

**PROSPECTS OF E-COMMERCE: (BHOJPURDISTRICT IN BIHAR)****Ravi Prakash****P.G. Department of Commerce & Business Management V.K.S. University, Ara****ABSTRACT**

Internet has become the global means of communication. For last one decade, it has become the one-stop solution for almost all the information and knowledge. It has impacted our lives, society and world as a whole. Internet has made our lives better and faster in many ways; online shopping being one of them. It gives flexi-time of purchasing and delivering which is its unique feature. Right from necessities as food articles to luxury and lifestyle products can reach the doorstep of the consumer with the variety of payment methods. Though, almost everyone irrespective of age, gender and locality has been affected by the internet directly or indirectly but the urban youth is the most major patron of the concept. This paper aims to study whether rural or semi-urban areas have also been affected with the usage of internet as far as online shopping is concerned. It also studies the difference in the behavior, sites chosen and the payment modes of urban and rural customers. The district of Bhojpur in Bihar has been studied as a special case.

**Keywords:** FMCG, E-Commerce, Henry Garrett Ranking, Electronic Goods

**Introduction**

E-commerce is one of the fastest growing segments in the Indian Economy. Though marked by high growth rate, the Indian e-commerce industry has been behind its counterparts in many developed and emerging economies, primarily due to a relatively low internet user base. In a study conducted by global management consultancy firm AT Kearney in 2015, there were only 39 million online buyers in India; a tiny fraction of the 1.2 billion who live in the country. However, increased technological proliferation combined with internet and mobile penetration, presents a favorable eco-system for the development of e-commerce in India. The country is currently at the cusp of a digital revolution. Launch of 4G services and decline in the tariffs of data plans and prices of data cards/USB dongles have reduced the cost of ownership of an effective internet connection. Availability of low cost smart phones and the extension of internet and broadband to the remotest corners will boost the augmentation of the internet user base, effectively bridging the gap between potential online buyers and actual buyers. The demographic dividend of the country also seems to encourage and favor the growth of e-commerce. The survival of the e-commerce firms in a highly dynamic environment becomes a challenging task when coupled with the cutthroat competition prevailing in the sector. The onus then lies on the firms to constantly adapt and innovate while providing an information rich and seamless experience to ensure customer loyalty. This study attempts to explore the evolution of e-commerce in India and identifies various challenges as well as the factors responsible for the future growth and development of e-commerce. Bhojpur district was carved out of erstwhile Shahabad district in 1992. The Kunwar Singh, the leader of the Mutineers during Sepoy Mutiny in 1857, was from district Bhojpur. Agriculture is the main source of income for majority of people of the district. Rice, Wheat & Gram are the three main crops grown in the district. There is different type of small & cottage industries other than some agro based industries in the district.

The district headquarter is located at Ara town. The geographical area of the district is 2,37,340 Hectare. It is located about 50 Km from Patna. There is Ganga river in North side and Aurangabad and Rohtas district are in the southern part and Patna district in east and Buxar district in the west.

For last few years, technology has touched almost each and every aspect of human life. The greatest affect can be seen with the usage of internet which has brought the world to a six inch screen. Smart televisions, tablets and smart mobile phones have become increasingly popular. Youth is the major user of variety of applications being provided at this platform. E-commerce sites are the most sought after applications which internet users download

and use. Customers find it extremely useful, convenient and time-saving to search the desired product from the shopping applications and order them at their doorsteps. The sale of apparels, footwear, FMCG products, beauty and wellness commodities have increased and hence the augmentation in competitors in the field has also been substantial. Most of the shopping sites provide options to make the payment ranging from credit cards, debit cards, online bank payments to cash n delivery. It has further increased the downloading of banking sites and payment portals. Buying products online and shifting shopping hours to leisure time or while sleeping in this fast- moving life had become a new normal for the urbanyouth. But, eventually rural clientage has also marked a noticeable boost in past some time. Some variation in the choice of products, choice of websites, mode of payment, etc. may be seen but it is definitely advancing. It has given birth to enormous new e-commerce sites ranging from elite to mediocre quality of products trying to cater each segment of customers. E-commerce companies are redefining their scope and prospect keeping in view the new set of emerging customers. In the explosive internet era of contemporary world, the area and reach of e-commerce companies have brought revolution and provided an opportunity to local sellers too to sell their products via internet. This paper aims to study the increasing trend and popularity of e-commerce shopping sites in rural context.

The study has a significance of providing information about the change in rural customer perception due to information flow and better connectivity.

**Results and Discussions**

**Table 1: E-commerce Sites Preferred by Rural Youth**

e-commerce sites	Frequency	Percentage
Flip kart	38	38
Amazon	28	28
Myntra	14	14
Snap deal	10	10
Pay tm	8	8
Others	2	2
Total	100	100

It is observed from table 1 that majority of rural respondents opted for Flip kart for online shopping. Further, the observation revealed that fast delivery and prompt exchange of goods which made it the most liked e-commerce website in rural areas. This is followed by Amazon and Myntra.

**Table 2: Source of Knowing the Website**

Source	Average	Henry GarrettRanking
Family and friends	55.9	4
Online advertisements	65.2	1
Print media advertisements	35.0	5
TV advertisements	62.2	2
Product catalogues	31.6	6
Search engines	56.9	3
Others	20.0	7

It is observed that most of the respondents got information from online advertisements which appear when they open any social media website or other information websites. Internet has a unique feature of reading the interest of the user on the basis of his age, gender, etc. The table shows Henry Garrett ranking too, according to which most of the people get to know about e-commerce sites through search engines and television advertisements followed by friends and relatives. The study also reveals that the customers are least influenced by the printed catalogues or brochures.

**Table 3: Product Preferences of Rural Customers**

Product	Average	Henry GarrettRanking
Clothing	53.7	4
Footwear	42.0	5
Electronics	64.5	1
Cosmetics	31.3	7
Banking services	60.8	2
Hotel and ticketbookings	57.2	3
Others	32.7	6

The table reveals that the most purchased product through e-commerce sites are electronic goods followed by banking services and ticketing. Purchasing of clothes, footwear and cosmetics are still in the middling segment of demand in rural areas. On the other hand, the demand for designer and customized products is the latest trends in urban areas.

**Table 4: Reasons for Choosing e-Commerce Transactions**

Reasons to buy	Frequency	Henry Garrett Ranking
Low cost	52	5
Saves Time	72	1
Availability of discounts and promotions	65	3
Variety items	56	4
Safe and secured	34	0
Ease and flexibility of order	67	2
Easy payment system	41	6

The above table shows that there are varieties of factors for which people prefer online shopping over the traditional one. The most important factor is that it saves time which is followed by the feature of ease and flexibility of order. Availability of discounts and wide-ranging items available are also major factors of people choosing online transactions.

**Table 5: Modes of Payment Used by the Customers**

Payment Mode	Frequency	Percentage
Cash on delivery	43	43
Credit Card	20	20
Debit Card	29	29
Demand Draft	0	0
Net Banking	8	8
Total	100	100

The table clearly shows that the most prevailing mode of payment is paying cash on delivery. The reason being that rural population is relatively less friendly with the banking applications or usage of debit and credit cards. Lack of trust due to rising cases of cyber frauds and to avoid the post cons proceeding, they prefer to pay after they receive the goods at their doorstep. The least preferred mode is demand draft because of two reasons; most

of the websites do not offer the facility to pay via this mode and secondly, the sites which provide the same make the customers follow a very long procedure; thus making it disliked one.

### Objectives of the Study

- To study the customer preference and behavior for buying through internet in rural context.
- To study about the awareness and trust about specific e-commerce sites among rural customers
- To analyze the satisfaction level of the rural customers after online shopping experience

### Research Methodology

Population of the study constitutes the youth who are the smart phone users from the district of Bhojpur, Bihar. The sample size is 100 for which convenience sampling was used. Primary data was collected from 100 internet users in the age bracket of 18-40 years. Structured questionnaire was used to collect the information. The information was analyzed by calculating percentage and Henry Garrett ranking method.

### Findings and Conclusion

The scope of e-commerce transactions has grown rapidly over last few years. The study of the semi-urban areas in Bihar reveals that lot of prospect and potential is there for e-commerce companies to spread their demand in rural and semi-urban areas. Internet revolution has been a great factor to attract customers especially from the younger age. The lifestyle of rural areas has also been affected with the variety of reasons as escalating figure of education, awareness and definitely electronic and social media. E-commerce is gaining popularity over traditional shopping due to reasons like ease, flexibility, selection of choice and payment mode, affordability, shopping experience, etc. Online shopping requires just a smart phone or laptop and diminishes the hindrance of place as the physical set-up of goods at stores requires lot of space. With the enhancing level of awareness and information, lot of scope is there and the market is yet to be explored as far as e-commerce sites are concerned.

### Suggestions

It is observed that the most used e-commerce site is flipkart for which the reason is fast delivery of goods as the processing of orders is quick. The reason behind this feature is that flipkart has opened their warehouses in different areas trying to cover rural areas too. Thus, other e-commerce companies should also focus on delivering goods within a short time to the rural areas too. It would make them feel connected to the streamline. Besides, cash on delivery being the most liked mode of payment is the feature which companies shouldn't forget to add to their facilities. The security of payment gateway is also expected to avoid any kind of cyber fraud. As studied, printed catalogues are the least chosen promotional method so companies may plan to spend more amounts in the ideal mode of promotion which are through online and television advertisements and search engines. With fine research, the future and scope of e-commerce is brighter in Indian rural areas.

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