on trade activities like buying, selling, advertising etc. With the help of electronic mediums like television, radio, telephone and most popular these days, internet. The term E-commerce is gaining popularity these days but is existed long before. There is a wide scope for E-commerce in a developing country like India. India has become a major destination for global E-commerce giants. But all these facts implies to urban regions of the country. Rural regions are not responding much to E-commerce. More than half of Indian population lives in rural regions. Rural India is a huge prospective market which once virtualized, will boost the growth rate of electronic commerce. True potential of e-commerce in India can be fully utilized, only after stretching its scope of operation from urban region to rural regions. But there are certain obstacles in connecting the rural regions to the digital form of trading.

### Survey : introduction

A short survey was conducted in the year 2015-16 in four districts of Jharkhand state. Total population of Jharkhand state is 1979221 and total rural population is 1612701. Nearly 82% of total population lives in rural regions which is sufficient enough to consider the state as rural state. Four most rural districts were selected to conduct survey which are Sahibganj, Palamu, Giridih and Gumla.

### Hypothesis

Hypothesis is proposed outcome of a research. It is explanation of a problem which is made without any

scientific study. Following are the hypothesis for the problem under study.

- i) Lack of technical knowledge.
- ii) Unreachability.
- iii) Returns and refund issues.
- iv) Lack of basic facilities like internet, net banking, debit card etc.
- v) No direct contact (lack of trust)
- vi) Fixed price.

### Demographic profile of respondents

400 respondents were selected randomly from each district.

Age : between 20yrs to 26yrs

Education : matric, intermediate and graduate.

Sex : male

Family income: 1,20,000 to 2,40,000 annually

Occupation : students, shopkeepers, skilled professional, unemployed

Survey data

Responses of respondents is tabulated as below:-

District: Sahibganj

Total population: 253533

Rural population: 231657

No. of respondents: 400

| Lack of technical knowledge | Unreachability | Return & Refund issues | Lack of facilities | No direct contact | Fixed price |
|-----------------------------|----------------|------------------------|--------------------|-------------------|-------------|
| 203                         | 56             | 48                     | 0                  | 59                | 34          |

District: Palamu

Total population: 134624

Rural population: 128052

No. of respondents: 400

| Lack of technical knowledge | Unreachability | Return & Refund issues | Lack of facilities | No direct contact | Fixed price |
|-----------------------------|----------------|------------------------|--------------------|-------------------|-------------|
| 162                         | 41             | 112                    | 0                  | 33                | 52          |

District: Giridih

Total population: 116806

Rural population: 110714

No. of respondents: 400

| Lack of technical knowledge | Unreachability | Return & Refund issues | Lack of facilities | No direct contact | Fixed price |
|-----------------------------|----------------|------------------------|--------------------|-------------------|-------------|
| 186                         | 77             | 98                     | 0                  | 21                | 18          |

District: Gumla

Total population: 167328

Rural population: 157626

No. of respondents: 400

| Lack of technical knowledge | Unreachability | Return & Refund issues | Lack of facilities | No direct contact | Fixed price |
|-----------------------------|----------------|------------------------|--------------------|-------------------|-------------|
| 213                         | 81             | 76                     | 0                  | 19                | 11          |

### OUTCOMES OF SURVEY

- i) 47.75% of respondents do not shop online because they don't have any medium to pay online. Some of the respondents do possess ATM cards but they were not aware that ATM card can also be used to pay online. Lack

of technical knowledge to handle debit cards, credit cards internet banking, e-wallet etc is a major obstacle in front of digital trading.

ii) Return and refund issues account for 20.87% of total respondents. These respondents had doubts about return process and also the refund methods. These procedures are lengthy and involve cost of postal charges, according to respondents.

iii) Unreachability is the third most responded to problem faced by rural people. 15.94% of respondents stated that products are not available to be delivered to their postal address.

iv) 8.25% respondents do not use e-commerce platform because they feel lack of direct contact with traders. This is basically a problem of trust. Respondents do not believe that products will be same as seen on television or internet.

v) 7.19% respondents feel the inability of bargaining. Buyers cannot bargain and have to pay the price asked for. They prefer local markets where they could bargain against the price.

vi) Basic facilities like telecommunication, internet, banking, computer etc. Were available in the concerned survey regions. No respondent chose this option. Thus lack of facilities is a null hypothesis.

## CONCLUSIONS

Lack of technical knowledge, Unreachability, Return & Refund issues, No direct contact and Fixed price are all proved to be collectively responsible for diminished growth of e-commerce in rural regions of India. But lack of technical knowledge is the most serious issue among rural people. E-commerce companies must come together and conduct awareness programmes in rural regions of the country. These programmes must focus on familiarizing people with concepts and procedures related to e-commerce. E-commerce companies will also get to know about the tastes and preferences of rural people. In addition to these benefits, this will establish a direct contact between e-commerce companies and rural people and increase their trust level. Entrepreneurial innovations should be praised and assisted by government. One such an entrepreneurship is "Inthree access" which is providing services in rural regions. Government of India and non-govt. organisations can also play their parts to motivate people to brace themselves the movement of digital India. Government of India should engage agencies to organise seminars in different rural regions of the country to educate and encourage people to use digital mediums of trading. This will not only help e-commerce to reach rural regions but also fulfil the requirements of digital India.

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**Sumiran Kumar Rajak**

**Lecturer , Department of Commerce , Sindri College, Dhanbad.**



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