

# Impact of e-commerce on consumer buying behavior of Chhattisgarh

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## ARTICLE DETAILS

### Article History

Published Online: 13 March 2019

### Keywords

e-commerce, Chhattisgarh, buying behavior, consumer behavior

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## ABSTRACT

This paper discusses the need of a study for online buying behavior of consumers in Chhattisgarh state. It also tries to report about the population status, literacy level, economic condition about the Chhattisgarh state and the scope of e-commerce. The paper also provides details of a government scheme, its implementation and the motives behind the launch of this scheme. This paper also showcases the awareness of digital knowledge among the people of Chhattisgarh especially, female population. This paper further discusses what e-commerce is and how it works in India. It also tries to portray the impact of e-commerce on the consumers buying behavior of Chhattisgarh state, constraints that are prevailing, and tries to find out outcomes through the study. The inspiration behind this study is to analyze the current penetration of e-commerce in the state of Chhattisgarh and provide fact-based reports and insights to plan new schemes and initiatives by government bodies and corporate for local sellers and the general population of the state.

## 1. Introduction

In today's world of globalization, internet, social media, and smart phones, e-commerce is a well-known term. With more than 50% of its population below the age of 25 years, the growth of modern tools and technology is increasing day by day. Chhattisgarh state is also part of this era of awareness. We feel that people of Chhattisgarh have started participating in the popular world of e-commerce. In this section, we introduce the state of Chhattisgarh, its demographics, the evolution of the Internet in the Country and the state and its exposure to the world of e-commerce.

### 1.1. Chhattisgarh

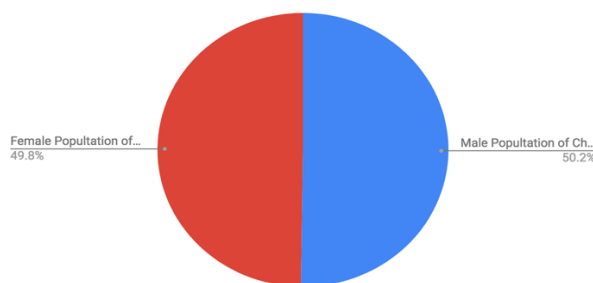
Chhattisgarh state was formed on, 1st of November 2000. It is situated in central India and has forest and mineral resources. It has many local tribes who have their unique culture. Chhattisgarh is one of the fastest developing states in India.



As per the census of 2011, in Chhattisgarh, the total population of the state was 25,540,196 out of which 12,827,915 were male and 12,712,281 were female.

Population Distribution of Chhattisgarh

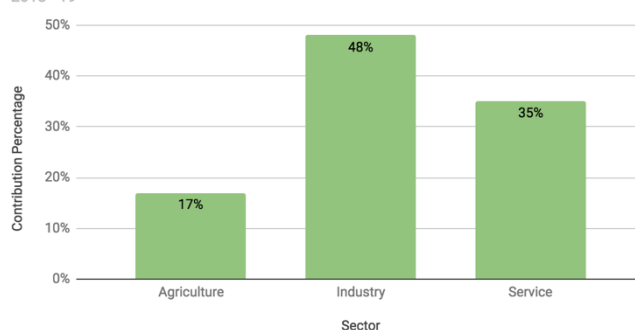
Census 2011



As per Wikipedia, it's GDP rank: 17th, GDP growth: 6.7% (2016-17), GDP: INR.3.26 lakh crore (2018-19 est.), GDP by sector: Agriculture 17%; Industry 48%; Service 35% (2018-19).

GDP Contribution

2018 - 19



As per census 2011, literacy % of the state was 70.28% out of which male literacy was 80.27 and female was 60.24%.

### 1.2. Internet in India and Chhattisgarh

Internet was publicly introduced in India on 14-Aug-1995 by Videsh Sanchar Nigam Limited (VSNL). At that time internet connections used to provide a speed of 9.6 bits per second, and one needed to have a personal computer, modem and a working phone connection to use the dial-up service to connect

to the internet. According to a study done in 2017, the average internet speed was 6.5 Mbits per second. Today India has the second largest internet user base in the world, with over 460 million users. More than 430 million of these users connect to the internet using a mobile device. Out of these users, about 21.8 million internet users belong to Chhattisgarh. According to the IAMAI-IMRB internet in India report, female internet users grew by 30% which is far more than male internet users, which is 25%. If we further look into the female internet users report, it shows that usage of internet in college going girls in urban areas has increased by 34%. In non-working women, it has shown growth of 18% and in working women, it was 8%. Usage of the Internet has become a global market. Usage of the internet has become easy, convenient and has become almost a basic necessity to the urban population of our country.

### 1.3. E-Commerce in India

Among various uses of the internet, one of the most prime usages is e-commerce. As per studies show, India's e-commerce market was worth about \$3.9 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, the e-retail segment was worth the US \$2.3 billion. Overall e-commerce market had reached INR 1,07,800 crores by the year 2015. According to the study done by the Indian Institute of e-commerce, by 2021 India is expected to generate \$100 billion online retail revenue.

### 1.4 Scope of e-commerce in Chhattisgarh

The scope of e-commerce in Chhattisgarh is great as it is one of the fastest developing states in India and also rich in mineral and forest wealth. It also has a rapidly progressing economy.

Population growth has been 22.59% since the last census. The total area of Chhattisgarh is 1,35,191 Sq. Kms. with a density of 189 per sq. Km.

As per the census conducted in 2001, female to male ratio in Chhattisgarh is 991 for every 1,000 males. The literacy rate in Chhattisgarh has grown up by 71.04%, with male literacy at 81.45% and female literacy at 60.59%.

## 2. What is e-commerce?

As per Wikipedia, e-commerce is the activity of buying or selling of product on online services or over the internet. E-commerce is a very huge and well-known topic. Many research had been conducted before, regarding its usage, usefulness, drawbacks, overall impact, about consumers etc. E-commerce business may include the following:

- Online shopping for retail sales direct to consumers via websites and mobile apps, and conversational commerce via live chat, chat bots, and voice assistants.
- Providing or participating in online marketplaces, which process third-party business-to-business or consumer-to-consumer sales.
- Business-to-business buying and selling.
- Gathering and using demographic data through web contacts and social media.
- Business-to-business electronic data interchange.
- Marketing to prospective and established customers by e-mail or fax.

- Engaging in pre-retail for launching new products and services.
- Online financial exchange for currency exchange or trading purposes.

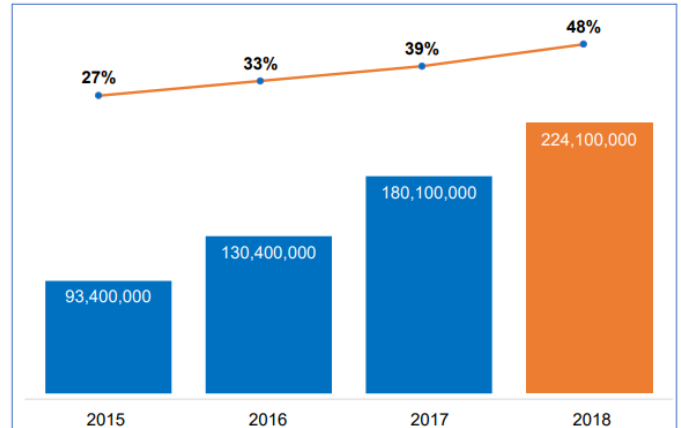
### 2.1 Adoption of E-Commerce in India

According to a study done by the Indian Institute of e-commerce, by 2021 India is expected to generate \$100 billion online retail revenue.

A study from Ecommerce Foundation indicates that 48% of India's population has access to ecommerce in year 2018.

#### E-SHOPPER PENETRATION

Share of the total online population, 2015-2018(f) | Number from total online population 2015-2018(f)



As of 2018, the largest e-commerce companies in India are Flipkart, Amazon, ShopClues, Paytm and Snapdeal.

Currently, e-commerce is prominently used in the following three modes in India:

- Consumer-to-consumer - Online classifieds, online travel
- Business-to-business - Online retail, online retail/e-tailing, online classifieds, digital downloads, financial services, online travel
- Business-to-business - Online classifieds

### 2.2 Key drivers of e-commerce in India

- A large percentage of population subscribed to broadband internet, ample availability of 3G internet users, and a growing population of 4G users across the country.
- World's cheapest mobility service, thanks to TRAI price control and competition between service providers.
- The explosive growth of smart phone users, soon to be world's second largest smart phone user base.
- Rising standards of living as a result of a fast decline in the poverty rate in most urban parts of the country.
- Availability of much wider product range (including long tail and direct imports) compared to what is available at traditional offline retailers and local business.
- Competitive prices compared to traditional offline retailers and local businesses.

- Increase in online banking facilities, payment gateway services, electronic payment wallets and promotion of digital monetary transaction by the government of India after the year 2015.

But when we look for statistics and behavioral study of e-commerce at the regional level, such as Chhattisgarh state, we don't see much information.

- Is e-commerce socially responsible?
- Whether it follows ethical standards?
- Does the organizations that use e-commerce, values consumer rating and reviews?
- What is the importance of improvement and maintenance of reputation for these organizations?
- Do they comply with government rules and regulations completely?

We also don't see any study on how e-commerce is impacting the overall behavior of buyers in these segments and the impact on the traditional methods of doing business. Various popular e-commerce enabled organization operating in India, today do not disclose their sales, revenues and distribution figures in public domain, due to which actual data references and trends cannot be created.

Many studies have shown that women are more loyal customers, in general. They want to stick to a particular product or brand if that product or brand proves to be good in quality or proves to be value for money. The Chhattisgarh government under the scheme, **Sanchaar Kranti Yojna (SKY)** has distributed smart phones to rural women from each household. They also gave smart phones to 3,00,000 college students and to 3,50,000 urban women. The government will also build 1500 network towers. The object behind this scheme is to increase the ownership and usage of mobile phones. This scheme helps in women empowerment. It promotes economic development. Producers and consumers will know each other, they'll know

about the market, they'll get to know about the best price of the products and services.

### 3. Rationale of the study?

As there is a growing number of smart phone users day by day from all age groups especially, youth in Chhattisgarh, there is emerging need to have an extensive study on e-commerce, online consumers buying behavior, factors affecting and the impact of its increasing usage. So, this study –

- will be helpful for existing national and international organizations to plan for market penetration in Chhattisgarh,
- it will allow local start-ups of Chhattisgarh to plan their go to market strategy and overall revenue path.
- Will help in future references for government departments, students, companies etc.
- Will also help in economic planning, in analyzing social factors, and for the knowledge and awareness of the general public.

### 4. Conclusion

Chhattisgarh state is developing rapidly in all aspects and the people, especially the youth are getting introduced to the new digital modern world. The state definitely has a huge scope for e-commerce, as people find it more convenient and accessible. The state government is also playing an important role in educating the people and spreading awareness among them. Adoption of e-commerce also opens new avenues for business, employment, entrepreneurship, fair prices, availability of various products and services and so on. And definitely, it will aid in the economic development of the state as well as uplift the standard of living. The release of new research material, facts and insights on the adoption of e-commerce and buying behavior of consumers in Chhattisgarh state, will help various stakeholders to drive new investments and implementation programs in the state.

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