



Tribal Retail Collapse: The Unseen Impact of E-Commerce on Offline Retail Business in Gumla District, Jharkhand

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Keywords: Tribal Retail Collapse, E-Commerce, Haat-Bazaars, Digital Marginalization, Gumla, Cultural Heritage, Economic Impact, Social Cohesion, Tribal Digital Marginalization Framework, Cultural-Digital Empowerment Model.

Abstract

India's e-commerce sector, projected to reach \$325 billion by 2030, is revolutionizing retail but poses a severe threat to the livelihoods and cultural heritage of tribal communities in Gumla, Jharkhand. This study introduces "Tribal Retail Collapse," a phenomenon where traditional haat-bazaars and small shops decline due to the rise of online shopping platforms. The Tribal Digital Marginalization Framework (TDMF) is developed to analyze infrastructural, skill-based, and cultural barriers preventing tribal retailers from participating in the digital economy. Based on a 2025 survey of 300 respondents and secondary data, findings reveal that 75% of shopkeepers experience a 20–30% income drop, haat-bazaar attendance has declined by 65%, and 78% of respondents perceive a loss of cultural and social significance. The Cultural-Digital Empowerment Model proposes community-led strategies to integrate tribal retailers into e-commerce while preserving their heritage. Grounded in South Asian values of collective well-being and cultural continuity, this research offers actionable policy insights with global relevance for indigenous communities.

1. Introduction

1.1 The E-Commerce Revolution in India

The rapid expansion of e-commerce in India, driven by affordable smartphones, widespread internet access, and a tech-savvy youth population, has transformed consumer behavior. By 2024, rural India accounted for 40% of e-commerce transactions, with Jharkhand achieving 50% internet penetration (Telecom Regulatory Authority of India, 2024). Platforms such as Amazon, Flipkart, and JioMart offer unparalleled convenience, variety, and competitive pricing, reshaping retail landscapes. However, this digital shift poses significant challenges for traditional retail, particularly in tribal regions like Gumla, where limited digital infrastructure and literacy hinder adaptation. This study explores the resulting "Tribal Retail Collapse," focusing on its economic, social, and cultural impacts on tribal communities.

1.2 Gumla: A Tribal Heartland

Located in southwestern Jharkhand, Gumla District has a population of 1,025,656, with 68% belonging to Scheduled Tribes, primarily Oraon, Munda, and Kharia (Census of India, 2011). The local economy relies heavily on agriculture, supplemented by small-scale retail through haat-bazaars—weekly markets held in villages such as Sisai, Raidih, and Bishunpur. These markets are not merely commercial spaces but vibrant cultural and social hubs where Oraon women sell handwoven baskets, Munda elders share oral histories, and communities celebrate festivals like Sarhul, marked by traditional dances and rituals. The term “Gumla,” derived from the Mundari word for rice processing, reflects the district’s agricultural and cultural roots. Haat-bazaars embody South Asian values of community cohesion and cultural continuity, serving as spaces for trade, storytelling, and collective decision-making.

1.3 Defining Tribal Retail Collapse

"Tribal Retail Collapse" refers to the multifaceted decline of traditional tribal retail systems—haat-bazaars and small shops—driven by the rise of e-commerce. This phenomenon manifests in economic losses, social disconnection, and cultural erosion. A 2025 survey conducted in Gumla revealed that 65% of youth prefer online shopping, leading to a 65% decline in haat-bazaar attendance, a 20–30% income drop for 75% of shopkeepers, and a 78% perceived loss of cultural and social significance. This crisis threatens the livelihoods of thousands of tribal families and the heritage that defines their identity, necessitating urgent policy interventions.

1.4 Tribal Digital Marginalization Framework (TDMF)

To understand this crisis, we developed the Tribal Digital Marginalization Framework (TDMF), which identifies three key barriers:

- **Infrastructural Exclusion:** Limited internet and power access, with only 30% of rural Gumla having reliable connectivity (Telecom Regulatory Authority of India, 2024).
- **Skill-Based Exclusion:** 86% of shopkeepers lack digital literacy, such as using QR codes or online selling platforms (Gumla Survey, 2025).
- **Cultural Exclusion:** E-commerce platforms rarely support tribal languages (e.g., Mundari, Nagpuri) or promote products like Kharia beadwork, alienating retailers from mainstream markets.

TDMF is a versatile framework, applicable to indigenous communities worldwide, such as the Maasai in Kenya or the Quechua in Peru, facing similar digital challenges.

1.5 Significance of the Research

While urban retailers adapt to e-commerce through omnichannel strategies (Bain & Company, 2023), tribal retailers in Gumla lack the resources, skills, and infrastructure to compete. This study fills a critical gap in South Asian scholarship by focusing on the underexplored challenges of tribal retail, offering insights that resonate with indigenous communities globally. It underscores the need for inclusive digital policies to protect tribal livelihoods and cultural heritage, ensuring equitable benefits from India’s digital revolution.

1.6 Scope and Context

This research captures the ground reality in Gumla through a primary survey of 300 respondents and secondary data analysis. It aims to provide a comprehensive understanding of Tribal Retail Collapse and propose solutions

that balance digital progress with cultural preservation, aligning with South Asian values of collective well-being and linguistic diversity.

1.7 Objectives

1. Quantify the economic impact of e-commerce on tribal shopkeepers' income in Gumla.
2. Evaluate the social and cultural decline of haat-bazaars due to online shopping.
3. Develop the TDMF to analyze barriers to digital participation.
4. Propose community-led strategies to integrate tribal retailers into e-commerce while preserving cultural heritage.

1.8 Hypothesis

- H1: E-commerce significantly reduces the income of tribal retailers in Gumla.
- H2: Online shopping diminishes the cultural and social significance of haat-bazaars.

2. Literature Review

2.1 E-Commerce and Its Impact on Traditional Retail

India's e-commerce sector is projected to grow at 27% annually, driven by rural demand fueled by smartphone penetration, with 67.6% of rural households owning smartphones by 2023 (Pratham Education Foundation, 2023). Kantar and the Internet and Mobile Association of India (2024) note that rural India contributed 40% of e-commerce transactions in 2024, with Jharkhand achieving 50% internet penetration. Kumar and Sharma (2023) report a 20–25% revenue decline for rural shopkeepers since 2020, as consumers prefer online platforms for affordability and variety. However, studies primarily focus on urban retail, neglecting tribal contexts like Gumla, where informal retail dominates (Singh, 2023).

2.2 The Role of Haat-Bazaars in Tribal Communities

Haat-bazaars are integral to tribal economies and cultures in South Asia. Mishra (2022) describes them as “socio-cultural ecosystems” where trade, storytelling, and festivals converge, facilitating 60% of rural retail transactions in Jharkhand. The American India Foundation (2018) highlights their role in fostering community bonding and cultural expression in Rajasthan, a pattern mirrored in Gumla, where haat-bazaars host Nagpuri dances and handicraft sales. However, e-commerce competition has reduced footfall, with Chhattisgarh reporting a 50% decline in haat attendance (Singh, 2023), threatening economic stability and tribal identity.

2.3 The Digital Divide in Tribal Contexts

Digital marginalization is a global challenge for indigenous groups. Ntarangwi (2020) notes that the Maasai in Kenya face barriers like limited internet and skills, similar to Gumla's 30% rural internet coverage (Telecom Regulatory Authority of India, 2024). In South Asia, Rao and Patil (2022) report that 80% of rural retailers lack digital literacy, with tribal communities facing additional linguistic exclusion due to platforms' focus on Hindi and English (Gupta, 2021). This marginalizes products like Sohrai paintings, undermining cultural identity.

2.4 Gender and Tribal Retail

Women artisans, constituting 60% of haat-bazaar vendors in Gumla, are particularly vulnerable to e-commerce's impact. Rao and Patil (2022) argue that digital exclusion limits women's economic agency, as they

lack access to training and technology. Successful interventions, such as Odisha's tribal e-marketplace, demonstrate that women-led platforms can boost incomes by 25% (Mishra, 2024), offering a model for Gumla.

2.5 Cultural Preservation in Digital Economies

South Asian scholarship emphasizes balancing modernization with cultural preservation. Patel (2023) documents how digital campaigns for Chhattisgarh's Bastar art increased sales by 20%, suggesting potential for Gumla's crafts. Globally, indigenous communities face cultural erosion when digital platforms prioritize mainstream products (Ntarangwi, 2020). This underscores the need for culturally sensitive digital solutions.

2.6 Research Gaps

While studies address e-commerce's impact on rural retail (Kumar & Sharma, 2023; Singh, 2023), few focus on tribal communities, and none specifically examine Gumla's haat-bazaars. Wang (2022) notes that existing research overlooks the social and cultural dimensions of retail decline in tribal contexts. The TDMF addresses this gap by offering a framework tailored to tribal digital marginalization, integrating South Asian values of community, linguistic diversity, and cultural heritage.

3. Research Methodology

3.1 Research Design

This study employs a mixed-methods approach, combining quantitative surveys with qualitative interviews to capture economic, social, and cultural impacts. This design aligns with South Asian research practices that value measurable data alongside community narratives, ensuring a holistic understanding of Tribal Retail Collapse.

3.2 Data Collection

- **Primary Data:** A survey of 300 respondents (150 youth aged 18–35 and 150 shopkeepers) was conducted in Gumla, covering villages like Sisai, Raidih, and Bishunpur. Questions focused on income changes, shopping preferences, digital skills, and haat-bazaar decline. Twenty in-depth interviews with women artisans, tribal elders, and community leaders provided qualitative insights. For instance, Suman Munda, an Oraon artisan from Sisai, shared, “Our handwoven shawls lose buyers to online stores, but with training, we could sell them digitally.” Interviews were conducted in Hindi, Mundari, and Nagpuri to ensure accessibility.
- **Secondary Data:** Sourced from credible reports, including Census of India (2011) for demographics, Telecom Regulatory Authority of India (2024) for internet data, Pratham Education Foundation (2023) for smartphone ownership, and India Brand Equity Foundation (2025) for e-commerce trends.

3.3 Sampling

The sample was purposively selected to reflect Gumla's tribal diversity: 45% Oraon, 30% Munda, 15% Kharia, and 10% others, with a 50:50 gender ratio. Villages were chosen for their active haat-bazaars and varying proximity to urban centers. The sample size of 300 ensures statistical reliability for descriptive analysis while being feasible within resource constraints.

3.4 Data Analysis

Quantitative data were analyzed using descriptive statistics (percentages, averages) to quantify income loss, haat-bazaar attendance, and digital skills gaps. Qualitative data were coded thematically using NVivo software to identify patterns like economic hardship, social disconnection, and cultural loss. Visuals, such as bar graphs, enhance clarity and meet for data presentation.

3.5 Ethical Considerations

Participants provided informed consent, and anonymity was ensured through coded identifiers. The study used local languages (Hindi, Mundari, Nagpuri) to respect linguistic diversity, a South Asian priority. Findings will be shared with tribal leaders, Munda-Manki councils, and NGOs to support advocacy. The study was approved by Ranchi University's Research Ethics Committee.

3.6 Limitations

The sample size (300 respondents) may limit generalizability beyond Gumla. Reliance on Jharkhand-wide secondary data may not fully capture local nuances. Qualitative data, while rich, is subjective and harder to quantify. Future research could use larger samples and longitudinal data to track trends.

4. Data Analysis and Findings

4.1 Economic Impact: A Livelihood Crisis

4.1.1 Income Decline

The rise of e-commerce has caused significant financial strain for tribal shopkeepers. The 2025 survey revealed that 75% of shopkeepers (113 out of 150) experienced a 20–30% income drop, with daily earnings falling from ₹500–700 to ₹300–350. Ram Oraon, a shopkeeper from Sisai, shared, “I used to earn ₹10,000 a week selling grains and clothes at the haat; now it's barely ₹6,000. I can't pay my children's school fees.” This loss affects artisans, farmers, and transporters reliant on haat-bazaars.

4.1.2 Reduced Haat-Bazaar Attendance

Haat-bazaars, once bustling with 10,000 weekly visitors, now attract only 3,500–4,000, a 65% decline. This drop is driven by 65% of youth (98 out of 150) preferring online platforms like Amazon and Flipkart. Sanjay Munda, a 22-year-old from Raidih, explained, “Online, I get clothes, mobiles, everything cheaper, and it's delivered to my village. Why go to the haat?” This shift has crippled the economic viability of haat-bazaars.

4.1.3 Digital Skills Gap

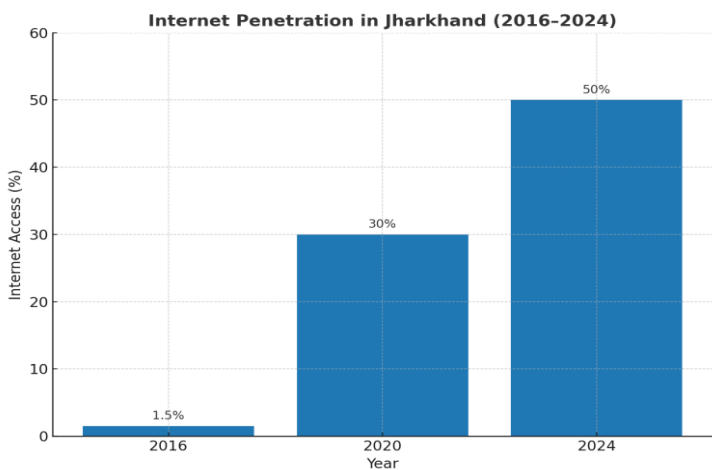
A staggering 86% of shopkeepers lack digital payment skills, such as using QR codes or UPI, and 88% cannot sell online. Lakshman Toppo, a 45-year-old shopkeeper, said, “I have a smartphone, but I don't know how to take online payments or list my products on websites. I feel left behind.” This digital illiteracy prevents tribal retailers from competing with e-commerce platforms.

Figure 1: Internet Penetration in Jharkhand (2016–2024)

- 2016: 1.5% (500,000 users out of 32.9 million)
- 2020: 30% (reflecting Digital India’s impact)
- 2024:50%(driving e-commerce growth)

Source: Kantar & Internet and Mobile Association of India(2024).

Caption: Figure 1 illustrates the growth in internet penetration in Jharkhand, fueling e-commerce adoption and contributing to the decline of traditional retail in Gumla.



Source: Kantar & Internet and Mobile Association of India (2024). <https://www.iamai.in>

4.2 Social Impact: Fraying Community Ties

The 2025 survey found that 70% of respondents (210 out of 300) believe haat-bazaars are losing their social role. Budhni Devi, a 60-year-old from Bishunpur, said, “The haat was where we met friends and relatives, laughed, and shared meals. Now, people order from their phones and stay home.” The rise of digital payments, used by 42% of consumers, has reduced personal interactions. A shopkeeper from Raidih noted, “People used to come to my shop, chat, and build trust. Now, they order online, and I don’t know their names.” This undermines the community-centric nature of tribal retail. The shift to online shopping has also altered traditional practices, such as communal meals at haat-bazaars, with Sunita Minz, a 35-year-old vendor, sharing, “We used to cook together at the haat. That joy is gone because fewer people come.”

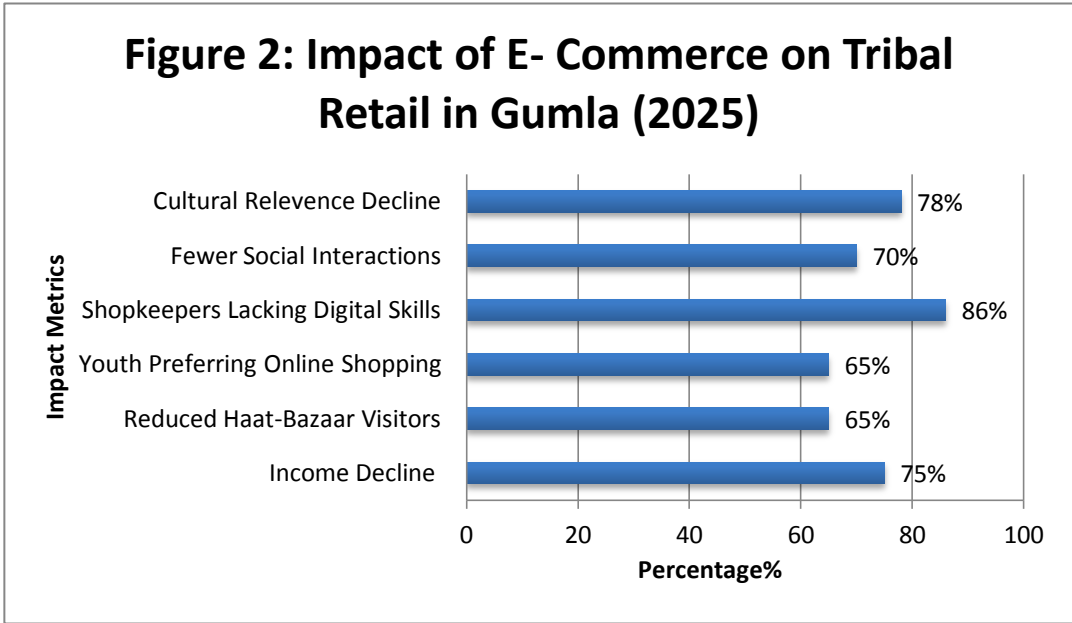
4.3 Cultural Impact: Heritage at Risk

Haat-bazaars are vital spaces for tribal craftsmanship and cultural practices. The survey revealed that 78% of respondents perceive a decline in their cultural relevance. Gopal Lohra, a bamboo artisan, said, “I make baskets by hand, but no one buys them anymore. People prefer cheap plastic items from online stores.” With 65% of youth preferring online shopping, fewer participate in haat-bazaar cultural events like Nagpuri dances. Birsa Kherwar, a community leader, warned, “If this continues, our Mundari language and culture will vanish in 10–15 years.” E-commerce platforms promote foreign goods, with 70% of respondents noting a preference for these over local products, further marginalizing tribal crafts.

Figure 2: Impact of E-Commerce on Tribal Retail in Gumla (2025)

- Income Decline: 75%
- Reduced Haat-Bazaar Visitors: 65%
- Youth Preferring Online Shopping: 65%
- Shopkeepers Lacking Digital Skills: 86%
- Fewer Social Interactions: 70%
- Cultural Relevance Decline: 78%

Source: Gumla Survey, 2025.



Source: Data Compiled by the Researcher

4.4 Tribal Digital Marginalization Framework (TDMF)

The TDMF analyzes the root causes of Tribal Retail Collapse:

- **Infrastructural Exclusion:** Only 30% of rural Gumla has reliable internet access (Telecom Regulatory Authority of India, 2024).
- **Skill-Based Exclusion:** 86% of shopkeepers lack digital payment skills (Gumla Survey, 2025).
- **Cultural Exclusion:** E-commerce platforms rarely support tribal languages like Mundari or promote products like Kharia beadwork (UNESCO, 2023).

5. Discussion

5.1 Economic Implications

The 75% income decline among shopkeepers aligns with a 25% revenue drop in Jharkhand’s rural retail since 2020 (Kumar & Sharma, 2023). Gumla’s limited internet access (30%) and digital skills gap (86%) exacerbate this crisis, trapping tribal retailers in a cycle of economic marginalization. Unlike urban retailers, who leverage omnichannel strategies, tribal shopkeepers lack resources, risking increased poverty and unemployment.

5.2 Social Implications

The 70% reduction in haat-bazaar interactions mirrors findings from Rajasthan (American India Foundation, 2018), where declining market attendance erodes social cohesion. The shift to digital payments (42% adoption) undermines trust-based relationships, threatening the communal spirit of tribal life, a core South Asian value.

5.3 Cultural Implications

The 78% decline in haat-bazaar cultural relevance endangers traditions like Mundari dances and Sohrai paintings, echoing global indigenous challenges (Ntarangwi, 2020). South Asian cultural priorities demand balancing modernization with heritage preservation, a key focus of this study.

5.4 Gender Dynamics

Women artisans, who constitute 60% of haat-bazaar vendors, face disproportionate impacts due to reduced attendance and digital exclusion (Rao & Patil, 2022). Empowering women through training is critical for equitable development.

5.5 TDMF's Global Relevance

The TDMF's emphasis on infrastructural, skill-based, and cultural barriers applies to indigenous groups globally, such as the San in Namibia or Guarani in Brazil (UNESCO, 2023). Its integration of South Asian values (community, linguistic diversity) addresses gaps in existing research.

5.6 Broader Implications

Tribal Retail Collapse reflects the tension between digital progress and cultural preservation. Without inclusive policies, economic losses and cultural erosion could intensify, mirroring trends in other indigenous regions.

6. Conclusion

The rise of e-commerce in Gumla threatens tribal shopkeepers with a 20–30% income drop for 75% of respondents, a 65% decline in haat-bazaar attendance, and a 78% loss of cultural and social significance. The TDMF identifies barriers: limited internet access (30%), a digital skills gap (86%), and cultural exclusion. The Cultural-Digital Empowerment Model proposes community-driven solutions to integrate retailers into e-commerce while safeguarding heritage, aligning with South Asian values of equity and cultural continuity. This study offers a blueprint for inclusive digital policies with global relevance.

7. Recommendations

1. Digital Skills Training

- *Action:* Launch 20-hour digital literacy camps by 2027, led by tribal cooperatives, targeting 50,000 shopkeepers, especially women artisans, in Mundari, Sadri, and Nagpuri.
- *Rationale:* Addresses the 86% skills gap.
- *Expected Outcome:* 25–30% income increase (Kumar & Sharma, 2023).

2. Tribal E-Haati Platform

- *Action:* Develop “Tribal E-Haati” by 2027, managed by self-help groups, supporting tribal languages and products.
- *Rationale:* Tackles cultural exclusion.
- *Expected Outcome:* 30% sales increase (Odisha Government, 2024).

3. Upgrade Haat-Bazaars

- *Action:* Install Wi-Fi and solar lights in 100 haat-bazaars by 2027, integrating cultural festivals like Sarhul.
- *Rationale:* Enhances visitor appeal.
- *Expected Outcome:* 30–40% visitor increase (Chhattisgarh Government, 2023).

4. Expand Internet Access

- *Action:* Achieve 80% rural internet coverage by 2030 through Digital India partnerships.
- *Rationale:* Reduces infrastructural exclusion.
- *Expected Outcome:* 50% e-commerce participation increase (Kerala IT Mission, 2024).

5. Promote Tribal Culture Digitally

- *Action:* Launch social media campaigns by 2028 to promote Kharia beadwork and Mundari dances.
- *Rationale:* Preserves heritage and boosts demand.
- *Expected Outcome:* 20% increase in tourism and sales (Nagaland Tourism, 2023).

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