

A STUDY ON THE PROSPECTS OF E-COMMERCE IN RURAL MALAPPURAM

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Abstract

In a competitive and highly dynamic market place where businesses compete for customers, it is important that a business should consider the customer satisfaction as a key factor of business strategies. Customer satisfaction means the satisfaction level of customers towards the product or services provide by a business. The satisfaction of customer determines the success or failure of the business. The internet connectivity has been spread out all over the world and vanquished the human mind as well. In a timeless and fast life it is important that the system of virtual shopping as the virtual communities extremely popularized in the world all over. E-commerce facility is a system of buying and selling of goods and services over internet, by which any one can purchase or sell things from anywhere in the world and avail services. At present there is a huge number of e-commerce website for providing specialized products, i.e for used products OLX, for new born accessories First Cry, etc. The paper aims to identify the prospects, scope and condition of e-commerce in the rural context of Malappuram district of Kerala state. A sample of 120 customers of e-commerce is selected by using convenient sampling method study on the prospects of e-commerce in rural Malappuram.

Keywords: E-Commerce, Perception, Awareness, Prospects

I. Introduction

E-commerce is very newer and popular means of doing business. E-commerce simply means the activity of buying and selling of products on online services or over the internet. An ever-growing trend can be seen in the e-commerce market. The popularity of online shopping, e-payment, e-servicing, etc has been increased hugely by the internet and smart phones diffusion. There is a large number of e-commerce websites such as Amazon, Myntra and Flipkart which offering a vast variety of product to the customers. By knowing the profound scope of online shopping and e-commerce entrepreneurs are propelled to set foot in to the e-commerce business. In the earlier stage of the introduction of internet based marketing it confining to urban provinces only. But in the contemporary era of internet explosion, the use of smart phone and internet outspread irrespective of space, time, place, etc.

Many e-commerce sites have been emerged after the internet revolution and strive to attract customers by providing interesting offers and discounts. The service over internet is available 24*7 and it helps to manage time. Even though there are many

limitations for e-commerce activity such as it may not guarantee product quality and may occurs time delay in the delivery of products. However people enjoy the online shopping and e-services as it costs less and less time, therefore the realm of e-commerce can yet to be enlarged.

II. Significance of the Study

As the e-commerce and its auxiliary activities are a newer phenomena and ever-growing one, therefore only few studies have been done in this milieu, especially in the rural context. Hence there is a wide scope for the studies on the customer's perception and attitude towards the virtual shopping and e-services. There is an increasing trend in the popularity and exertion among virtual community to exploit the resources through internet. In the earlier stage of e-commerce pursuit, the services and facility were confined only to the urban people as they were affordable to own a smart phone and better connectivity. Apart from this, it have been widened recently semi urban areas as well as rural areas. In this study, I considered the B-2-C model of e-commerce to analyze the prospects e-commerce in rural context.

III. Statement of the Problem

B-2-C model of e-commerce refers to the availability of products from business to the consumer itself. Online shopping is a kind of e-business by which anyone can make shopping through various e-commerce sites without any physical settings of stores or markets. Recently, the popularity and demand of e-commerce and other virtual products has been hugely emerged because of the vast availability of internet. There is a large number of e-commerce sites at present and thousands of products are sold all over the world daily through the e-business model. The satisfaction of consumers should be taken into consideration by every enterprise irrespective of their status and designation. Discovering the perception and satisfaction of products among customers enables the enterprise to sell their products in a better way and use of the collected information to make its service before placing it on the market. Thus the present study has been proposed and entitled as “An Analytical Study on the Prospects of E-commerce in Rural Malappuram”.

IV. Objectives of the Study

1. To study the popularity of various e-commerce sites among customers.

2. To study about the perception and awareness of rural people about e-commerce
3. To analyze the overall satisfaction of online shoppers and e-service customers in rural Malappuram

V. Hypothesis of the Study

1. The reasons for choosing e-commerce and other e-services are independent of age.
2. The overall satisfaction of customers towards e-commerce and other e-services are independent of gender.

VI. Methodology of Study

Population of the study constitutes all the customers of e-commerce in rural areas of Malappuram district. The sample size is fixed as 120. Convenient sampling method is used for selecting customers of e-commerce. Both primary and secondary data are collected. Primary data are collected from e-commerce costumers in the rural areas of Malappuram district and secondary data are collected from books, journals and internet. Structured questionnaire is used to collect primary data. The tools used for analysis includes, percentage and Henry Garrett method of ranking.

The hypothesis is tested by using chi-square test through Mega Stat.

VII. Results and Discussion

Table 1
E-Commerce Sites Preferred by Customers

Major E-commerce Sites	Frequency	Percentage (%)
Amazon	24	20
Flipkart	42	35
Paytm	15	12
Myntra	11	10
Snapdeal	18	15
Ebay	8	6
Others	2	2
Total	120	100

It is observed from the table 1 that majority of the respondents are opting the Flipkart for their e-commerce transactions. It may be because of the quick processing of order and fast delivery of products as Flipkart opened their branches

even in the rural areas. Only 2% of the respondents are opting for other e-commerce websites.

Table 2
Source of Information

Source	Average	Henry Garrett Ranking
Friends & Family	56.9	3
Online Advertisement	65.1	1
TV advertisements	36.6	7
Promotional E-mails	61.7	2
Printed Medias	42	6
Product Catalogs	35	8
Search Engines	56	4
Others	50.2	5

The table 2 shows the result of Henry Garrett Ranking in respect of the source of information. It is clear that most of the respondents are get informed through online advertisement about the e-commerce

products. Product catalog is the less important information source as it ranked least.

Table 3
Reasons for Choosing E-commerce Transactions

H₀ :- The reason for choosing E-commerce transaction is independent of age.

H₁ :- The reason for choosing E-commerce transaction is not independent of age.

Reasons	c-value	df	p-value	Accept/Rject
Save Time	1.45	4	.84	H ₀ Accept
Availability of detailed product Information	.85	4	.93	H ₀ Accept
Price Comparison	2.11	4	.72	H ₀ Accept
Low Price	11.2	4	.024	H ₀ Reject
Availability of Offers & Discounts	2.83	4	.58	H ₀ Accept
Effortless	5.60	4	.23	H ₀ Accept
Easy Payment System	.86	4	.93	H ₀ Accept
Vast Variety of Items	3.26	4	.51	H ₀ Accept
Safe & Secured	.98	4	.91	H ₀ Accept
Different Brands	3.89	4	.42	H ₀ Accept

The table 3 shows the result of Chi-Square test on the reasons for choosing e-commerce transaction in respect of age. From this table it is inferred that all factors unless the 'low price' is the reason for choosing e-

commerce instead of traditional transactions in all age groups. The null hypothesis is accepted in all cases other than the factor of 'low price'.

Table 4
Product Preferences of Customers

Sl. No	Product preference	Average	Henry Garrett Ranking
1	Cosmetics	45	4
2	Foot wears	43.37	5
3	Clothes	53	3
4	Electronic product	63.26	1
5	Banking services	62	2
6	Ticket booking	39	7
7	others	43	6

The table 4 shows the result of Henry Garrett Ranking in respect of the product preferences of customers in e-commerce websites. It is observed that majority of

respondents opting e-commerce to purchase electronic products. Ticket Booking is less preferred service as it ranked the least.

Table 5
Mode of Payments used by Customers

Sl. no	Payment mode	Frequency	Percentage
1	Debit card	51	42
2	Credit card	18	15
3	Net banking	9	8
4	Cash on delivery	39	33
5	Demand Draft	0	0
6	others	3	2
	Total	120	100

It is observed that most of the respondents make payments through their Debit Cards for the product and service

accepted. None of them was opted Demand Draft as a payment method in e-commerce transactions as it needs a number of procedures to complete.

Table 6
Overall Satisfaction of Customers

H₀ :- The overall satisfaction of customers is independent of gender.

H₁ :- The overall satisfaction of customers is not independent of gender.

FactorS	Calculated value (CV)	Degree of freedom (DF)	Table value (PV)	Accept / Reject
Adequate product information	0.32	2	0.8434	Accept
Safe and secured	3.81	2	0.1487	Accept
Payment method	0.90	2	0.6388	Accept
Availability of verity of brands	26.83	2	1.49	Reject
Better after sales and services	2.91	2	0.2335	Accept
Return policy	5.02	2	0.0813	Accept
Delivery system	1.22	2	0.5426	Accept

The table 6 shows the result of Chi-Square test on the overall satisfaction of customers towards e-commerce products and services in respect of gender. From the table it is inferred that in all cases the Null Hypothesis (H₀) were accepted except in the case of availability of variety of brands. Therefore the satisfaction of customers in the case of 'Availability of variety of product' is not independent of gender since the null hypothesis was rejected.

VIII. Findings and Suggestions

The majority of respondents are opted the Flipcart for their e-commerce transactions. It may be because of the quick processing of order and fast delivery of products as

Flipcart opened their branches even in the rural areas also. Therefore we can conclude that the popular e-commerce companies should spread its operations in rural areas also. The information about e-commerce sites are mostly spread through online advertisement, promotional e-mails and word of mouth. The less popular promotion method is 'Product Catalog' and 'Printed Medias', therefore more emphasis can be given to these promotional activities. People in all ages opted e-commerce to save time, cost and effort mainly. People use e-commerce sites mainly for purchasing electronic products, clothes and for doing banking transactions. The least preferred service is 'Ticket Booking'. So, importance

should be given in providing ticket booking services provided to rural customers. The mostly preferred payment methods are payment through Debit Cards and Cash on Delivery in e-commerce transactions. Almost all customers are satisfied in the services of e-commerce as it has a lot of advantages rather than disadvantages.

IX. Conclusion

The scope e-commerce transaction has grown at rapid level over the last few years. The study on the prospects of e-commerce in the rural areas of Malappuram district reveals a result of its importance in rural areas itself. The rural sectors have also been developed as urban areas and sufficient to compete with them as the rural sectors have a lot of resource and growth in education. Therefore the lifestyle of people were also changed, here arise the importance of e-commerce in their daily life. Changing lifestyle of rural people influenced the use of e-commerce transactions and services hugely. The internet revolution made the people to turn into the virtual shopping system. Any products or services can be accessed through internet network. It made the people life easier in a timeless life. The popularity of E-commerce transactions are emerging hugely for a variety of reasons

such as convenience, affordable, effortless and secure, etc. An online shopping can be made at wherever as it only need a smart phone or computer and internet connectivity. Hence it removes the hindrance of space and distance in the traditional shopping having physical settings of stores and markets. At present scenario of increasing educational level of people and timeless life increased the need of making e-commerce transactions, therefore the context of e-commerce is yet to be enlarged.

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