

RURAL CONSUMER BEHAVIOR TOWARDS ONLINE SHOPPING IN VADODARA DISTRICT

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ABSTRACT

In the recent times, online shopping is giving a tough competition to the traditional trade and business. Due to the advancement in the technology the world has become a global village. Indians are moving online, purchasing everything from apparel to furniture to cars to groceries to what not. Online shopping has reached most of the customers in the urban areas but the challenge lies in front of the companies to reach in the rural areas of India, which accounts for 70% of India's total population. This paper discusses the rural people behavior towards online shopping. The study was conducted on a convenience sample of respondents from variety of fields and age groups from rural areas of Vadodara district. A sample of 100 respondents were taken in to consideration from the rural areas of Karjan, Padra, Waghodia and Sewasi. The study reveals the encouraging and discouraging influencing factors of rural consumers of Vadodara district in the direction of buying online.

KEYWORDS: Online shopping, E-commerce, Rural customers

INTRODUCTION

In general, a **rural area** or **countryside** is a geographic area that is located outside [towns](#) and [cities](#). A rural area is an area of land outside the densely populated urban areas in a town or city. Rural areas are traditionally areas not included in the urban definition, and are usually large, open areas with few houses and few people, as opposed to urban areas which have larger populations.

India is a land of diversity and about 70% of the Indian population lives in villages. These villages contribute in the economic development of the nation through the production of food grains, vegetables, fruits, etc. Export of these agricultural commodities result in the generation of capital and earnings of foreign exchange.

There are 600,000 villages in India. 25% of all villages account for 65% of the total rural population. So we can contact 65% of 680 million or 700 million population by simply contacting 1,50,000 villages, which shows the huge potential of this market.

The Census defines urban India as - “All the places that fall within the administrative limits of a municipal corporation, municipality, cantonment board etc or have a population of at least 5,000 and have at least 75 per cent male working population in outside the primary sector and have a population density of at least 400 per square kilometer. Rural India, on the other hand, comprises all places that are not urban”

The government of India only defines a non-urban market. An urban market is the one which has a population density of 400 people per sq/km. 7% of its population has to be involved in non-agricultural activities and there is a municipal body. If we go by statistics, roughly around 70% of the Indian population lives in the rural areas. That's almost 12% of the world population.

According to the Planning Commission, a town with a maximum population of 15,000 is considered rural in nature. In these areas the [panchayat](#) makes all the decisions. There are five persons in the [panchayat](#). The National Sample Survey Organisation (NSSO) defines 'rural' as follows:

- An area with a population density of up to 400 per square kilometer,
- Villages with clear surveyed boundaries but no municipal board,
- A minimum of 75% of male working population involved in agriculture and allied activities.

RBI defines rural areas as those areas with a population of less than 49,000 (tier -3 to tier-6 cities).

Online Shopping is the act of purchasing product or services over the internet. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to buy, bargain shop from comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday seasons, it is alleviates the need to wait in long lines or search from store .to store for a particular item.

Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from seller over the internet using web browser. Consumer find a product of interest by visiting the website of the retailer directly or by searching among the alternative vendor using a shopping search engine, which display the same product availability and the pricing at different retailer. Consumer can shop online through computer, laptop and mobile.

An online shop evokes the physical analogy of buying products or services at regular retailer or shopping centre, the process is called Business to Customer (B2C) on line shopping. When an online store is set up to enable business, the process is called Business to Business (B2B) online shopping. A typical online store enable the customer to browse the firms range of product and service, view photos or image of the product and services along with the information about the product specification, features and prices.

The internet is increasingly playing a pervasive factor in India's commerce, and its influence is bound to expand both urban and rural consumers. From an 8% internet penetration in 2010 to almost 37% in 2017, it is likely to grow to 55% or more by 2025.

With the advent of the internet, India has seen a kind of revolution in the online shopping market as many Indians are moving online – purchasing everything from apparel to furniture to dog food to electronics to what not. The massive eCommerce boon has changed the way urban Indians shop and is slowly but steadily changing the shopping landscape of **rural India** too.

The 300 million rural folks who have same aspirations as their urban counterparts have become a viable market to be reckoned with. They have caught the eye of large Indian e-retailers and startups who are working their way towards the Rubans by targeting rural areas. Rubans – Same aspirations, different platforms

REVIEW OF LITERATURE

R.Sureshkumar (2017), this paper discusses the rural people behaviour towards online shopping, it also discusses why they prefer online shopping and why not. In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural communities. Rural Markets are defined as those segments of overall market of any economy, which are distinct from the other types of markets like stock market, commodity markets or Labour economics. Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store. The purpose of this study is to analyse the impact of consumer perceptions in regards to online shopping. A sample of 100 (63 males and 37 females) respondents were taken into consideration from rural areas.

Fenin Samuel. S and K.A Janardhanan, in their paper “Online shopping – a strategy need for rural customer” studied the online buying behavior of rural customers in Tamilnadu. From their study they clarify that low price offered by the online companies plays the most positively influencing factors. Purchasing through online saves time and energy. 24*7 availability and large number of brands is also important factor for buying online. Some of the discouraging factors that they came up with are that rural customers cannot examine the products physically before they place any order. The details provide in the shopping portals are also not sufficient for them to purchase through online.

Hardikkumar V desai and Marolia Jamshid R, in their paper “E-commerce and the Rural sector” have emphasized on rural sector of Gandevi Taluka, near Navsari district. It includes villages like Salej, Gadat, Amalsad, Sonwadi, Icchapor, Khakhwada and Ancheli. The researchers were keen to know whether E-commerce has reached the rural sector. Their study also focused on the experience of using E-commerce and the problem faced in the rural area such as Gandevi.

Research Methodology

Statement of the problem: The purpose of the study is to determine the online buying behavior of rural consumers in Vadodara district. The scope of this study is restricted to a quantitative analysis of the selected internet users of rural parts of Vadodara district.

Objective of the study:

1. To find out the level of awareness and use of online shopping.
2. To find out the factors that influence consumers to buy online.
3. To find out the factors that influence consumers to not buy online.
4. To get positive recommendation for the success of online shopping in rural areas.

Data Collection Method

The primary data is collected from the people and villages heads of the entire region of Vadodara district. Further, the retailers were have personally interviewed.

Various types of secondary data is collected from Journals, Books, Magazines, Newspaper and various websites.

Research Design

The study uses descriptive research design to judge the buying behaviour pattern and awareness regarding online shopping in terms of rural consumers.

Sampling

The study uses cluster sampling as well as convenient sampling. The entire population is divided into groups of north Vadodara, south Vadodara, west Vadodara and east Vadodara and equal numbers of people were selected from each cluster through convenient sampling.

Sample size

The sample size taken in this study was 100 respondents across Vadodara District. Data was collected from the rural areas of Karjan, Padra, Waghodia and sevasi. From each area a number of 25 people were surveyed.

Sampling plan

A structured questionnaire was used for the study to collect data from the rural areas of Vadodara District.

RESULT AND DISCUSSION

1. Demographic characteristics of Rural Customers

Table.1 Demographic characteristics of Respondents

Gender	Content	Percentage
	Male	70
	Female	30
Total		100
Age	Below 20	16
	21 – 40	70
	41 – 60	14
	60 above	0
Total		100
Education	Non graduates	38
	Diploma	16
	Graduates	46
Total		100
Occupation	Student	32
	Service	15
	Business	18
	Home maker	19
	Agriculture	16
Total		100

Table.1 shows that out of total 100 respondents in the rural parts who use internet and visits various shopping sites, when considering the gender, 70 percent are men compared to 30 percent women. So it is very clear that rural men are more committed towards online shopping.

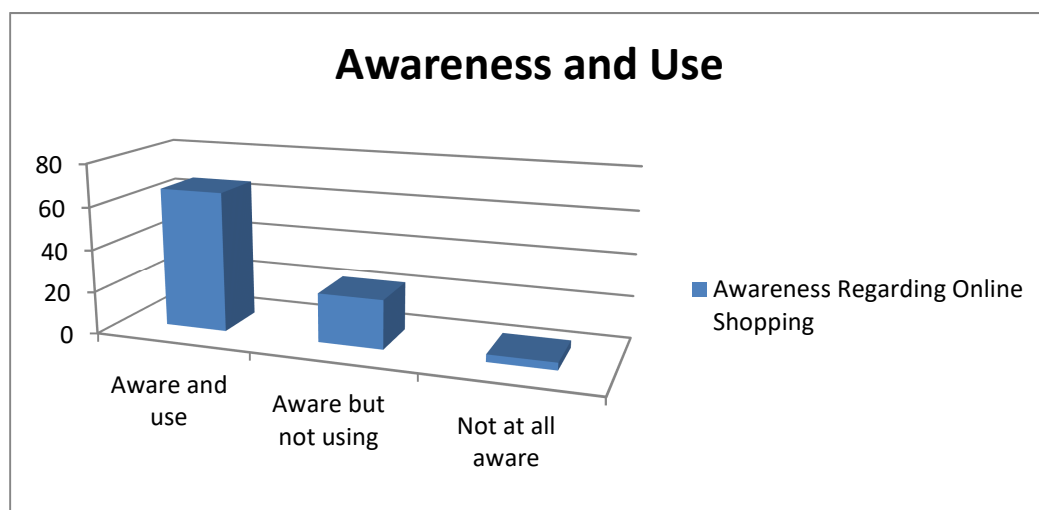
The age wise study shows that 70 percent comes under the age category of 21-40, which shows that the new generation are more interested in online shopping compared to the old generation who still like to buy from the traditional kirana stores.

The education wise study about the respondents shows that 38 percent non graduates, 16 percent are diploma holders and 46 percent are graduates. It shows that education qualification have a significant influence on online shopping behavior. Those who have higher education are more interested in shopping online compared to low educated people.

Finally the occupation wise study shows that 32 percent are students, 15 percent comes under service category, 18 percent are business class, 19 percent are home makers while 16 percent

falls under the category of Agriculture. So from this we get to know that students can be consider as the consumers of online shopping .

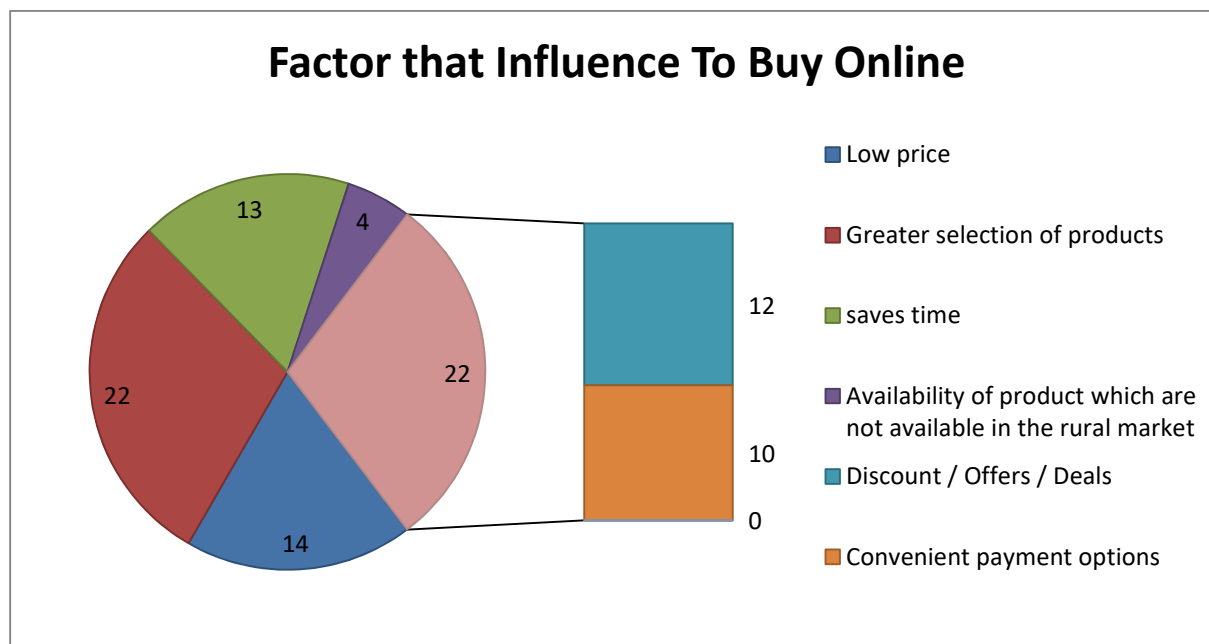
2. Awareness regarding online shopping



From the above figure 66 percentage of the total respondents are aware and using online shopping technique to buy a particular product, 23 percentage of total respondents are aware but not using online shopping whereas 2 percentage of the total respondents are not at all aware about online shopping. So from this we can say that people are doing e- commerce and digital marketing and gaining more knowledge about online shopping.

The media has played an important role to make the information reach to this class of people as most of the respondent are aware from either the television or the print media. Friends and relatives also play a crucial role.

3. Factors that influence Rural Consumers to buy online



From the above figure it is cleared that greater selection of the products is influencing the rural consumer to goods through online shopping. Low price and time is another factor that influencing rural consumer to buy goods through online shopping and also discount offer and different type of deals are also influencing them to buy goods through online shopping. So from this we can say that people are having wide range of products and alternatives of the products are also available to them.

4. Factors that influence Rural Consumers NOT to buy online

Table.3 Discouraging factors for online shopping

Particular	Percentage	Rank
Product cannot be examined	21	2
Lack of trust	40	1
Problem in delivery system	12	3
Product may be of inferior quality	11	4
Lack of high speed internet connection	4	6
Lack of proper information	9	5
Other	3	7

From the above table, it is cleared that people have trust issues regarding the goods which are sold online which is the most important discouraging factor for not buying online. Product cannot be examined holds 2nd rank, which is also a factor that doesn't allow people to buy online. The delivery system and product of inferior quality is also discouraging people to not buy goods through online. The lack of proper information is another factor which is pulling back the customers from online shopping.

Conclusion

From the study it is clear that greater selection of products plays the most positively influencing factor. Low price offered by online companies motivates the rural customers to buy online. They are also satisfied with the discounts and offers they get on various online sites such as amazon, flipkart and Paytm. From this study, we came across various discouraging factors that influence customers not to buy online.

1. The lack of “touch and feel” factor

The psychological needs of the traditional consumer is not fulfilled as the customers only get to “see” the soft copy of product on the screen of the computer but they cannot touch nor feel.

2. The lack of trust and the fear of being fooled is one of the most discouraging factor that affects online sales in rural areas.

3. Quality of Product

Rural consumers feels that the product available on online platform may be of inferior quality, as they don't get chance to touch and feel the product.

4. Lack of high speed internet connection

Many villages still don't have the facility of proper internet connection, which hinders them to purchase online.

Suggestion and Recommendation

- Rural Communication facilities such as communication, telecommunication should be improved so that there will not be any communication gap between rural consumers and marketers.
- Government should develop infrastructure facilities like roadways, railways in rural areas so that products can reach easily to rural consumers.
- Rural consumers need to be educated in aspects like usage of product, gathering information about product, consumer law, consumer rights etc.
- Marketers should make efforts to build trust in rural consumers by providing good quality of products.
- The distribution system should be efficient it means products should reach the ultimate consumer in the quickest time possible at minimum cost.

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