

Online Shopping in Rural Areas: A Consumer Perception Study

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Abstract

Online shopping is nowadays a common mode of shopping among people regardless of geographical location and income class because it offers several conveniences and choices compared with traditional shopping. Rural areas accommodate a major proportion of the population and consequently, a significant part of customer base of the companies belongs there. The availability of internet in the rural areas and the increase in the usage of Smartphones among rural people have made them the users of online shopping. So usage and perception of online shopping among rural people is an important area to be focused. The present study aims to understand the perception of rural consumers towards online shopping. Malappuram district in the Kerala state was selected as the geographical area for the present study. A survey was conducted among 300 respondents selected from this geographical area using purposive sampling. It was found that Flipkart is the most popular e-commerce site among rural people. They prefer cash on delivery method as the mode of making payment. Wide selection and low prices are the factors that attract them to online shopping. Clothing and apparel and Home and kitchen equipment are products they mostly prefer to buy in online shopping.

Keywords: Online shopping, E-Commerce, Traditional Shopping, Rural People, Internet, Web Store, Consumer Behaviour

1. Introduction

E-commerce is increasingly becoming popular among people nowadays due to the many advantages that are inherent in online shopping. Online shopping is the future of retailing because it provides a lot of facilities to the customers ranging from low prices, wide selection, time-saving due to the facility to shop without visiting outlets and any time shopping. The Spread of internet facility and increase in the smartphone penetration among the common man are the most important factors that resulted in the popularisation of e-commerce and online shopping (Md.Muktazur Rahman Kazi, 2022). To get access to a wide geographical area and to reduce the cost of operation, manufacturers are opening web stores and selling their products through established e-commerce sites (R. Sureshkumar, 2017). Web stores and e-commerce sites are giving novel experiences to consumers which were missing in traditional shopping like a large number of sellers offering the same type of product at different prices which will on most occasions helps consumers to enjoy high discounts, availability of product information in details and reviews of the previous buyers. Despite these positives, people doing online shopping face several problems and difficulties such as receiving poor quality product, stealing personal information, poor customer support and problems with delivery of the product etc. As far as e-commerce companies and government agencies are concerned, having knowledge about the perception of people towards online

shopping will help to make lot of improvements and corrective measures. Rural people constitute a major chunk of the population and customer base of most of the manufacturers (Ambati Sai Vishwagna and M. Sudhir Reddy, 2022). Rural people differ from their Urban counterparts in many aspects. Their views, approaches, experiences and perceptions will not be similar to Urban people. So it is highly relevant to study the perception of the rural people towards online shopping (R. Senthikumar, 2018). The present study focuses on the perception of the rural people in Malappuram district in Kerala towards online shopping.

2. Objectives of the study

1. To find out the factors motivating rural people to do online shopping
2. To study the online shopping website used for shopping by rural people
3. To study the frequency of doing online shopping by rural people
4. To study the mode of payment used in online shopping by rural people
5. To study the types of products purchased through online shopping by rural people
6. To study the difficulties faced in online shopping by rural people

3. Literature review

Zeenath Pathan (2019) in the article ‘Rural consumer behaviour towards online shopping in Vadodara District’ reveals that rural consumers are attracted to online shopping due to the discounts offered by e-commerce companies. Some consumers are reluctant to shop online due to the factors like products cannot be touched before giving the order, fear of being cheated by sellers and doubt about the quality of the product. The study ‘Attitude and preference of rural consumers towards online shopping in Thanjavur District’ shows that the major reason for buying products online is the availability of varieties of products. Majority of people prefer the pay on delivery method of payment. The problems faced by majority of the online shoppers are change in the product and delivery of poor quality products (M. Elampirai, 2023). The article titled ‘Rural consumer attitude towards online shopping : An empirical study of rural area’ authored by R. Sureshkumar (2017) explains that the benefits perceived by rural people in online shopping are variety of choices for making comparison in different e-commerce sites, time savings and no geographical barrier in buying goods. The disadvantages perceived by them are no guarantee of quality, cannot verify the goods before purchase and delivery charges. R. Senthikumar (2018) in his article titled ‘Online rural consumer behaviour towards selected consumers in Pudukkottai District’ shows that people who have time to spend prefer traditional shopping due to social reasons. Rise in internet penetration, hike in the income of the people, exposure of people to electronic devices, secure online payment mechanism, return policies, and discounts offered by e-commerce sites are attracting people to online shopping. Ambati Sai Vishwagna and M. Sudhir Reddy (2022) conducted a study titled ‘Factors determining online shopping behaviour of consumers in Ranga Reddy and Karimnagar Districts of Telangana State (A study of urban and rural consumers)’. The study says that online shopping decision of the people is affected by reliability and user-friendliness of the website of the e-retailers. Customers prefer to provide very little personal information and expect to get ample product information. Online shopping behaviour of rural people and urban people significantly differ. The study conducted by Ajaykumar (2023) on the topic ‘The impact of internet accessibility and infrastructure on rural online shopping behavior’ reveals that online shopping is becoming popular in those rural areas where high speed internet connection is available. The study ‘Factors limiting rural consumers’ attitudes toward online buying with special reference to south Salmara Mankachar District of Assam, India’ found that the difficulties faced by people when shop online are the

problems with order cancellation, return/exchange, after-sales support, delivery risk, website design, product risk and lack of trust and security (Md. Muktaur Rahman Kazi, 2022). The article titled ‘Online shopping- a strategy need for rural customer’ written by Fenin Damule and K.A. Janardhanan (2016) shows that the factors that are attracting the rural customers to online shopping are low prices offered by sellers and shopping conveniences like 24x7 shopping facilities. The factors that are discouraging people from doing online shopping are inability to physically inspect the product before making purchase decision and insufficient information about the product given by the companies.

4. Research methodology

The present study is descriptive in nature. The study focuses on the perception of rural consumers towards online shopping in the Malappuram District in Kerala. The researcher selected 300 respondents from rural areas in Malappuram District using the Purposive sampling method. For collecting data self-structured questionnaire was distributed among these respondents. Tables have been used for arranging the data so collected from respondents. For testing the hypotheses framed in the study, Chi-square test has been used.

The following hypotheses have been put forth in the present study

H₀₁: Gender and the perception that online shopping can give good quality products are independent

H₀₂: Age and the perception that online shopping can give good quality products are independent

H₀₃: Gender and the perception that online shopping is more convenient than traditional shopping are independent

H₀₄: Age and the perception that online shopping is more convenient than traditional shopping are independent

5. Result and Discussion

5.1 To study the demographic profile of the respondents

Table 1. Demographic features of the respondents

Demographic characteristics		Frequency	Percentage
Sex	Male	172	57.3%
	Female	128	42.7%
	Total	300	100%
Age	Below 20	46	15.3%
	20-30	112	37.3%
	30-40	98	32.7%
	40-50	34	11.4%
	Above 50	10	3.3%
	Total	300	100%
Educational Qualification	SSLC or below	15	5%
	Plus-two or below	104	34.7%
	Graduation	97	32.3%
	Post Graduation	48	16%

	Diploma	36	12%
	Total	300	100%
Occupation	Daily wage	54	18%
	Government Job	36	12%
	Private sector	107	35.7%
	Self-employed	68	22.7%
	Business	35	11.6%
	Total	300	100%
Monthly Income	Below Rs.15,000	56	18.7%
	15,000 - 25,000	113	37.6%
	25,000 - 35,000	78	26%
	35,000 - 45,000	35	11.7%
	Above Rs.45,000	18	6%
	Total	300	100%

Source: Primary data

Table 1 shows that 57.3% of the respondents are male and 42.7% of the respondents are female. Persons belonging to the age group 20-30 and 30-40 are 37.3% and 32.7% respectively. 34.7% of the respondents have educational qualification 'Plus two or below' and 32.3% of the respondents have educational qualification 'Graduation'. 35.7% of the respondents are employed in Private sector and 22.7% of the respondents are self-employed. 37.6% of the respondents have monthly income Rs.15,000-25,000 and 26% of the respondents have monthly income Rs.25,000-35,000.

5.2 To study the factors that motivate people to do online shopping

Table 2. Factors that motivate people to do online shopping

Motivating factors	Frequency	Percentage
Low price	183	61%
Wide varieties of products	204	68%
Time saving	87	29%
24x7 shopping facility	92	30.6%
Product information and customer reviews	114	38%
Suggestions from friends and relatives	71	23.7%

Source: Primary data

Table 2 shows that 68% of the respondents decided to shop online because wide varieties of products are available there. 61% of the respondents were attracted by the factor low price. It reveals that the factor 'Wide varieties of products' is the most important factor that motivated people to do online shopping.

5.3 To study the online shopping websites used for shopping

Table 3. Online shopping websites used for shopping

Online shopping websites used for shopping	Frequency	Percentage
Amazon	254	84.7%
Flipkart	296	98.7%
Myntra	62	20.7%
Meesho	76	25.3%
Snapdeal	35	11.7%
Paytm	12	4%
Websites of firms	18	6%

Source: Primary data

Table 3 depicts that percentage of respondents who used Amazon and Flipkart for online shopping are 84.7% and 98.7% respectively. Flipkart was found to be the most used e-commerce website.

5.4 To study the frequency of doing online shopping

Table 4. Frequency of doing online shopping

Frequency of online shopping	Frequency	Percentage
1 to 3 times in a month	48	16%
More than 1 to 3 times in a month	56	18.7%
1 to 3 times in 6 months	124	41.3%
More than 1 to 3 times in 6 months	72	24%
Total	300	100%

Source: Primary data

Table 4 illustrates that 41.3% of the respondents do online shopping 1 to 3 times in 6 months. Only 16% of the respondents do online shopping at least once in a month.

5.5 To study the mode of payment used in online shopping

Table 5. Mode of payment used in online shopping

Mode of payment	Frequency	Percentage
Cash on delivery	125	41.7%
UPI Payment	84	28%
Net Banking	46	15.3%
Debit card	37	12.3%
Credit card	8	2.7%
Total	300	100%

Source: Primary data

Table 5 describes that 41.7% of the respondents depended on 'Cash on delivery' method for making payment. 'UPI payment' was used by 28% of the respondents.

5.6 To study the product purchased through online shopping**Table 6. Products purchased through online shopping**

Product Purchased	Frequency	Percentage
Clothing and Apparel	254	84.7%
Electronics	127	42.3%
Cosmetics and Personal care products	52	17.3%
Books	104	34.7%
Home and Kitchen equipment	185	61.7%
Sports and fitness equipment	78	26%
Automotive	43	14.3%
Toys	26	8.7%

Source: Primary data

Table 6 explains that 84.7% of the respondents purchased Clothing and Apparel using online shopping. Percentage of respondents who bought Home and kitchen equipment and Electronic items are 61.7% and 42.3% respectively.

5.7 To study the problems and difficulties faced in Online shopping**Table 7. Problems and difficulties faced in Online shopping**

Difficulties / Problems faced in Online shopping	Frequency	Percentage
Inferior quality product	96	32%
Problems with delivery	43	14.3%
Risk in giving Personal information and Banking details	112	37.3%
Problems with customer support	45	15%
Product information on the website is not sufficient	84	28%
Problems with internet connection and time lag in completing the order	32	10.7%

Source: Primary data

Table 7 shows that 37.3% of the respondents see 'Risk in giving personal information and Banking details' as the problem and difficulty faced in online shopping. 32% of the respondents opined that inferior quality product supplied is the problem faced in online shopping. 28% of respondents' difficulty is 'Product information on the website is not sufficient'.

5.8 To test independence between gender and the perception that online shopping can give good quality products

Table 8. Gender of the respondent * Do you think online shopping can give good quality products? Cross-tabulation

Gender of the respondent	Do you think online shopping can give good quality products?		
	Yes	No	Total
Male	108	64	172
Female	83	45	128
Total	191	109	300

Source: Primary data

Table 8 illustrates that 108 out of 172 male respondents say online shopping can give good quality products. 83 out of 128 female respondents believe that online shopping can give good quality products

Table 9. Chi-square test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.134 ^a	1	.715
Likelihood Ratio	.134	1	.714
Linear-by-Linear Association	.133	1	.715
N of Valid Cases ^b	300		

Source: Primary data

P Value is greater than significance level (.01). So we accept the null hypothesis that gender and the perception that online shopping can give good quality product are independent.

5.9 To test independence between age and the perception that online shopping can give good quality products

Table 10. Age of the respondent * Do you think online shopping can give good quality products? Cross-tabulation

Age of the respondent	Do you think online shopping can give good quality products?		
	Yes	No	Total
Below 20	30	16	46
20-30	76	36	112
30-40	63	35	98
40-50	18	16	34
Above 50	4	6	10
Total	191	109	300

Source: Primary data

Table 10 explains that number of respondents belonging to the age category Below 20, 20-30, 30-40, 40-50 and above 50 who believe online shopping can give good quality products are 30 out of 46, 76 out of 112, 63 out of 98, 18 out of 34 and 4 out of 10 respectively

Table 11. Chi-square test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.026 ^a	4	.285
Likelihood Ratio	4.867	4	.301
Linear-by-Linear Association	3.071	1	.080
N of Valid Cases	300		

Source: Primary data

P Value is greater than significance level (.01). So we accept the null hypothesis that age and the perception that online shopping can give good quality product are independent.

5.10 To test independence between gender and the perception that online shopping is more convenient than traditional shopping

Table 12. Gender of the respondent * Do you think online shopping is more convenient than traditional shopping? Cross-tabulation

Gender of the respondent	Do you think online shopping is more convenient than traditional shopping?		
	Yes	No	Total
Male	109	63	172
Female	80	48	128
Total	189	111	300

Source: Primary data

Table 12 depicts that 109 out of 172 male respondents think online shopping is more convenient than traditional shopping and 80 out of 128 female respondents shares the same opinion.

Table 13. Chi-square test

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.024 ^a	1	.877
Likelihood Ratio	.024	1	.877
Linear-by-Linear Association	.024	1	.877
N of Valid Cases	300		

Source: Primary data

P Value is greater than level of significance (.01). So we accept the null hypothesis that gender and perception that online shopping is more convenient than traditional shopping is independent.

5.11 To test independence between age and the perception that online shopping is more convenient than traditional shopping

Table 14. Age of the respondent * Do you think online shopping is more convenient than traditional shopping? Cross-tabulation

Age of the respondent	Do you think online shopping is more convenient than traditional shopping?		
	Yes	No	Total
Below 20	31	15	46
20-30	64	48	112
30-40	67	31	98
40-50	21	13	34
Above 50	6	4	10
Total	189	111	300

Source: Primary data

Table 14 reveals that 31 out of 46 respondents, 64 out of 112 respondents, 67 out of 98 respondents, 21 out of 34 respondents and 6 out of 10 respondents opined online shopping is more convenient than traditional shopping.

Table 15. Chi-square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.301 ^a	4	.509
Likelihood Ratio	3.304	4	.508
Linear-by-Linear Association	.033	1	.857
N of Valid Cases	300		

Source: Primary data

P Value is greater than level of significance (.01). So we accept the null hypothesis that age and perception that online shopping is more convenient than traditional shopping is independent

6. Conclusion

From the study it can be concluded that Flipkart is the most used e-commerce platform by rural people and Amazon comes as the second most important platform. Rural people motivated to do online shopping because wide varieties of products are available for purchase. Next important factor that motivated them

is availability of the product at low price. Their frequency of online shopping is 1 to 3 times in 6 months. The modes of payment preferred by rural people for online shopping are cash on delivery and UPI payment. Rural people mainly use online shopping to buy clothes and apparel and home and kitchen equipment. Problems and difficulties faced by them in online shopping are risk in giving personal information and getting inferior quality products.

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