

## ADOPTION OF E-COMMERCE IN MOUNTAINOUS REGION OF JAMMU AND KASHMIR

Shubhnandan S. Jamwal

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This paper attempts to track the Internet savvy and the consumer behavior towards online shopping and e-commerce in the mountainous regions of Jammu and Kashmir. A survey was carried on the behavior of the customer towards on-line shopping in the region. 450 people surveyed for the study of the online shopping in the region and the findings from this study would of great interest for the government and internet service providers. The main objective of this study is to investigate the factors affecting online shopping in the region. Data collected from the internet users/consumers of the region indicate the attitude and beliefs towards different factors concerning the consequences of online shopping. It is further observed that only 3.5% of the users have made online purchases.

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### 1. INTRODUCTION

The concept of e-shopping is closely related and a part of e-commerce and has indeed matured in the years of 1998-2000. More than 80% of the companies have started in either 2009 or 2010.

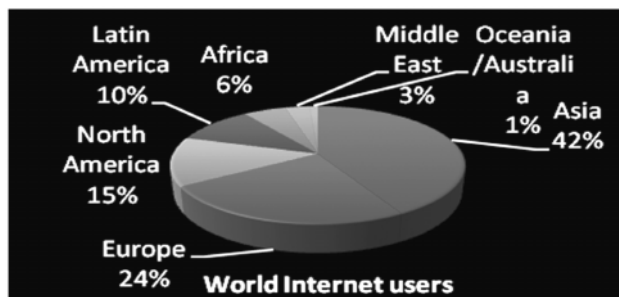


Fig. 1: Users of the Internet in the World [13]

From fashion apparels to perfumes, cars to toys, holiday packages etc. every thing is available online. More over Internet is now is no longer a euphoric technology. e-shopping is now a days is the bedrock of most businesses like banking, travel, entertainment, shopping, politics etc. e-mailing is a new mode in which the people in the society interacts with one another. Markets in western countries of Europe and America are doing trade with internet using online web portals and shopping sites in a big way. Online transactions form a significant part of the total trade in these countries. Greater Internet penetration, cheaper hardware and Internet communication have contributed to this phenomenon. Development of reliable technologies and increased awareness among user are some more factors that have added to the idea of e-commerce.

The world's economy is now shifting to Asia Pacific Region. Asia accounts for more than 30% of the world GDP and contributed to the half of the global growth in recent years because of the globalization, internet penetration and the web technology. In India the various ways of online marketing are company websites, shopping portals, online auction sites, e-choupal, etc.,. Internet penetration became more widespread with bandwidth becoming readily available in the major cities of the India. But the acid test for e-commerce/internet marketing in India lies in its effective exploitation of rural markets.

### 2. LITERATURE REVIEW

The Internet has changed the way information is communicated and processed. The new media for business activity or electronic commerce is the internet [1]. Growing numbers of consumers shop online, to purchase goods and services, gather product information. Online shopping environments are therefore playing a larger role in the relationship between market and consumers [2]. Although the interactive nature of the Internet has enabled consumers to make informational product 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 [3].

With the popularity of web technology, there is a trend that smart card is going to be used as an electronic wallet [4, 5, 6, 7] to hold money for business activity on web. Smart card is a credit size plastic card with an on-board microprocessor which is portable, tamper resistant computer with programmable data storage. Trust has always been an important element in marketing, and especially in e-commerce [8]. 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 [9].

### 3. BENEFITS OF ONLINE SHOPPING

Internet is a most convenient and timesaving way of shopping because of no geographical boundaries. A customer can buy a product from a geographical distant place with in no time. Internet shopping can save the problems observed in traditional shopping. A user can quickly find the product and related information by searching the Internet, thus reducing the time and effort spent on information searching [10][11]. Internet shopping has a pricing advantage by reducing the distance between the manufacturer and the customer. Internet makes it easier to compare prices and therefore more convenient for consumers to find the product that costs the least [12]. Online shopping saves travelling time, one can compare prices in small amount of time for best deal, and discount / deals are also available in different online marketing sites and wide variety of products available.

### 4. LIMITATION OF THE ONLINE SHOPPING

Online shopping in has a vey slow journey in the region under consideration for the study. This is because of very slow Internet penetration, touch and feels of product, price negotiation, fear of fraud in transaction/hacking and poor banking system, returning of the goods after the delivery if the customer is not satisfied and the provision for the shipment.

### 5. RESEARCH WORK

The objective of the research paper is to investigate the major factors that affect the consumers confidence in adopting online shopping in the in the mountains regions

of Jammu and Kashmir. According to the 2001 census the population of the district Doda is 320256. Total area of the district is 4500 Sq. Kms.(approx.) and it is the third largest district of J & K[15]. 450 peoples surveyed for the study of the online shopping in the region. Out of the 450 questionnaires distributed for the survey of online shopping only 290 questionnaires found valid for the analysis. The factors which were considered for the study are Fear of Transaction threat, Low bandwidth of the Internet, Delivery of goods, Touch and feel the products, Price negotiation and Returning of the goods if defected after the delivery in online shopping. The observations are tabulated in the Table 1. It is further observed that only 3.5% of the users have made online purchases. Rest of the respondents showed there reluctance to engage in the online purchases. The main reason behind there reluctance is the low bandwidth of the internet and the delivery of the goods. As far the matter of the bandwidth of internet is concerned, none of the service providers of the internet are able to satisfy the need of the user. This is the m ajor reason of the very poor response for the online shopping in the region.

Table 1  
Factors Affecting the Online Shopping/E-commerce

| Factors                                               | % age |
|-------------------------------------------------------|-------|
| Fear of Transaction Threat                            | 65.52 |
| Low Bandwidth of the Internet                         | 86.21 |
| Delivery of goods                                     | 83.79 |
| Touch and feel the products                           | 76.55 |
| Price negotiation                                     | 68.97 |
| Returning of the goods after the delivery if defected | 52.76 |

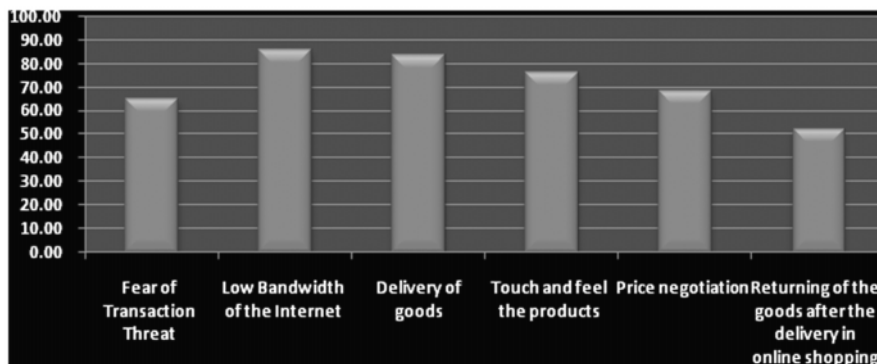


Fig. 2: Graphical Representation of the Table 1

### 6. CONCLUSION

Data collected from the internet users/consumers of the region indicate the attitude and beliefs towards different factors concerning the consequences of online shopping. There are certain reasons that have significant effects on consumers' intentions to buy online. The two main reasons are low bandwidth of the internet and delivery of the goods.

Organizations that are involved in the e-commerce/online shopping are expected to take note of the findings. The internet population in India is 70mn but it seems that market is polarized with the digital divide. Lee Heng et.al. [14] found that similar regions for the slow journey of the online shopping in Malaysia but the main reason in that case was the security of money on the internet transaction.

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