

“CHALLENGES OF E-COMMERCE AMONG THE RURAL MASSES OF NORTH KASHMIR”

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ABSTRACT

This paper tries to determine the consumer's behavior towards online shopping/e-commerce in North Kashmir. The ultimate objective of the study is to find out the challenges and perceptions of people towards e-commerce in that very region. For this purpose people were interviewed through a questionnaire and it was found that low bandwidth of internet, fear of product inferiority, no home delivery system need to be addressed. Besides, findings of the study would be of great interest to the government/businessman and internet service providers. It is further observed that 5% of the people have made online purchases.

INTRODUCTION

E-commerce/online shopping is the buying and selling of goods and services over the internet. Electronic commerce draws on technologies such as mobile commerce, electronic fund transfer, internet marketing, online transaction processing etc. Modern e-commerce typically uses the World Wide Web for at least one part of the transactions life cycle, although it may use other technologies such as e-mail. So far as the history of e-commerce is concerned, in 1979 Michael Aldridge is credited with inventing online shopping by connecting a modified domestic TV to a real time transaction processing via domestic telephone line. In 1982 Minitel was introduced in France & was used for online ordering. Amazon.com is one of the most famous e-commerce companies, which was founded in 1994 by Jeff Bezos and was one of the first American e-commerce companies to sell products over the internet. In 1998 Paypal comes into existence, which has taken the worry out of entering credit card information online. Similar to EBay, it protects consumers by offering refunds and special servers to keep information safe. Endless.com the only online shoe merchant which gives shoppers a 365 day window to return unwanted or flawed footwear with guaranteed free shipping both ways on domestic orders.

E-commerce in India is still in growing stage, but even the most-pessimistic projections indicate a boom. The first e-commerce site in India is rediff.com. The e-commerce market in market in India was worth about \$2.5 billion in 2009. It rose to \$8.5 billion by 2011, thus depicting a definite surge in the last two years. According to a statement released by the Internet and Mobile Association of India (IAMAI), these figures would reach up to \$12 billion by 2012. E-commerce in India to explode in 2012, Indian e-shoppers will have a good time getting great deals and services online. A recent pan-India report released by Com Score Inc reveals that online shopping in India has touched a growth rate of 18% and is likely to grow further.

OBJECTIVES OF THE STUDY

1. To study the concept of E-commerce/online shopping among the rural masses of North Kashmir.
2. To find out the challenges of E-commerce in the region and to provide the valuable suggestions.

RESEARCH METHODOLOGY

Both primary and secondary data was used for the study, but primary data forms the backbone of the study. The universe of the study forms the North Kashmir which consists of three districts Baramulla, Bandipora and Kupwara. From the whole universe district Baramulla is taken as sample district. 200 respondents of rural areas of the district were selected on simple random sampling basis for the study and required information was collected from them through a drafted questionnaire by keeping the objectives of the study in mind.

REVIEW OF LITERATURE

There is a huge volume of literature available on the different aspects of e-commerce, but the brief review of such study is made as below:-

1. *Li.P.F (2010)¹*. Although the interactive nature of internet has enabled consumers to make informational productive choices more conveniently, information processing in online shopping environments has presented a challenge, depending upon an individual's level of knowledge, experience and cognitive ability.
2. *Demangeot.C & A.J.Broderick (2007)²*. Online shoppers cannot inspect the service environment and see or touch the products. There is more risk when purchasing products from an internet store than from a physical store.
3. *Adam.N.R & Y.Vesha (1996)³* The internet has changed the way information is communicated and processed. The new media for business activity or electronic commerce is the internet.
4. *Essinger.J (1992)⁴* Growing number of consumers shop online, to purchase goods and services, gather product information. Online shopping environment are therefore paying a great role in the relationship between market and consumers.
5. *J.S.Shubhnandan (2011)⁵* Low bandwidth of the internet and delivery of goods are the main reasons for the poor response to the online shopping in the mountainous regions of J&K

ANALYSIS OF DATA

Q1. Have you ever made the online shopping?

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
YES	10	5
NO	190	95

The above table displays that only 5% of the respondents who are mostly educated have made online shopping and 95% of the respondents have not made the online shopping.

Only those respondents who have made the online shopping are further questioned in Question 'a' and 'b'.

a. Which problem have you encountered in your online purchasing?

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Delivery problem	04	40
Technical problem during the ordering/ payment	01	10
Other	-----	-----
I have not encountered any problem	05	50

The above table states that 40% of the people who have made the online shopping have faced the delivery problem. 10% says that they have faced technical problem during the ordering/payment and 50% of the online purchasers have not encountered any problem.

b. Please specify which delivery problem you have encountered?

RESPONSE	NO.OF RESPONDENTS	PERCENTAGE
Delay in delivery	01	10
Refusal of delivery in your geographical area	02	20
Damaged and uncovered products	01	10
Product did not arrive	-----	-----

The above table exhibits that 10% of the respondents who have encountered the delivery problem in online shopping says delay in delivery. 20% says that refusal of delivery in geographical areas. 10% of the respondents who have encountered the delivery problem in online shopping say that the product was damaged and uncovered.

Q2. What obstacles are likely to discourage you or have discouraged you from buying online?

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Lon bandwidth of internet	82	41
Lack of confidence in after-sale service	16	08
Fear of product inferiority	22	11
Lack of knowledge/ difficulty of access to the service	80	40

The above table states that 41% of the total respondents are of the view that low band width of internet discourages them from doing online shopping. 08% and 11% says that lack of confidence in after sale service and fare of product inferiority respectively.40% of the respondents says, lack of knowledge or difficulty of access to the service discourages them from buying online.

FINDINGS

1. It is found that only 05% of the respondents have made online shopping.
2. 95% of the respondents showed their reluctance to engage in the online purchase. The reason was found the low band width of the internet and lack of knowledge/ difficulty of access to the service. As for the matter of bandwidth of the internet is concerned, none of the service providers of the internet are able to satisfy the needs of the user. This is the major reason of the very poor response for the online shopping in the region.

3. It is found that 40% of the respondent who have made the online shopping faces the delivery problem. Among these 40%, 20% says that the delivery of goods are refused in there geographical areas.

SUGGESTIONS

1. The companies, e-shoppers & internet service providers should hold fairs and exhibitions on the importance of e-commerce.
2. The respondents showed there poor attitude towards the online shopping because they have to walk a long distance (even 40 km's) to get the ordered product, so in order to eradicate this problem the companies should introduce home delivery system in the region.
3. Most of the companies do not provide the facility of after-sale service. As we know that 08% of the respondents have the threat of after-sale service. It is therefore suggested that the companies should provide products with such facility which will surely encourage the customers to buy the products through e-commerce.

CONCLUSION

E-commerce as an alternative marketing channel is making slow but steady progress. With the spread of education, they are slowly gaining confidence in online services. Low bandwidth of internet, unable to see and touch the product, refusal of delivery in certain areas are some of the challenges that need to be addressed by the e-shoppers, stakeholders to promote e-commerce in the region.

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