



ROLE OF E-COMMERCE IN ECONOMICAL DEVELOPMENT OF RURAL INDIA

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ABSTRACT:-

E-commerce has emerged as a significant driver of economic growth in rural India, addressing long-standing challenges and unlocking new opportunities for development. This abstract explores the multifaceted role of e-commerce in enhancing the economic landscape of rural areas. By providing rural producers, artisans, and entrepreneurs with access to broader markets, e-commerce facilitates better income generation and employment opportunities. It fosters infrastructural improvements, including enhanced internet connectivity and logistics, and promotes skill development through digital literacy programs. Additionally, e-commerce enables rural consumers to access a diverse range of goods and services, while agricultural advancements and modern tools become more accessible. The platform also empowers women and small enterprises, contributing to the reduction of economic disparities and encouraging innovation. Overall, e-commerce is instrumental in driving balanced economic development, bridging gaps between urban and rural regions, and enhancing the quality of life in rural India.



KEYWORDS: *E-commerce, Economic, Rural and India.*

INTRODUCTION :

India is developing an environment that will allow e-commerce platforms to foster greater trust, since the country's business has great potential to drive economic growth in the coming years and generate employment opportunities. An established e-commerce market will give rural people a sense of entitlement and long-term economic engagement while also giving them options. It will boost the economy in rural India, generate jobs, and enable sellers to operate larger, busier businesses.

In India's smaller cities and towns, brick-and-mortar stores typically have a limited selection of merchandise. E-commerce platforms meet this need by providing access to a large number of brands and brand information in the form of product reviews and ratings. As a result, more customers choose to shop online since they receive higher value in terms of usefulness, aesthetics, and patterns. In order for India to reach its full potential as one of the world's leading e-commerce destinations, the nation has strengthened and improved its e-commerce ecosystem and evolved in how it operates. This includes creating a solid framework for omnichannel retailing, marketing, warehousing, payment solutions, retail exports, and other areas.

These days, technology is changing company paradigms. E-commerce is the practice of conducting business via the internet and web (K. Laudon and C. Traver, 2008). It encompasses business

transactions between companies and individuals that are made possible by digital means. Put differently, all online commercial transactions involving the purchase and sale of products and services, as well as the transmission of funds and data, are carried out electronically. The nature of e-commerce is evolving quickly in tandem with modern technological advancements. According to Schiffmen, L. G., et al., (2015), consumer behaviour is the study of when, why, how, and where individuals buy or do not buy a product. As such, it is critical to comprehend the subtleties of consumer behaviour in order to stay ahead of the competition. Online retailers need to know what aspects of traditional retail leave customers unhappy (Vashisht, A., 2015).

MATERIALS AND METHODS :

E-commerce Situation in India: The Internet and Mobile Association of India reports that during the first half of 2015, the country's internet user base increased by more than 17% to 354 million. According to IAMAI, which represents companies including Google, Microsoft, Facebook, eBay, IBM, Flipkart, Ola, and LinkedIn, the base grew to 302 million by the end of 2014, marking the fastest gain of 32% in a year (The Economic Times, Sep. 3, 2015). According to Ravi Shankar Prasad, the minister of communications and information technology, the number of Internet users in India is expected to surpass 500 million by 2017 (Business Standard, May 5, 2016).

By December 2016, the Indian e-commerce market is projected to reach Rs. 2, 11,005 crore, as to the IAMAI research. The travel industry, in particular, is predicted to rise by over 40% by the end of 2016 to reach 1, 22,815 crore. Aside from the travel sector, e-commerce has remained prominent, with mobile devices and their peripherals accounting for 57% of its increase. Significant contributions were also made by clothing, fashion, computers and their accessories, online shopping and meal delivery, movie ticket booking, and online movie theatres, among other things (The Economic Times, June 7, 2016).

The rise of e-commerce businesses and the rising number of internet users indicate that India's e-commerce graph will continue to follow an exponential trajectory. Nonetheless, the market is very competitive (Goswami, S. 2014). This competition is made even more intense by elements like low brand loyalty, price sensitivity, and services. E-commerce businesses are therefore working to find solutions for these issues. And based on the market's embrace of e-commerce, they are incredibly successful.

SOCIAL AND ECONOMIC EFFECTS OF E-COMMERCE:

Every industry that may be connected to it, whether directly or indirectly, is greatly impacted by e-commerce's successful entry into the Indian market. Large-scale research is conducted with an eye towards how it affects the economy and society. The fact that it exists at all offers the native market enormous benefits. One of e-commerce's most significant advantages for a developing nation like India is that it enables rural communities to advance quickly into a knowledge paradigm (Anjum, B., & Rajesh Tiwari, 2011). For MSME's, e-commerce is a great source of resources. E-commerce can lead to inclusive growth in rural areas. The benefits of e-commerce may include accelerated commercial expansion, which could have a significant effect on the socioeconomics of rural communities. E-commerce presents a significant internal and external expansion opportunity for markets such as India. The Internet is the foundation of e-commerce because it enables remote and unbanked people to easily access and engage in all facets of the economy.

Entrepreneurs who entered the e-business sector played a significant part in the country's economic development, as the country's economy is derived from their entrepreneurial efforts (Ghosal I. et al., 2015). The primary industries in the current Indian market economic landscape are e-business and digital marketing. Indian business owners now have a huge platform for accessing both domestic and foreign markets through e-business. Very wise measures have been made by the present NDA (Modi) government, such as allowing FDI in e-commerce to support the growth of MSME's and local entrepreneurs. Both the economy and society can benefit from it.

E-commerce and Technology Adoption:

By 2018, there will be 279.2 million smartphone users in India, according to the Statista portal. The industry association IAMAI stated in an article published in The Indian Express on February 4, 2016, that by June of this year, there will be 371 million mobile Internet users in India, an increase of more than 55%. It further stated that widespread usage in the nation's rural areas is the main driver of this rise. According to the IAMAI report, approximately 25% of mobile internet users in urban areas and 3% of users in rural areas use the internet for e-commerce purposes.

Because e-commerce makes technology more widely used, it opens up new business prospects (Saini, B. 2014). By implementing technological advancements, entrepreneurs and small company owners can launch and grow their enterprises. Business owners and SMEs can conduct online transactions via electronic procurement, electronic payments, and other means with the aid of broadband, 3G, and 4G networks.

DISCUSSION:

E-commerce plays a transformative role in the economic development of rural India, bridging gaps that have historically hindered growth in these areas:

1. **Market Access:** E-commerce platforms allow rural producers and artisans to reach a broader market beyond their local regions. By selling goods online, they can access national and international markets, increasing their revenue potential.
2. **Income Generation:** By providing a platform for rural entrepreneurs and businesses, e-commerce creates opportunities for additional income. Farmers can sell produce directly to consumers or businesses, bypassing intermediaries and getting better prices.
3. **Employment Opportunities:** The growth of e-commerce in rural areas generates jobs in various sectors, including logistics, digital marketing, customer service, and IT support. This can help reduce migration to urban areas in search of employment.
4. **Improved Infrastructure:** The rise of e-commerce often encourages investments in local infrastructure, such as better internet connectivity, improved roads, and enhanced logistics services. These improvements benefit the entire community.
5. **Skill Development:** Engaging with e-commerce platforms requires digital literacy and skills. Training programs and workshops help rural residents acquire these skills, boosting overall educational levels and technological adaptability.
6. **Access to Goods and Services:** Rural consumers benefit from e-commerce by gaining access to a wider range of products and services that may not be available locally. This can lead to better quality of life and more convenience.
7. **Agricultural Advancements:** E-commerce can facilitate access to modern agricultural tools, seeds, and fertilizers. Additionally, farmers can benefit from online platforms that provide information about weather forecasts, market prices, and best practices.
8. **Empowerment of Women and Small Enterprises:** E-commerce platforms can empower women and small businesses in rural areas by providing them with a platform to showcase and sell their products, often with lower entry barriers compared to traditional retail.
9. **Reduction in Inequality:** By connecting rural areas with broader markets and services, e-commerce helps reduce economic disparities between urban and rural regions. This can lead to more balanced economic development across the country.
10. **Innovation and Entrepreneurship:** The digital marketplace encourages innovation and entrepreneurship by providing a platform for new business ideas and models. Rural entrepreneurs can experiment with new products and services, fostering economic dynamism.

CONCLUSION:

E-commerce has proven to be a transformative force in the economic development of rural India, offering a range of benefits that address longstanding challenges and unlock new opportunities. The integration of e-commerce into rural economies has facilitated significant improvements in market

access, income generation, and employment opportunities. By enabling rural producers and entrepreneurs to connect with broader markets, e-commerce has allowed them to achieve better pricing, diversify income streams, and enhance overall financial stability. Moreover, e-commerce has driven infrastructural development in rural areas, including improved internet connectivity and enhanced logistical networks, which are essential for the efficient functioning of online businesses. This infrastructure boost not only supports e-commerce but also benefits the wider community by enhancing access to services and resources. The rise of e-commerce has also catalyzed skill development and digital literacy, empowering rural residents to engage with modern technology and business practices. Training programs and educational initiatives associated with e-commerce contribute to a more skilled workforce and foster innovation.

E-commerce has notably empowered women and small enterprises in rural areas, providing them with a platform to showcase their products and compete in the market. This empowerment contributes to a more inclusive economic environment and helps bridge gender and socio-economic gaps. Despite these positive impacts, challenges such as digital divide, infrastructural limitations, and regulatory issues remain. Addressing these challenges through targeted policies, infrastructure investments, and training programs is crucial for maximizing the potential of e-commerce in rural development. In summary, e-commerce is a powerful tool for economic development in rural India, fostering growth, inclusivity, and innovation. As the sector continues to evolve, it holds the promise of driving sustained and balanced economic development across rural regions, thereby contributing to the overall progress of the country.

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