Abstract

Digital India through develop the new concept of rural marketing is changing for new life style and fashions for innovative technologies. There are so many rural consumers aware to use in internet facilities in online shopping to other shop purchasing for goods and services. Ecommerce concept not only fasted improve for rural area but also slow going for online purchasing and awareness. I hope that to improve and development of Ecommerce in rural area to create a new job opportunities in future. Rural artisans are use of new business web sites for their own business activities. Other online stores such as Myntra, Jabong and Voonik have also started their deliveries in many villages and towns of the country. The reason is that the department which had been in losses since many years has now collaborated with more than 400 ecommerce websites that also includes big ones like Amazon and Flipkart for goods delivery. There are around 1, 55,000 post offices in India and they are now connected to deliver the goods to customers in otherwise remote areas. There are many ecommerce companies which have reached the villages of the country.

1. INTRODUCTION

Rural Markets: From Touch points to Trust points - Winning over India's Aspiring Rural Consumers,” rural consumers are particularly aspiring or striving to purchase branded, high quality products. Consequently, businesses in India are optimistic about growth of the country's rural consumer markets, which is expected to be faster than urban consumer markets. The report highlights the better networking among rural consumers and their
tendency to proactively seek information via multitude sources to be better informed while making purchase decisions. Importantly, the wider reach of media and telecommunication services has provided information to India’s rural consumers and is influencing their purchase decisions. In line with general trend, rural consumers are evolving towards a broader notion of value provided by products and services which involves aspects of price combined with utility, aesthetics and features, and not just low prices.

E-commerce firms ride Make in India to reach rural markets supporting such schemes help e-commerce expand their merchant base as well as capture the rural market. "SMEs are making good products but funding remains a problem. E-commerce companies are solving this by helping with lending schemes." Last year, start-ups tried to cash in on the Digital India initiative. This year the focus has been on Make in India. Paytm, which has been trying to promote its marketplace, plans to induct around 5,000 Indian manufacturers and sellers this year. The company has launched programmes such as Paytm Force and Paytm Go big partners to identify and train new sellers. “Through our own drive of supporting Make in India products, we have been able to build a relationship with manufacturers from diverse backgrounds, ranging from manufacturers who supply to large global brands to self-help groups out of Maharashtra that provide income to 100 small households by selling their handicrafts/product online Companies are also getting into tie-ups with various ministries. Snapdeal, for example, has partnered with the National Institute of Electronics & Information Technology of the Ministry of Communications and Information Technology to train small and medium businesses (SMBs) on digital marketing.

2. GROWTH OF E-COMMERCE IN RURAL INDIA

Earlier it was thought that ecommerce companies have no reach to the villages of the India. However, in the recent past there have been certain developments in the country, which have connected even the villages to the latest technological trends. The postal service is one system that has the power to connect the whole of the country. It has reached to almost all the villages, even those in the remote locations. The past two years have witnessed dramatic growth for the Indian postal service. The reason is that the department which had been in losses since many years has now collaborated with more than 400 ecommerce websites that also includes big ones like Amazon and Flipkart for goods delivery. There are around 1, 55,000 post offices in India and they are now connected to deliver the goods to customers in otherwise remote areas. There are many ecommerce companies which have reached the villages of the country. They have supported the country in becoming digital through their strong logistics channel. In some locations, these companies use their own delivery services, however, at most of the places third party delivery is used which includes postal service as well. We analyzed the services of various ecommerce companies to know whether they have access to the Indian villages or not. We randomly checked 100 villages’ pin codes for a specific product from the biggest players of the ecommerce in the country which are Flipkart, Snapdeal and Amazon.
These are the biggest online retail stores of the country and they have increased their revenue many times with the coverage of cities, towns and now the villages. Other online stores such as Myntra, Jabong and Voonik have also started their deliveries in many villages and towns of the country. However, some of the ecommerce websites have not yet covered the villages. They are still in the process of giving their coverage in the major cities. With the availability of online delivery, the villagers have started gaining benefits from these companies. With more penetration of internet, more people are now able to order their goods online. In addition to the above players, Shopclues cater to 8000 pin codes across small towns and villages. The companies have noticed that there has been high demand of goods such as electronics and utensils from the villages.

3. INDIA TO HAVE THE SECOND-LARGEST INTERNET USER BASE IN THE WORLD REPORT

India will have the world’s second-largest Internet user base by this Year 2015, overtaking the US. This is among the many interesting findings in the ‘Internet in India 2015’ Report released by the Internet and Mobile Association of India (IAMAI) and IMRB International. According to report, India will have 402 million Internet users by December 2015 and its user base has increased by 49 per cent compared to last year. In October, 317 million Indian users accessed Internet. China has the largest Internet user base, with over 600 million users. It is not surprising anymore that mobile is responsible for a big chunk of this growth. In Urban India, the mobile Internet user base grew by 65 per cent over last year to reach 197 million in October 2015. In Rural India, the mobile Internet user base is expected to reach 87 million by December 2015 and 109 million by June 2016. Ninety-four per cent of users access the Internet through their mobile phones in Urban India. However, 64 per cent also use the desktop or laptop to access the Internet. But 90 per cent of those who use the mobile to access the Internet consider it their primary device for browsing. This growth is in line with industry expectations and will be good news for many consumer-focused tech businesses in sectors ranging from commerce to healthcare and finance. For instance, Founder and CEO of mobile wallet and e-commerce company Paytm, said in his exclusive thought leadership article in the Techs parks 2015 Report – Tech for a Billion: “In the next five years, I expect the country will have banking products or full-fledged banks exclusively using mobile platforms.

India is the ideal laboratory for such innovations, considering India is a young country – 50 per cent of the population is younger than 24 years – and Smartphone’s are getting more powerful with each passing day.” In an insight that could be very useful for consumer Internet startups, especially for those whose target users are primarily women, the report found that 77 per cent of urban non-working women who access the Internet do so primarily from the mobile device. The top eight metros continue to be the single largest block of users, accounting for 31 per cent of the overall user base. Mumbai and Delhi had the most number of Internet users. Smaller metros, like Jaipur, Surat, and Lucknow, have seen a growth of 60 per cent in monthly active user base (users who have accessed Internet at least once a month) over last year. An unsettling revelation is the gender gap when it
comes to access to Internet. Men account for 71 per cent of Internet users, while women account for just 29 per cent. The gap is slightly lower in urban India, with men accounting for 62 per cent and women 38 per cent. The gap is quite stark in rural India where the men to women Internet user ratio stand at 88:12.

The demographic data in the report also point to some interesting trends. In rural India, 75 per cent of the users fall in the 18–30 years age bracket, while 11 per cent are younger than 18 and 8 per cent are in the 31–45 years group. In Urban India, 32 per cent of monthly active users are college-going students. Online communication, social networking, and entertainment are the top reasons for accessing the Internet. Only 24 per cent of urban users and 5 per cent of rural users accessed the Internet for online shopping.

Figure 1: Frequency, Growth & Mobile Internet user in India

Are you a startup working in the technology space and looking to engage in a comprehensive startup ecosystem? Or a mature startup that has developed a successful product
I. E-commerce Shopping is now emerging in Rural Parts of India:

In the past few years, India has seen something akin to a revolution in the online shopping market. Many Indians are moving online and they are spending money on stuff. However, in spite of India’s massive ecommerce boom, the country’s tremendous ecommerce growth has not reached rural Indian where the concept of online shopping is still largely unheard of in some villages. Yet rural Indians are buying things even if they do not know about online retail websites, VISA or MasterCard or even PayPal. Because the majority of Indian population still lives in the rural areas, the true potential of India’s online shopping will only be unlocked if Indian retailers can figure out ways in which to reach out to the often underserved rural market that is a fast gaining currency is a viable online market to be reckoned with.

It is not all a lost cause as far as rural Indian ecommerce penetration is concerned, however. There are certain large Indian e-retailers that are slowly making some inroads into the Indian rural market. These include the big players such as Amazon, FlipKart and Snapdeal. On the other hand, there are various Indian start-ups that have solely focused their efforts on the country’s rural market such as in three. Players like iPay offering cash payment & fulfillment which also creates opportunity for rural customers to buy products without plastic money online.

i.) Government has a Role to Play:

In India, there is a tie-up between ecommerce companies and the Indian government in order to roll out ecommerce services into the rural areas. This is because it might not be quite profitable for ecommerce companies to go it alone in places with poor infrastructure and where they are likely to spend more money on marketing and penetration. These tie-ups smoothen the way for these online ecommerce shopping companies to roll out their services in places that they would ordinarily ignore. The Indian government has also made it easier for foreign ecommerce companies to come here and set up shops in the country, particularly in the rural areas. The Government of India has planned various initiatives to provide and improve the infrastructure in rural areas which can have a multiplier effect in increasing movements of goods, services and thereby improve earnings potential of rural areas subsequently improving consumption. The Union Government plans to build 2.23 lakh km of roads in the rural areas and has proposed a total spending of Rs 27,000 crore (US$ 4 billion) until March 2017. E-commerce players like Flipkart, Snapdeal, Infibeam and mobile wallet major Paytm have signed Memoranda of Understanding (MoUs) with the government to reach rural areas by connecting with the government’s common service centres (CSCs) being setup in villages as part of the ‘Digital India’ initiative. With the increasing demand for skilled labour, the Indian government plans to train 500 million people by 2022, and is looking out for corporate players and entrepreneurs to help in this venture. Corporate, government, and educational organizations are joining in the effort to train, educate and produce skilled workers.

The Government of India seeks to promote innovation and technology development in the remote rural and tribal areas. The government plans to form a committee
to study various innovations and submit their reports to the concerned Department or Ministry. The programme called the ‘NavKalpanaKosh’ aims to improve rural areas at various levels, such as governance, agriculture and hygiene.

Banks are working to set up rural ATMs, which will dispense smaller denomination currency notes. “We have encouraged banks to find a solution for bringing in rural ATMs... banks will have to find an appropriate technology solution for a different type of ATM to care for the needs of the rural people,” as per Deputy Governor, Reserve Bank of India (RBI). Confederation of Indian Industry (CII), an association of Indian businesses, plans to set up a centre of excellence for start-ups in smaller towns across the country to help create a conducive environment for their incubation and growth.

ii) The Role of Indian Postal Services:

In the urban areas of India especially the big cities such as Mumbai, New Delhi or Bangalore, ecommerce companies can simply charge low and competitive shipping costs and deliver the products themselves. However, in the remote rural villages in India, this business model is not necessarily feasible. It would amount to very high shipping costs that either drive down the margins or drive away the customers. For many of these companies working hard to penetrate the rural Indian market, the Indian postal service has come to the rescue. Traditionally reliable and cheap, the Indian postal service infuses the much-needed reliability and competitiveness when it comes to shipping ecommerce products to end consumers in the remote villages in rural India.

Global e-retailer Amazon has found great uses for India’s postal infrastructure in its ecommerce deliveries. Most of Amazon’s deliveries in rural India are done via India-Post which has a ubiquitous reach in the country. It is important to note that a whopping 89.7% of post offices in India are situated in rural India which gives ecommerce companies a vast infrastructural network to work with. Thanks to these new opportunities in ecommerce, India-Post has also increased its reliability and quality of service substantially. For example, buyers are able to track their consignment sent via India-Post online and they are able to send stuff all over India.

iii) Required Improvements in the Indian E-commerce Landscape:

A lot of challenges facing ecommerce growth in rural India are infrastructure-related. Thus, when addressing the problem of growth in rural India, it is important to bring in the government and infrastructure providers into the discussion. There is a lot that needs to be done in order to boost rural ecommerce growth. These include the following:

- Making strategic investments in internet/broadband penetration in rural India. The government can, for example, provide strategic incentives to internet providers in rural India.
- Develop strategies and roadmap for promoting ecommerce growth in rural India. This should be a multi-stakeholder effort incorporating the Indian government, ecommerce companies, local state governments and infrastructure providers. Even consumer advocacy groups should be involved in the process.
Using available resources and data in order to promote policy development and initiatives to boost rural e-commerce. For example, the use of the India-Post logistical infrastructure.

One of the initiatives that have taken off in the recent years is the campaign to connect every village in rural India with broadband which is spearheaded by BSNL. So far, more than 600 districts have been covered.

II. Customer Order Delivery (COD)—A Fantasy in Rural Areas:

Talking of product delivery, ecommerce companies struggle to reach the unreachable in many remote areas including many states in Northeast India due to poor transportation facility. Moreover with more than half of the online sales being dependent on COD and unavailability of third party logistics services in rural areas, online retailers in order to satisfy complete their Pan-India network, use private courier services which then doesn’t allow companies to accept COD – the only successor of Indian ecommerce industry.

Payments are the biggest challenge while selling in Tier 2 and Tier 3 cities, believes CEO at Real Shoppe. “A majority of population living outside urban areas do not have any bank cards to pay with, and those who do have, are not very comfortable using them. So card payments in those areas aren’t going to generate much traction unless and until you innovate payments in such a way where you the money beforehand.” India Post however, is one such delivery service that promises to deliver Pan-India and that too on COD. But how efficient their services are, is the real question here. Despite having a huge coverage the service is not the preferred service by the ecommerce players. So there are several logistics, operational and technological challenges when it comes to reaching the consumers living in rural areas.

4. E-COMMERCE INDUSTRY AS A CAREER OPTION: AN OVERVIEW

India's e-commerce market grew at a staggering 88% in 2013 to $16 billion, riding on booming online retail trends and defying slower economic growth and spiraling inflation, according to a survey by industry body ASSOCHAM. It is a rapidly expanding sector, throwing up thousands of new job opportunities every year. Senior VPHR, Jabong.com informs that the e-commerce industry has grown by leaps and bounds in the past few years. "As per a CRISIL research report, ecommerce in India is estimated to grow at 50-55% annually for the next three years and is touted to become an Rs 50,000-crore industry by 2016," he shares. The e-commerce industry is growing significantly in India and expected to add tons of jobs in the years to come, COO, Digital Quotient. "Owing to the rapidly changing consumer behavior and shopping patterns, one can expect a continued growth in the coming years. He explains the job market in this relatively new industry seems to be flourishing like no other industry. This is an ideal industry for people who are fast-paced, fuelled by passion, highly creative and for whom comfort is not a priority. I believe for creative-enthusiasts and geeks, it is fascinating to work in ecommerce. Moreover, there is a positive growth outlook for this sector. The hiring activities are expected to grow by over 30% in this sector and may help create up to 50,000 employment opportunities in the next
two to three years. "Tier-1 B.Tech and MBA grads mostly join us from IITs and IIMs. As per a study by Nielsen, today, almost one-fourth of MBA students from across India's top tier business schools, including the IIMs, said they would prefer working for the fledgling e-commerce sector, over traditional favorites like consulting and financial services jobs," he shares.

Further discussing the kind of career prospects and opportunities professionals can look at in this industry, and the hottest jobs available, CEO and co-founder, ixigo.com avers, "The e-commerce industry is currently witnessing an upsurge in growth and this is the right time for aspiring individuals to turn to this industry. While there is always a demand for solid web app developers and quality experts; content writers, graphic designers and digital marketers also have a huge role to play. “The industry is growing at a rapid pace. And this means that the growth opportunities in this industry would be ample too. This has given a lot of employees the exposure and growth they would have found impossible to achieve in more established companies where hierarchy and experience take precedence over talent."E-commerce offers a dynamic work environment. It exposes a professional to all the powerful core essentials of a business functioning like product marketing, supply chain, pricing and profit management, customer acquisition, cross selling, up-selling, customer service and much more. Not many jobs present that holistic picture. Globally, the sector is booming and is expected to grow to $675 billion by 2016." Moreover, not only does the e-commerce industry have the hottest jobs in present times, but also the coolest work environment.

E-commerce companies typically exhibit an informal working culture, with lower levels of hierarchy in comparison to traditional industries and MNCs. "E-commerce is a fast-paced industry, which rewards those companies that are able to rapidly pivot to exploit changing trends. Thus, prospective candidates must display great communication skills, flexibility and enthusiasm for the constant innovativeness that is required in this industry," he explains.

5. CHALLENGES WHILE REACHING THE RURAL AREAS

Ecommerce companies face a number of operational hurdles, especially in rural areas—given the poor infrastructure available in those parts of the country. The low literacy rate in the country is another problem for the growth of ecommerce, as even the educated people in rural areas are not able to handle cyber technology. “In recent years, rural markets have acquired significance, as the overall growth of the Indian economy has resulted in the substantial increase in the purchasing power of the rural communities. In fact estimates show rural markets are growing much faster than urban markets. But there are a number of factors hindering the growth of ecommerce in the country, biggest of which are low Internet penetration, payments and distribution logistics.”

6. 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 in India. The benefit of e-commerce is available only to the capital district of the state except tribal areas. 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. There are so many rural consumers aware to use in internet facilities in online shopping to other shop purchasing for goods and services. Ecommerce concept not only fasted improve for rural area but also slow going for online purchasing and awareness. I hope that to improve and development of Ecommerce in rural area to create a new job opportunities in future.

7. REFERENCES