

## **A STUDY ON E-COMMERCE GROWTH IN RURAL INDIA: RESHAPING RURAL CONSUMER BEHAVIOUR**

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**Abstract**—Emerging e-commerce sector growing rapidly which results a transformative shift towards development & growth. It reaches to every remote parts of India; rural areas are not exception to this. The spread of smartphones, increased internet facilities & supportive government schemes are collectively forced the adoption of online shopping across the nation, offering rural consumers' access to a diverse range of product & services. Digital access in rural areas has surged in the past decades. According to the Telecom Regulatory Authority of India (TRAI), rural internet subscriber reached 538.62 million by the end of December 2025, up from 357.99 million a year ago. The widespread of availability of connectivity, facilitates an economic transformation, as rural communities are not only accessing goods & services online but also showing positive participation in digital economy. This shift altering traditional buying behavior and reshaping it towards digitalized. The paper focuses on driving growth of e-commerce in rural areas in India.

**Keywords:** E-Commerce, Rural India, Communication, Consumer Behavior.

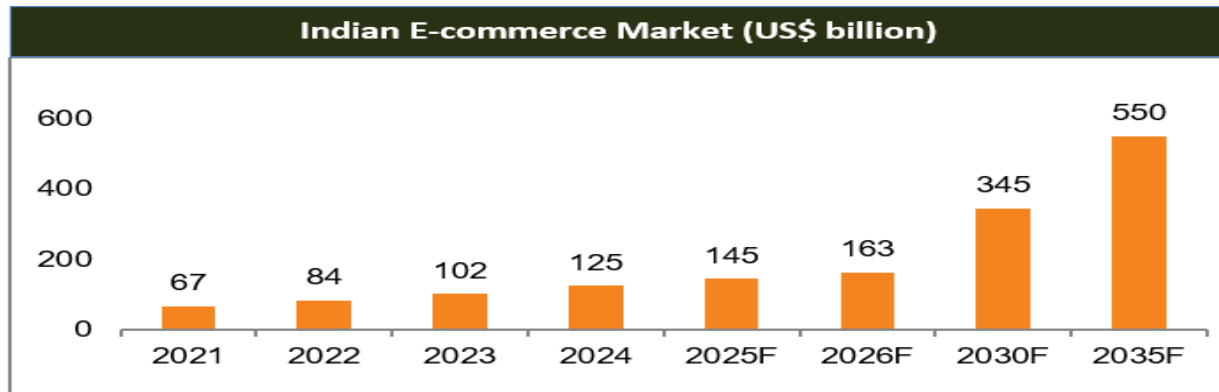
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### **E-COMMERCE LANDSCAPE IN INDIA:**

India's e-commerce industry is expanding rapidly. It is moving towards one of the largest and rapid growing market in the world. This is possible because of increased internet availability & accessibility. Initially it focuses on urban areas. E-commerce has since extended its reach to rural areas, which transforming local economies & consumer habits. Digital access in rural areas has been from past decades, According to Telecom Authority of India (TRAI) rural internet subscribers reached to 538.62 million in 2025. Increased accessibility of internet facilities and transportability to rural areas facilitates an economic transformation. Rural customers are not only doing online purchase but also participating to all other digital activities.

According to Deloitte, India's e-commerce market was valued US \$ 67 billion in 2021, increased by US\$84 billion by 2022, US\$102 billion by 2023, and US\$ 125 billion by 2024, Expected to reach US \$ 345 billion in the year 2030. The growing digitalization is result of growing mobile & internet penetration & demand for increasing online shopping. E-commerce platform is offering shopping interface in regional languages, it tie-up with local stores & use of AI driven algorithms to attract audience. The COVID 19 pandemic give tremendous trends as lockdowns increases online shopping demands across India in both rural & urban areas. These trends resulted in expanding E-commerce landscape in large segment of rural consumers.

The following chart shows rapid increase of E-commerce Market size in India.



*Source: News articles, F- Forecasted*

## **E - COMMERCE GROWTH IN RURAL INDIA**

Indian rural market has shown a huge growth potential for E-commerce. With significant driven smartphone penetration, and increasing internet connectivity, the rural economy's digital transformation reshaping customers reach and opening many pathways for economic growth.

### ➤ **RURAL MARKET POTENTIAL:**

India's rural population comprises over 70% of the country's total population, representing a massive market growth with untapped potential. Rural retail market size valued at approximately US\$ 1 trillion, contributes significantly to India's GDP. In 2021, the National Sample Survey Office (NSSO) reported that over 70% of rural households have seen an improvement in living standards in the last decade. According to reports rural markets are expected to contribute about \$100 billion in retail sales by 2025, presenting opportunities for growth.

### ➤ **IMPACT OF AFFORDABLE SMART PHONES AND INTERNET:**

India's Digital Campaign gives a remarkable platform for improvement of digital infrastructure. The launch of low-cost smartphones and ultra-affordable internet plans increases the access of digital customers in rural areas. The digital communities in rural areas of India is showing increasing trend from 285.97 million in March 2020 to 398.35 million by March 2024. The availability of local languages support online shopping applications makes the rural customer easy accessibility over shopping online. Amazon, Messho and Flipkart provide options to browse in multiple Indian languages, making it easier for regional language rural customers to participate in the digital economy.

The Internet subscriber base in the year 2020 was 285.97 million which continuously is increasing, in the year 2021-the internet subscribers reach 322.77 million, with increasing speed 2022 it reaches to 331.81 million, in the year 2023 it was 357.99 million, in the year 2024 it reached to 398.35 million & By the end of **2025**, the rural internet landscape in India reached a subscriber base of approximately **434.27 million** users.

### **SHIFT IN CONSUMER BEHAVIOUR:**

As e-commerce showing remarkable increasing trend across India, rural consumers are shifting from traditional attire to online shopping, reflecting a major shift in consumer behavior. This transition, redefines what, how, and where rural consumers buy. Social media platforms and digital gadgets played major role for shifting and connecting rural consumers online.

### ➤ **SHIFT FROM TRADITIONAL TO DIGITAL:**

Rural consumers depends heavily on local markets, where shopping was a physical platform tied closely communicated with local customers. The varieties provided in products are limited, especially in branded products. With the help of internet shopping concept totally changed customers are getting varieties of choices, can access branded product easily. The shopping by internet makes online shopping cost effective and convenient.

Convenience plays an important place in online shopping. Historically, rural consumers has to visit physically, with the help of internet rural consumers can browse easily for clothing, electronics, household and even specialized items.

Consumers who previously spent hours travelling to physical markets can now receive the goods by one click. Access to variety of products at reasonable prices and discounts has made online shopping highly attentive to rural consumers.

### ➤ **INFLUENCE OF SOCIAL MEDIA AND DIGITAL PAYMENT SYSTEMS**

The social media applications like Whatsup, Facebook, instagram and many more platforms are powerful channels for driving e-commerce growth in rural areas. They serve as area where marketing affected, these platforms provides detail information regarding product which includes where to purchase, its price and many more features of the product. Whatsup and instagram provides a platform to showcase the product, rural customers can negotiate with prices and it provides direct link for payment.

Digital payment systems have been transformative in building trust in online shopping. Rural consumers, who trust on only traditional method that is cash transactions, are becoming more comfortable with digital payments due to simple, secure, and efficient digital payment applications popularly Unified Payment system. The convenience and security of payment systems helps to reduce effectively the entry barrier for rural consumers to participate in the digital economy.

### **PREFERENCES AND TRENDS:**

The rural consumer's base changing gradually, with noticeable trends indicating rural consumers are shift towards sophisticated preferences. The focusable trend includes:

**1. Smart phones penetrating into rural India:** the usage of smart phones in rural India increases. Nearly 38 per cent of rural population using smart phones, which is about total 320 million, is rural mobile phone users. Growing demand for smart phones easily attracts digital marketing as people get familiar with product with the help media exposure.

**2. Increased level of education:** the people of rural India are giving importance to education. The rural people are aware of products through education and media exposure. The online shopping with the popular applications like flipcart, amazon and meesho is easy as they providing demos and gives information through local languages, which educates the people to aware about product.

**3. Trend towards branded products:** By increasing access towards information and exposure towards advertising products by using social media applications, rural consumers are becoming brand conscious. Before purchase they are focusing now on quality, brand and durability of product. This trend has been encouraged E-commerce platform to offer branded products often unavailable in local markets.

#### **4. Preference for digital payments:**

Cash on Delivery (COD) remains common and most trusted option but now rural customer's shows a clear shift toward digital payments, because of its convenience and security provided by digital applications. UPI, mobile wallets like Paytm and Google Pay are gaining popularity among rural shoppers, especially younger, more digitally preferred consumers. The availability of these payment options creates consumer confidence, allowing them to make transactions easily without any issues.

**3. Demand for product variety and customization:** The tastes of rural consumers differ from urban consumers. Rural consumers demanding a variety of products that caters to specific tastes. There is a growing interest in regional and culturally specific products. Ecommerce platforms have responded by offering demanded products and product varieties that match with local tastes.

#### **4. High customer service expectations:**

As rural consumers moving towards online shopping the expectations towards after sale services also increases. This demand has led e-commerce companies to invest in localized after sales services given to rural customers to create customer trust and encouraging repeat purchases.

#### **5. Socially informed buying choices:**

As a usage of internet in rural areas is increasing, the rural consumers are familiar with different product; one of the important tools of attraction for product is social media applications. Social media platforms are popular sources of product information and demonstrations, allowing consumers to carefully consider their options before making a purchase. This trend indicates a shift towards informed purchasing behavior.

## **6. Health and sustainability awareness:**

Rural consumers shift their preference towards eco-friendly products. This trend, reflected in the demand for organic foods, natural beauty products, and energy-efficient appliances. Rural consumers are showing a willingness to pay for a product which is provides least impact on health.

### **CHALLENGES:**

The e-commerce growth increasing rapidly in rural areas but persist limitation each offering opportunities for improvement. Infrastructure & connectivity remain major problems. Many rural areas still lack reliable high speed internet. While 4G/5G coverage has expanded, network quality often suffers, causing frequent payment failures and disrupted transactions. Improved updated connectivity could solve these issues. Digital literacy and creating trust are also challenges; rural consumers, particularly the older generation, are unfamiliar with online shopping and wary of digital transactions, fearing fraud or misuse of data. Proper education campaign, localized support services, data & payment security can create digital trust among rural consumers.

### **CONCLUSION:**

The E-commerce in rural India is growing in size. Emerging trends in Indian rural market like increasing internet penetration, adoption of localized platforms, social media exposure through Whatsup, Facebook & Instagram & shift towards branded product shows vibrant rural market. To unlock further growth, there is a need for targeted investments in digital education & infrastructure. Initiatives should be taken to boost digital literacy to empower rural consumers. The connectivity with villages should be stronger. The E-commerce transformation drive has potential in reshaping consumer behavior and also enhances economic inclusion, narrowing the rural-urban divide. Looking ahead, the integration of Artificial Intelligence into personalized rural experiences and efficient supply chains can accelerate growth, empowering rural communities to participate in the digital economy. This journey needs proper support from government to connect rural India digitally to whole world to accelerate economic growth of country.

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