

## Growth of E- Services in Rural India

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### Abstract

The information and communication technology revolution sparked changes in the political, financial, and social systems all over the world. The world's administration has changed as a result of these technologies. Globally, governments are transitioning to electronic governance. The achievement of good governance depends on e-governance. It makes it easier for residents to take use of government services. In India, a greater proportion of people are now using the Internet. An ICT application is e-governance. The goal of e-governance is to improve the management of social and economic resources for development while strengthening government administration in the process. India's e-commerce industry has boomed during the last decade. Numerous causes, such as Indian customers' quick adoption of technology, the significant increase in Internet users, new enabling technologies, creative business models, and different payment choices provided by e-commerce enterprises, all contribute to this rise. Additionally, e-rapid commerce's expansion is unabated. In the upcoming years, there will likely be a significant growth in revenue for the area. E-commerce has seen a spectacular transformation over the past ten years, opening up previously unimaginable possibilities for international trade. Micro, small, and medium-sized businesses can now access worldwide markets thanks to the Internet. Against this backdrop, present paper highlights the growth trends in e- services in rural India.

### Introduction:

With two-thirds of its inhabitants living in rural areas, India is largely a rural nation. 46 percent of the nation's income is generated in the rural economy. India's population is expected to be more than half rural by 2050 despite rising urbanisation. Therefore, the country's total development and inclusive growth depend on the expansion and development of the rural sector. Agriculture has always been the main economic and employment sector in rural areas. A key source of economic growth and changes in the rural and overall economy is thought to be changes in the structure of production and employment in non-agricultural sectors that are more productive than agriculture. The village's economy is gradually shifting. With the growth in population and the breakdown of the family, the land holding is reducing. As a result, farming is not the primary source of income for the locals. However, a sizable portion of the population is still employed by the agricultural and non-agricultural sectors. Rural areas are seeing an increase in the salaried class, while the importance of small businesses and self-employment has grown. The society and economy have been significantly impacted by the movement out of the villages. Sustainable existence is the key to sustainable progress. The rural way of life in India has been significantly altered by contemporary social change movements. The family and society

have been impacted by globalisation, privatisation, and economic liberalisation. In India, both development and administration have changed. Environmental, ecological, and rural living patterns have all been impacted by development perspectives. Ecosystems and the environment have been negatively impacted by human activity. Rural life patterns are changing, and this tendency is ongoing, as a result of new political and administrative systems, economic policies, technical advancements, media expansion, and a vast network of rural highways connecting villages and towns. It has shown the rising desire for sustainable development for rural living, good governance, sustainable agriculture, and sustainable management of natural resources for both consumption and conservation objectives.

The structure of IT services is transitioning from server-based to web-based services. This will make up the bulk of the IT services. The biggest opportunity will continue to be in the expansion of IT services, but other areas of the IT software business will also play a key role. The need for IT services, both domestically and internationally, will increase quickly as new opportunities in management/consulting, application maintenance, and Internet services arise. The government, banking and financial services, manufacturing, retail, and distribution are the main consumers of IT services. Communication, healthcare, and utilities are likely to experience new developments as a result of the deregulation of these industries. However, top-notch personnel, cutting-edge abilities, a top-notch telecom environment, and an environment based on IT knowledge are fundamental requirements for IT services.

### **E- Commerce:**

Global business practices are being drastically altered by information technology (Sidhgowda et. al. 2016), and the e-commerce industry has entirely evolved into a digital industry over the years. As an integral component of the new economy and the most effective means to conduct business globally, the e-commerce sector will create a new foundation for corporate growth. When researching the "factors affecting growth of e-commerce in India," Mallikarjun Rao (2006) came to the conclusion that there was a close correlation between the availability of information about the vendors and online purchases, and thus suggested that more information will increase respondents' comfort level for online trade. According to Gnana (2006), many firms are now accepting e-commerce as a substitute or additional method of doing business. However, the pace of e-commerce adoption varies by industry; for example, the traditional Indian car industry has not yet fully embraced e-commerce. According to Ming-Hsien, Chandlrees, Binshan, and Hung-Yi (2009), people will trust a website if they believe it maintains high ecommerce ethical performance, such as, practicing privacy policies and making them clear, and appropriately describing products or services. Rekha (2010) noted that e-buyers have to adapt to a secure method of online payment and employ alternate payment methods, like virtual credit cards, which pose less of a risk when diversifying the information for payment. When Rashad, Abhinav, Wan, Mahan, and Shahriar (2011) researched the "factors influencing customers' perception in e-business," they discovered that

consumers' perceptions were addressed in order to comprehend why people chose to use an online service for perception or forego making a purchase. In a study conducted by Mustafa (2011) on the factors influencing e-commerce consumer happiness, trust, and loyalty in Saudi Arabia, it was discovered that customer satisfaction has a stronger influence on B2C customer loyalty in Saudi Arabia than customer trust does. According to Khushbu (2012), social media platforms do have an effect on marketing and business. According to Zia (2012), both age and gender have little bearing on how online shoppers are perceived. Muhammed (2013) came to the conclusion that there were relatively few favourable perceptions of Bosnian companies' online presences and behaviours. Using factor analysis and the justifications for using online purchasing, such as trust, knowledge of the products and services, convenience, and uncomplicated buying, Namita and Preeti (2013) came to their conclusion. According to You-Qinghe (2014), online marketers and retailers must create effective market strategies, update technology, and make smart marketing choices if they want to keep their current clientele and draw in new ones. According to Afrina (2015), businesses should exchange creative customer experiences and targeted media tactics to find the most effective way to improve the success of their digital marketing efforts. Sumanjeet (2010) examined the current status of India's e-commerce laws and stated that there are numerous significant issues that are crucial for the success of e-commerce and that the current IT Act is deficient on a number of fronts, making it impossible for e-commerce to flourish in India in the absence of a strong legal framework. The Indian government must improve the economic climate in cyberspace; safeguard Indian software companies, the BPO industry, and other stakeholders' interests. Rakesh and Khare (2011) looked at how information availability, hedonic values, attitudes toward online purchasing, and utilitarian values affect the intention of Indian students to make purchases online. Compared to female students, men students are more enthusiastic about internet buying. The "development of online purchasing in India" was researched by Gehrt, Rajan, Shainesh, Czerwinski, and O'Brien (2012). In their analysis of the "impact of promotions and value consciousness in online shopping behaviour in India," Rakesh & Khare (2012) noted that while Indian consumers are unaffected by offers or other promotional tactics used by e-retailers, online shopping continues to draw investment from retailers. Consumers may not necessarily perceive promotions as a crucial factor when making online purchases of goods or services. Kalia, Arora & Law (2016) noted that while the IT Act partially addresses issues like junk mail and spamming, intellectual property, payment, taxation of e-commerce transactions, and consumer protection, it leaves out issues like legal validity of electronic transactions, security, content regulation, intermediary liability, and jurisdiction. Policymakers and decision-makers in government and e-commerce enterprises can benefit from this information. E-commerce has, according to Chatterjee (2016) caused a notable shift in the global business landscape. It has also redefined the business environment by drastically altering the boundaries of time and location, and it has changed how people think about the nature of business management. India is anticipated to be one of the key players in the E-Commerce environment due to its enormous population of internet users. Rekha, (2016) looked at a survey in which the twelve statements

were divided into four categories: product, convenience, service, and online shopping barriers. For each category, a composite score was computed. In the case of three factors—product, convenience, and service—a considerable variation in perception between the two groups is seen. According to Kalia, Kaur, and Singh (2017), India is the third-largest country in terms of internet users. India will lead e-commerce in the Asia-Pacific area after China and Indonesia, and the study finds that the country's potential for growth in e-commerce is quite encouraging. Arora and Rahul's (2018) <sup>22</sup> study of the essential elements of perceived risk in e-commerce and its effects on the attitudes of Indian women who buy online showed that perceived risk is not a significant factor influencing these women's attitudes. Out all the several risk types taken into consideration in the study, security risk was only moderately significant.

### **Growth of E- Services:**

Common service centres have been setup in India in PPP mode. As on June, 30, 2017, there were 163226 functional CSCs at village panchayat level while number of functional CSCs was recorded 2.61 lakh in India. Most of the large village panchayats had many common service centres such as Jan Suvidha, E-Sewa, Sahaj Kendra and other service centres. In the state of Uttar Pradesh, there were 58876 functional common service centres while 35804 common service centres at village panchayat levels were found functional. There were 58876 common service centres in the state of Uttar Pradesh as on June, 30, 2017. The number of common service centres was recorded high in Varanasi followed by Kushi Nagar, Shahjahanpur, Moradabad, Pratapgarh, Lucknow and Saharanpur. These common service centres are providing e-services in rural areas. Most of the villages having population of more than 1000 have been linked with common service centres.

Major factors for promotion of e-business and e-governance are reported to be development of IT infrastructure, access of internet facility, use of smart phones and penetration of social media besides, government incentives for promotion of digital economy. It is expected that about 2/5<sup>th</sup> users of internet are online shoppers in India. The graph of online shoppers as percentage of total internet users has massively increased during the recent past. By 2020, the Indian economy is anticipated to be dominated by the E-commerce sector, which is projected to be worth about \$100 billion. According to the 2015 Digital Commerce Report, the size of the E-commerce market was predicted to be Rs. 2,110 billion by 2016. The industry had a 2011 market value of Rs. 351 billion and reached Rs. 1,257 billion in 2015 (UN , 2017), growing at a CAGR of 37 percent. India is the country with the quickest rate of e-commerce market growth. The industry's revenue is anticipated to expand at the greatest annual pace in the globe, growing from USD 39 billion in 2017 to USD 120 billion in 2020. E-commerce benefits consumers because it's accessible whenever and wherever there is an internet connection.

In India, e-commerce has increased at a compound annual growth rate (CAGR) of 57 percent over the past seven years, and is projected to increase by 18.6% through the year 2022. In terms of gross product value, the online retail business in India is believed to be approximately USD 17.8 billion as of 2017. As of July 2018, there were 55–60 million transactions per month on e-commerce platforms and 1-1.2 million transactions per day in e-commerce retail. With mainly or mostly online shops or e-tailers experiencing their sales mix shifting dramatically into Smartphone and electronics, bolstered by direct agreements with brands, smart phones have been the growth engine. There has been enormous growth in e-commerce in India during the period of 2013 to 2020. The size of e-commerce market in India was estimated to be 64 US\$ billion in 2020. It is likely to increase by more than 3 times in 2027<sup>24</sup>. E-commerce companies have mushroomed in India during the recent past in view of increasing demand of e-business and emerging high potential of e-commerce. Travel, transport, real estate, fashion, furniture, food and grocery are some of the major sectors of e-retailing companies. Even companies like Uber and Ola in transport sector are doing good business without their investment and owning their own vehicles. The Zomato, Big Basket, Food Punda are Swiggy are the major online food retailers while e-grocery is the major online grocery companies. Amazon and Flipcart are the global companies doing e-business in retail sector.

Over the past ten years, e-business in India has grown incredibly. The Bharat Nirman Yojana's increased infrastructure spending during the 10th and 11th Five Year Plans has strengthened rural infrastructure and expanded the communication network. Under the Digital India Program, the government has also upgraded the communication network, particularly internet access. The potential for e-governance and e-business in rural India has increased as a result of the rising use of information technology, ICT, and internet connection. Through increased usage of e-services, online transactions, digital operation of government offices, and online marketing of products and services, the government has taken steps to promote e-governance. Government activities like education, training, meetings, and even office operations have all been shifted to digital mode as a result of the COVID-19 pandemic. Additionally, the government has promoted digital payment methods including Google Pay, Paytm, Bhim App, mobile banking, and internet banking. In both urban and rural parts of India, a lot of e-companies have formed, and they are successfully promoting goods, services, and products. As a result, there is a huge market for e-services in rural India, and most businesses are working hard to take advantage of this opportunity.

The National E-Governance Plan, a comprehensive strategy for delivering government services to local residents through common service centres while satisfying the objectives of effectiveness, transparency, dependability, and affordability, was adopted by the Indian government in 2006. The National e-Government Plan emphasised the use of information technology to raise the level of life and improve the lives of the average person.

The strategy calls for e-filing of cases, information sharing via email and a portal, online availability and listing of decisions, and streamlining, aligning, optimising, and automating all internal operations involving courts across government boundaries. The plan also includes groundwork for certain identification projects and e-Government research. Around 83,500 common service centres had been set up nationwide as of July 2010. These information kiosks surely have a significant impact on open data policies that aim to really inform citizens who would not otherwise have access to data networks. Common service centres are enabling citizens to access information and take part in government in addition to offering services. The Prime Minister established a National Commission in 2005 to serve as an advisory body and make recommendations for policy changes in the fields of knowledge usage, creation and reservation, and distribution. The Commission, led by Sam Pitroda, released its findings in 2009 and made a suggestion about e-governance as better knowledge services. According to the Commission, granting people access to knowledge is the simplest approach to improve chances for both individuals and groups. The Commission also advocated for the building of a national knowledge network that would link all knowledge-producing and -disseminating institutions across the nation and in various areas.

### **Conclusion:**

A review of e-governance initiatives reveals that, in addition to bringing about institutional and social advantages, service delivery efficiency has improved. The timely delivery of services, the resolution of complaints and grievances, and customer satisfaction has all increased as a result of the system's efficient operation. E-governance initiatives have also substantially helped the populace. Better service delivery and transparency are both socially beneficial. The efficiency of office operations and service delivery has significantly increased thanks to computerization. Additionally, computerization has enhanced its service quality and processing system. There is no choice but to increase e-services and effectively utilise computers through websites. The creation of solutions to bring government services for social development to the doorsteps of the rural poor has been made easier by information and communication technology. All stakeholders, including government representatives, lawmakers, regulatory bodies, people, voluntary organisations, technology consultants and vendors, academics, researchers, funding agencies, and the media, are involved in the design process for successful ICT initiatives. Using the public-private partnership (PPP) approach, most of this was completed. Such projects provided a great deal of advantages. Electronic government, or e-government, is one of the most crucial strategies to close the digital divide in emerging nations like India. Since the turn of the millennium, a number of government initiatives have been made possible by advancements in ICT. Rural residents will likely benefit from the Digital India programme by becoming more technologically literate, which will motivate them to contact the Indian government with just one click. So, in a nutshell, technology advancement is helping to increase digital literacy, and this will result in rural development in India. There are still several elements that contribute to successful implementation of e-services even if the Indian government

has made significant strides in that direction. With the development of e-Seva programmes, ways to improve learning by enabling access to universal knowledge are feasible. Rapid and response-based e-governance must be implemented in the education sector in order to meet the demands of efficient government, international competition, and current science and technology development. E-governance initiatives mark a change in the delivery of instruction for professors. Students now have an alternative to the traditional methods of learning outside of the classroom thanks to e-governance. E-services help us raise the standard of higher education in rural and underdeveloped areas. E-services can improve communication between colleges, universities, and students. It will introduce fresh ideas for governance in terms of requirements and obligations.

The public-private partnership model and e-services can help to overcome many of the issues that the higher education system in rural areas is facing. The idea of e-governance is necessary for the government to be transparent and accountable, and it also contributes to enhancing public engagement in policymaking by arming citizens with the appropriate information at the appropriate moment. The prevalence of internet and telecom services in India has expanded over the past ten years, and it is anticipated that this will help the country's population combat the persistent issues of poverty, corruption, regional disparity, and unemployment. Red tape and opposition from government workers and citizens, however, have also failed to yield the expected outcomes due to the project's poor completion rate. The state of Uttar Pradesh has started leveraging ICT to implement good governance for the timely and transparent delivery of social services. Both urban and rural communities have established common service centres.

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