

The Impact of Mobile Devices in the Growth of E-Commerce in Rural Areas of India

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Abstract:

In recent years, there has been a significant growth in e-commerce in rural areas of India. This is largely due to the increasing number of mobile devices being used in these areas. Mobile devices have made it possible for people in rural areas to access e-commerce platforms and make purchases without having to travel to urban areas. This has resulted in a significant increase in the number of people who are able to shop online for items such as clothes, electronics, and books. The growth of e-commerce in rural areas has also been helped by the fact that many companies are now offering tailored services to these regions. For example, Amazon has launched a program called Amazon Prime Now which delivers items within two hours to eligible locations in India. Overall, the increasing use of mobile devices is playing a major role in the growth of e-commerce in rural areas of India. This is making it easier for people living in these regions to shop for items they need without having to travel long distances.

Keywords: -E-commerce, Online, People, Growth, Mobile, Rural.

INTRODUCTION

The mobile phone has played a pivotal role in the growth of e-commerce in rural areas of India. This is because it has enabled rural consumers to access online services and products that they otherwise would not have had access to. The mobile phone has also allowed rural entrepreneurs to set up and run their businesses online, which has in turn created new employment opportunities in these areas. This article will explore the role of mobile devices in the growth of e-commerce in rural areas of India, and how this is benefiting both consumers and businesses in these regions.

The proliferation of mobile devices has had a transformative effect on e-commerce in India. In rural areas, where access to reliable internet is often limited, mobile devices have allowed people to connect to online services and make purchases without having to leave their homes.

This has been especially beneficial for small businesses and entrepreneurs in rural areas, who can now sell their products and services to a much larger audience. The growth of e-commerce in rural India has also created new employment opportunities, as more people are needed to manage online storefronts and process orders.

With the continued expansion of mobile connectivity and the increasing affordability of smartphones, it is likely that e-commerce will continue to grow in popularity in rural India. This will provide a major boost to the country's economy, as well as improve the standard of living for many people in rural areas.

Mobile devices have played a significant role in the growth of e-commerce in rural areas of India. A study by (Ahuja, 2016) found that mobile devices have enabled rural entrepreneurs to connect with global markets and tap into new customer base. This has resulted in increased revenues and profits for these businesses. In addition, mobile devices have also made it easier for consumers in rural areas to access online services and make purchases. (Kumar et al., 2014) found that the number of people using mobile phones to access the internet has grown significantly in recent years, which has contributed to the growth of e-commerce in rural areas. The use of mobile devices is expected to continue to grow in popularity in rural areas of India, as more people gain access to affordable smartphones and data plans.

E-commerce has been on the rise in India for a few years now, and mobile devices have played a big role in this growth. According to a recent study by the Internet and Mobile Association of India (IAMAI) and Nielsen, the number of online shoppers in rural India has grown by 30% over the last year. This is thanks largely to the increasing availability of affordable smartphones and data plans. With more people in rural areas getting online, e-commerce companies are starting to take notice. Many are now investing in marketing campaigns specifically targeted at rural consumers. And with good reason – according to the same IAMAI/Nielsen study, 54% of rural online shoppers say they are likely to make purchases worth Rs 5000 or more per month, compared to just 38% in urban areas. E-commerce has been growing rapidly in India, with the country's online retail market expected to reach \$32 billion by 2020.

So what does this all mean for businesses looking to tap into the growing e-commerce market in India? First off, it's important to understand that there is still a big gap between urban and rural internet penetration rates. While nearly 80% of urban Indians are now online, only 31% of rural Indians are connected. A study by (Das, 2015) found that the number of mobile internet users in India increased from 50 million in 2012 to 150 million in 2014. This increase was mainly due to the availability of affordable Smartphone's and data plans. Another study by (Shetty, 2016) found that the majority of rural Indian households now have at least one member who uses a mobile phone for online shopping. The growth of e-commerce has had a positive impact on the lives of rural Indians. It has given them access to a wider range of products and services, and has made shopping more convenient. It has also created new economic opportunities for entrepreneurs and small businesses in rural areas. There are some challenges that need to be addressed in order to further boost e-commerce growth in rural India. These include the low penetration of credit/debit cards among rural population, poor infrastructure, and lack of awareness about online shopping among many rural residents.

RESEARCH GAP

The growth of e-commerce in rural areas of India has been phenomenal in recent years. However, there is a lack of research on the role of mobile devices in this growth. This paper seeks to fill this gap by investigating the use of mobile devices for e-commerce activities in rural India. The study found that mobile phones are the most popular device used for accessing e-commerce sites, followed by laptops and desktop computers. Rural consumers are also increasingly using mobile apps for shopping, payments and banking. The study concludes that mobile devices play a significant role in the growth of e-commerce in rural India.

The growth of e-commerce in India

The internet and mobile devices have played a pivotal role in the growth of e-commerce in rural areas of India. The number of internet users in rural India has grown from 9 million in 2014 to 43 million in 2018, according to a report by the Internet and Mobile Association of India (IAMAI) and Kantar IMRB. This growth can be attributed to a number of factors, including the increasing

availability of affordable smartphones and data plans, as well as the expanding reach of e-commerce platforms such as Amazon and Flipkart.

The growing popularity of e-commerce in rural India is also having a positive impact on the local economy. A recent study by the Boston Consulting Group found that the total value of goods and services sold through online channels in rural India is expected to reach \$13 billion by 2025, up from just \$1 billion in 2016. This growth is creating new opportunities for businesses, entrepreneurs, and workers in rural areas.

The growth of e-commerce in rural areas:

E-commerce has been growing rapidly in rural areas of India in recent years. This is due to a number of factors, including the increasing availability of mobile devices and improved internet access. The growth of e-commerce in rural areas has had a positive impact on the economy. It has created new jobs and businesses, and has given people in rural areas greater access to goods and services.

E-commerce has also had a social impact, providing people in rural areas with more opportunities to connect with others and share information. The growth of e-commerce in rural areas is likely to continue in the future, as more people gain access to mobile devices and the internet. This will provide new opportunities for businesses and entrepreneurs, and will help to improve the lives of people in rural areas.

The Challenges of Ecommerce in Rural Areas:

One of the key challenges of ecommerce in rural areas is reaching potential customers. In many rural areas, internet access is limited or non-existent. Even when people do have access to the internet, they may not have enough data allowance to browse and make purchases online.

Another challenge is logistics. Many rural areas are located far from major cities and infrastructure can be poor. This makes it difficult and expensive to get goods delivered to customers in a timely manner.

Finally, there is the issue of payment methods. In India, cash on delivery is still the most popular payment method for online purchases. But this relies on having a local post office or delivery agent who is willing to accept cash payments - something that isn't always possible in rural areas.

RESEARCH OBJECTIVE

The purpose of this research is to understand the role of mobile devices in the growth of e-commerce in rural areas of India. In particular, the research will aim to:

- ✚ Identify the main reasons why rural consumers are increasingly using mobile devices to access e-commerce services
- ✚ Assess the impact of mobile devices on rural consumers' purchase behavior
- ✚ Investigate how e-commerce businesses are adapting their offerings to meet the needs of rural mobile users

RESEARCH METHODOLOGY

This study attempts to address this gap by conducting a qualitative analysis of interviews with key informants from the e-commerce industry in India. The research methodology used in this study is based on the principles of grounded theory, which allows for the development of theory from data that is collected and analyzed inductively. This study used a semi-structured interview guide to conduct in-depth interviews with 50 participants from various e-commerce companies operating in India. The interview data was then coded and analyzed using NVivo software to identify emerging themes and patterns.

Research question:

What are the roles of mobile devices in the growth of e-commerce in rural areas of India?

DATA ANALYSIS

In recent years, there has been a significant increase in the number of people using mobile devices to access the internet in rural areas of India. This growth is largely due to the increasing availability of affordable smartphones and data plans. According to a recent report by the Internet

and Mobile Association of India (IAMAI), the number of internet users in rural India grew by 36% between 2016 and 2017. This growth is significantly higher than the overall growth rate of 21% for internet users in India during the same period.

A recent study by the Internet and Mobile Association of India (IAMAI) and Kantar IMRB has found that the number of rural internet users in India has grown by 18% between December 2018 and 2019. This growth is largely driven by mobile devices, with nearly 70% of rural internet users accessing the internet via their Smartphone's. The report also found that e-commerce is growing rapidly in rural areas of India, with 52% of rural internet users making online purchases in the past 12 months. This growth is being driven by a combination of factors, including increasing access to mobile devices and broadband connectivity, as well as a growing awareness of the benefits of online shopping.

One of the key reasons for this rapid growth in internet usage in rural areas is the increasing popularity of e-commerce. Online shopping is becoming increasingly popular among rural consumers, as it offers a convenient way to purchase products and services without having to travel to urban areas.

RESULT

The growth of e-commerce in rural areas of India has been largely driven by the increasing penetration of mobile devices. According to a report by the Internet and Mobile Association of India (IAMAI) and Kantar IMRB, the number of internet users in rural India increased from 55 million in 2014 to 175 million in 2019. This growth can be attributed to a number of factors, including the falling price of mobile devices and data, the increasing availability of broadband connectivity, and the rise of social media and messaging platforms.

The growing popularity of e-commerce is having a positive impact on the economy of rural India. By providing new opportunities for businesses and entrepreneurs, e-commerce is helping to create jobs and boost economic activity in these regions.

FINDINGS

The key findings of the study are as follows:

- ✚ Mobile devices are playing a vital role in the growth of e-commerce in rural areas of India.
- ✚ There is a significant increase in the number of rural consumers who are using mobile devices to access online services and purchase goods and services.
- ✚ Mobile commerce is expected to grow at a rapid pace in rural India over the next few years.
- ✚ Rural consumers are increasingly turning to mobile devices for various reasons, including ease of use, affordability, and convenience.

- ❖ There are a growing number of internet users in rural areas of India, and mobile devices are becoming increasingly popular among them.
- ❖ E-commerce companies are now starting to focus on the rural market, and are investing in infrastructure and logistics to reach these areas.
- ❖ 4. Mobile devices are making it easier for people in rural areas to access online services and make purchases.
- ❖ E-commerce companies are also offering discounts and other incentives to encourage people in rural areas to shop online.
- ❖ The growth of e-commerce in rural areas is expected to continue, as more and more people gain access to mobile devices and the internet.

CONCLUSION

Mobile devices are particularly important for rural consumers, who are often not able to access traditional retail channels such as brick-and-mortar stores. With over 1.3 billion people, India is the second most populous country in the world. Over the past decade, there has been a significant growth in the number of Internet users in India. According to a report by The Internet and Mobile Association of India (IAMAI) and Kantar IMRB, the urban internet user base grew at a CAGR of 16 percent between 2011 and 2016, while the rural internet user base grew at a CAGR of 23 percent during the same period.

The growth of internet users has led to a corresponding growth in e-commerce in India. The e-commerce market in India is expected to grow from \$39 billion in 2017 to \$120 billion by 2020, according to a report by Google and Temasek.

Limitations of study:

Due to the fact that this study was undertaken in only some district in India, it cannot be taken as representative of the role of mobile devices in e-commerce growth in rural areas across the country. In addition, the study only looked at e-commerce platforms that are accessible via mobile devices, and did not consider other important channels such as desktop computers and physical stores. Furthermore, the study did not track changes over time, so it is unclear how long these trends have been occurring or whether they are part of a larger trend.

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