

# A Study on Rural Consumer Behaviour Towards Online Shopping: Evidence from Villages Around Renigunta and Yerpedu Andhra Pradesh

**Dr. K. Tirumalaiah**

Assistant Professor, Department of MBA

Annamacharya Institute of Technology and Sciences, Autonomous, Tirupati

Email id: [tirumalaiahk2002@gmail.com](mailto:tirumalaiahk2002@gmail.com)

**Dr. Jayakranth Rapoori**

Associate Professor, Department of MBA


Siddharth Institute of Engineering & Technology, Autonomous, Puttur.

Email Id: [jk.rapoori@gmail.com](mailto:jk.rapoori@gmail.com)



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## Abstract

The expansion of digital infrastructure and e-commerce platforms has significantly influenced consumer behaviour in India. However, rural adoption remains uneven. This study examines awareness, motivations, barriers, and satisfaction levels of rural consumers towards online shopping in Tirupati district, Andhra Pradesh. Using a sample of 267 respondents, the findings reveal high awareness but moderate usage, with price and product variety as key drivers. Major challenges include digital illiteracy and difficulty in using online payment systems. The study suggests targeted digital literacy programs and simplified payment systems to enhance rural participation in e-commerce.

**Keywords:** rural consumers, online shopping, digital literacy, e-commerce, consumer behaviour

## Background of the Study

India's rural economy has historically served as the backbone of the nation, a reality underscored by Mahatma Gandhi's assertion that "villages are the backbone of the country." A significant share of the Indian population resides in rural areas, and their livelihood primarily depends on agriculture and allied activities. This agrarian foundation not only shapes the socio-economic structure of rural households but also contributes substantially to the national economy. Over the past decade, rural India has witnessed major transformations driven by improved infrastructure, rising income levels, government-led digital initiatives, and enhanced access to communication networks. These developments have gradually bridged the gap between rural and urban markets, bringing rural consumers into the mainstream of national economic activity.

At the same time, the rural population represents one of the largest consumer bases in the country, offering immense potential for trade and commerce. Traditionally limited to local markets, rural consumers are now increasingly exposed to branded products, diverse product choices, and modern retail formats. The rapid penetration of smart phones, affordable internet connectivity, and expanding logistics networks has opened new avenues for rural shoppers, particularly through e-commerce platforms. As a result, rural consumer behaviour is undergoing significant change, with online shopping emerging as a growing trend even in remote areas. Understanding this transition—its drivers, barriers, preferences, trust factors, and perceived risks—has become essential for marketers, policymakers, and

researchers. This study therefore seeks to explore how rural consumers perceive online shopping and identify the factors influencing their adoption and purchase patterns in the digital marketplace.

### **Statement of the Problem**

Despite the rapid expansion of digital infrastructure and the growing reach of e-commerce platforms in India, the adoption of online shopping among rural consumers remains uneven and inadequately understood. While rural markets represent a large and emerging consumer segment, their online purchase behaviour is shaped by unique socio-economic, cultural, and infrastructural conditions that differ significantly from urban settings. Factors such as limited digital literacy, irregular internet access, trust issues related to online transactions, lack of exposure to branded products, delivery constraints, and perceived risks influence rural consumers' willingness to shop online.

Although recent trends indicate a gradual shift in rural buying behaviour—driven by increased connectivity, aspirational consumption, and greater interaction with urban markets—there is still insufficient empirical evidence on how rural consumers evaluate online shopping, what motivates their adoption, and what barriers prevent wider acceptance. This gap in understanding makes it challenging for marketers, policymakers, and digital service providers to design effective strategies tailored to rural needs. Therefore, the central problem addressed in this study is to examine the changing purchase patterns of rural consumers and identify the key factors influencing their behaviour towards online shopping.

### **Objectives of the Study**

#### **1. General Objective**

To examine the behaviour of rural consumers towards online shopping in villages nearby Renigunta (land mark oldest and big panchayath )

#### **2. Specific Objectives**

1. To study and examine the consumer awareness towards online shopping platforms.
2. To identify the socio-economic and demographic factors that influence online shopping.
3. To study the motivations that encourages rural consumers to prefer online shopping.
4. To examine the barriers and challenges of online shopping .
5. To evaluate overall satisfaction level of rural consumers with online shopping.

### **Rural consumer characteristics**

#### **1. Low Level of Income**

The income level of rural consumers is generally low or below average when compared with their urban counterparts. A significant characteristic of rural income is that it is largely dependent on agriculture and allied activities, which makes it highly seasonal and irregular. As a result, rural households prioritize spending on essential and unavoidable needs such as food, health requirements, children's education, marriage expenses, traditional ceremonies, and other cultural or family-related events. Due to the limited and fluctuating nature of their income, discretionary spending is relatively low, and purchase decisions are often guided by necessity rather than desire. This economic pattern significantly influences the consumption behaviour and purchasing priorities of rural consumers, including their adoption of modern buying channels such as online shopping.

#### **2. Education Level**

The education level of rural consumers is generally lower compared to their urban counterparts. In many rural households, only one or none of the family members may possess basic educational qualifications such as SSC or Intermediate. Higher education levels—such as graduation or post-graduation—are typically limited to very few members, usually the younger generation like sons, daughters, grandsons, or granddaughters. As a result, the majority of rural families have limited formal education. This low level of educational attainment affects their awareness, understanding of product information, and ability to make informed purchase decisions. It also influences their comfort and confidence in using digital platforms such as online shopping apps, thereby shaping their overall consumer behaviour.

### 3. Collective Purchase Decision

Collective decision-making is a distinctive characteristic of rural consumer behaviour. In most rural households, purchase decisions are not made individually but involve the participation of the entire family. When any member of the family identifies a need, it is first communicated to the head of the family—typically the father, mother, or an elderly decision-maker. The head of the family then evaluates whether the need is essential, appropriate, and financially feasible. Once the need is approved, the whole family becomes involved in the decision-making process. This may include gathering information from neighbours, relatives, or local shopkeepers; seeking product samples; comparing options; and presenting these alternatives to the parents or senior family members for final approval. Thus, the purchase decision—whether it is for an individual member or for the entire household—is shaped through collective consultation, discussion, and agreement. This strong family participation reflects the cultural, social, and economic structure of rural communities and significantly influences rural buying patterns

### 4. Impact of Reference Groups

Reference groups play a significant role in shaping the purchase decisions of rural consumers. In rural settings, individuals often depend on the opinions, experiences, and suggestions of people within their close social network before making a purchase. These reference groups commonly include family relatives (kith and kin), neighbours, financially supportive individuals such as local money lenders or debtors, village elders, educated persons in the community, and other socially respected members. Their guidance is considered credible and trustworthy due to close social ties and the communal nature of rural life.

Although reference groups influence consumer behaviour in both rural and urban contexts, their impact is comparatively stronger in rural areas because of limited exposure to formal information channels, lower literacy levels, and greater reliance on interpersonal communication. Therefore, the influence of reference groups—though not entirely unique to rural consumers—remains an essential and powerful factor shaping rural purchase decisions.

### 6. Value-Conscious Consumers

The source and level of income among rural consumers are often uneven and uncertain. Since agricultural income is seasonal and irregular, the flow of money within rural households remains limited for most of the year. Cash becomes relatively scarce in the rural economy, making rural families highly cautious about their expenditure. Whenever a rural household receives a significant amount of money—such as through the sale of agricultural produce, livestock, or a part of their land—the amount is usually pre-allocated for essential and long-term commitments like children's marriage, house construction, repayment of debts, or other unavoidable family obligations.

Under these conditions, rural consumers place high importance on ensuring that every rupee spent yields maximum value. They evaluate products carefully, compare alternatives, and often engage in bargaining to secure the best possible deal. This financial caution and the need to optimize limited resources makes rural consumers strongly **value-conscious buyers**, prioritizing affordability, durability, and utility in every purchase decision

### Review of literature

**Nielsen (March 2020)** when Covid-19 occurred, there are more than 50% of customers reduced their frequency of visiting physical stores, 80% reduced their occasions of out-of-home consumption and 39% bought more frequently from online shopping channels. The type of goods being searched and purchased has changed drastically since the appearance of Covid-19, mostly about hygiene goods (76%), travel plans (63%, though 22% of it was cancelled), home-cooking, and home-eating which are also more often consumed (63%). One of the noticeable issues is that around 64% of Vietnamese are prepared to keep maintaining their new habits which are using food delivery or purchasing goods online even after the pandemic.

**Gaikwad (2015)** explained that the prime purpose of the research is to identify and analyze the factors influencing consumers to shop online. Besides the factors influencing another purpose of the study is to analyze who are online shoppers in terms of demography

**Sureshkumar (2017)**, discussed the rural people's behavior towards online shopping, and why they prefer online shopping. In recent years, rural markets have acquired significance, as the overall growth of the economy has resulted in a substantial increase in the purchasing power of the rural communities. Rural Markets are defined as those

segments of the overall market of any economy, which are distinct from the other types of markets like the stock market, commodity markets, or Labor economics. Online shopping or e-shopping is a form of electronic commerce that allows consumers to directly buy goods or services from a seller over the Internet using web browser alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront, and virtual store. The purpose of this study is to analyze the impact of consumer perceptions regarding online shopping. A sample of 100 (63 males and 37 females) respondents was taken into consideration from rural areas.

**Santhi & Gopal (2018)** found that understanding customers' needs and desires for online buying, the selling has become a challenging task for marketers. Especially understanding the consumer's attitudes toward online shopping, improving the factors that influence consumers to shop online, and working on factors that affect consumers to shop online will help marketers to gain a competitive advantage over the others.

**Singhal & Patra (2018)** in their study found that A preference measurement check was made to know the perception of the consumers regarding the top e-commerce website i.e. Flipkart, Amazon, Snapdeal, Jeong, Shop clues, and others. The major reason behind their perception was based on various discounts, easy payment facilities, easy return facilities, timely and express delivery Wai et al (2019) Literature show that when consumers get influenced to buy a particular product or service, some underlying roots are based on their behavior.

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### Area of the Study

The present study was conducted in and around two major panchayats—**Renigunta** and **Yerpedu**—located in Tirupati district of Andhra Pradesh. These two areas were purposefully selected due to their unique geographical, cultural, and economic characteristics, as well as their proximity to two world-famous temple towns: **Tirupati** and **Sri Kalahasthi**.

**Renigunta** is one of the oldest and most significant settlements in the region, with the railway line established as early as 1862. The panchayat is well-connected and serves as a nodal point for more than 50 surrounding panchayats and habitations, catering to a population of approximately **60,000**. Another major feature of Renigunta is the presence of the **first-generation industrial estate, Gajulamandiyam**, which has contributed to industrial and business activity in the region.

**Yerpedu**, another key panchayat in Tirupati district, comprises 45 panchayats and habitations with a population of around **65,000**. Yerpedu has witnessed rapid development in recent years, emerging as a significant educational and industrial hub. It is home to national institutions such as **IIT Tirupati** and **IISER Tirupati**, along with more than 20 electronic manufacturing units running in EMC -2 (Electronic manufacturing cluster -2) including **TCL, Dixon, Celkon, Corbon, Sunny Opotech, and Foxlink**.

A major reason for selecting these two areas for the study is the contrast between their **proximity to major urban religious centers** and the **relatively low awareness and adoption of online shopping** among rural households. Although both locations are geographically strategic and economically progressive, the penetration and usage of online shopping facilities remain significantly limited. This contrast makes Renigunta and Yerpedu suitable locations for exploring rural consumer behavior toward online shopping.

### Sampling Method

The study employed **convenience sampling** to select respondents from the 25 panchayats in the Renigunta and Yerpedu regions. From each panchayat, **12 respondents** were chosen, resulting in a total of **300 distributed questionnaires**. The respondents were selected based on their availability and willingness to participate, ensuring representation across different age groups, gender, and socio-economic backgrounds.

Upon scrutiny of the completed questionnaires, **33 responses were found to be incomplete** and were therefore rejected. Consequently, a total of **267 valid responses** were considered for analysis. This final sample provides a reliable representation of rural consumer behaviour towards online shopping in the selected study area.

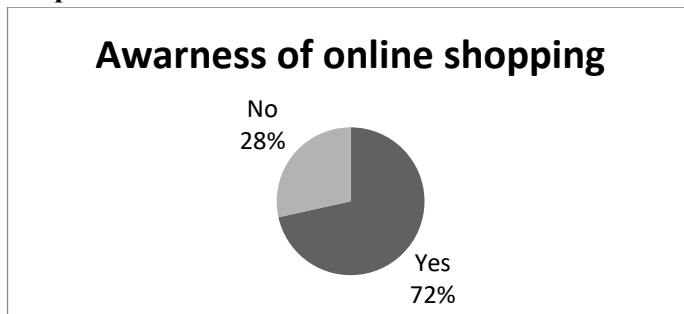
### Data analysis and interpretations

**Table :1**

**Awareness of Online Shopping Platforms**

Responses	Number of Respondents	Percentage (%)
Yes	191	72%
No	76	28%
<b>Total</b>	<b>267</b>	<b>100%</b>

**Graph :1**



### Interpretation :

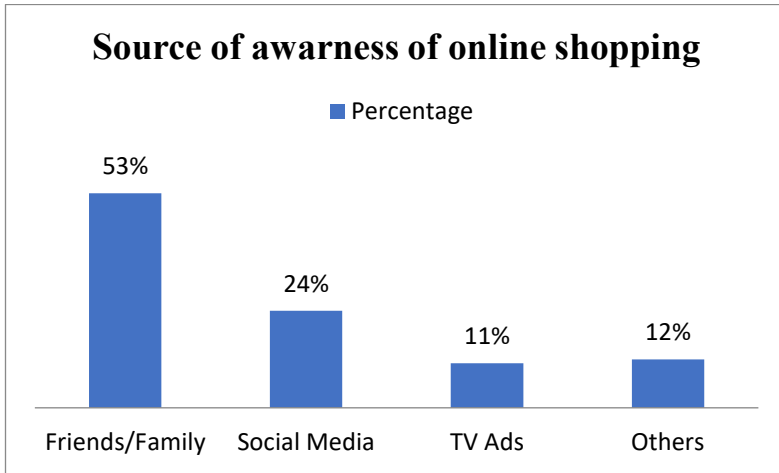
From the above we conclude that a significant majority (72%) of respondents are aware of online shopping platforms, indicating high digital awareness, while 28% remain unaware, reflecting a moderate gap in technological exposure among consumers.

**Table :2**

**If respondent was aware, Source of Learning About Online Shopping**

Responses	Number of Respondents	Percentage
Friends/Family	102	53%
Social Media	45	24%
TV Ads	21	11%
Others	23	12%
<b>Total</b>	<b>191</b>	<b>100%</b>

**Graph:2**



**Interpretation :**

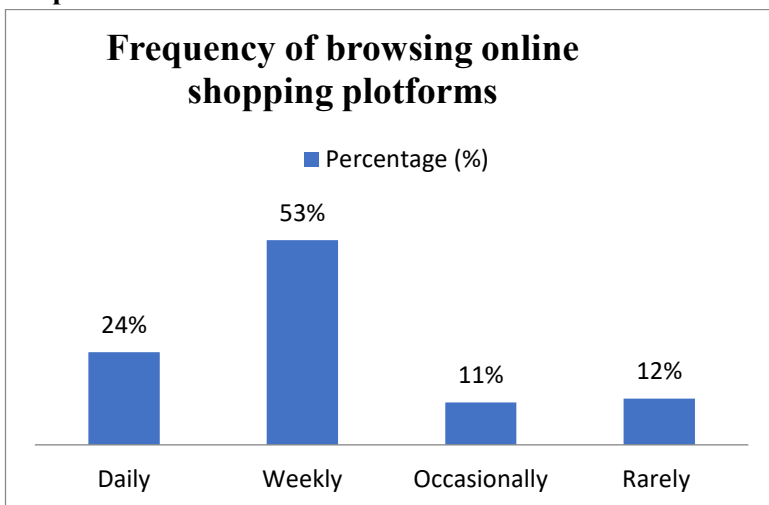
From the above table, it is evident that a majority of respondents (53%) learned about online shopping through friends and family, highlighting the dominance of interpersonal communication, followed by social media (24%), indicating the growing role of digital influence, while TV advertisements (11%) and other sources (12%) contribute comparatively less to awareness creation.

**Table:3**

**Frequency of Browsing Online Shopping Platforms**

Responses	Number of Respondents	Percentage (%)
Daily	46	24%
Weekly	101	53%
Occasionally	21	11%
Rarely	23	12%
<b>Total</b>	<b>191</b>	<b>100</b>

**Graph:3**



**Interpretation:**

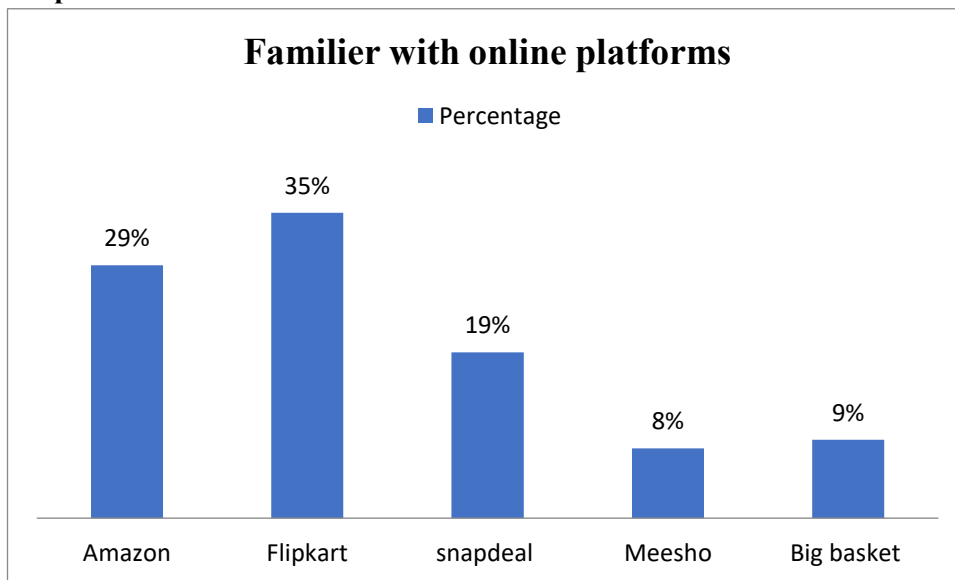
From the above table, it is evident that a majority of respondents (53%) browse online shopping platforms on a weekly basis, indicating moderate engagement levels. Daily users constitute 24%, reflecting active usage, while occasional

(11%) and rare (12%) users signify comparatively lower interaction and limited browsing frequency among a segment of respondents.

**Table:4**  
**Familiar Online Platforms**

Responses	Number of Respondents	Percentage
Amazon	56	29%
Flipkart	67	35%
snapdeal	36	19%
Meesho	15	8%
Big basket	17	9%
<b>Total</b>	191	100%

**Graph:4**



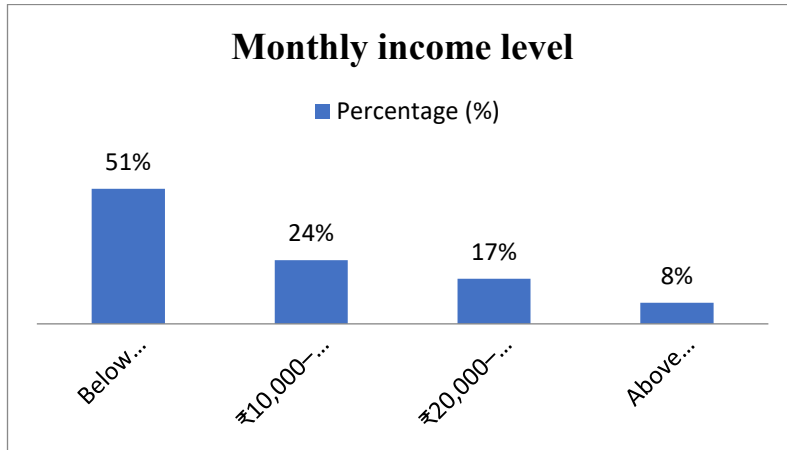
**Interpretation:**

From the above table, it is evident that Flipkart (35%) is the most familiar platform among respondents, followed by Amazon (29%), indicating strong consumer awareness of leading e-commerce players. Snapdeal (19%) shows moderate familiarity, whereas BigBasket (9%) and Meesho (8%) reflect relatively lower recognition among respondents.

**Table :5**  
**Monthly Income Level**

Responses	Number of Respondents	Percentage (%)
Below ₹10,000	98	51%
₹10,000–₹20,000	45	24%
₹20,000–₹30,000	33	17%
Above ₹30,000	15	8%
<b>Total</b>	191	100%

**Graph:5**



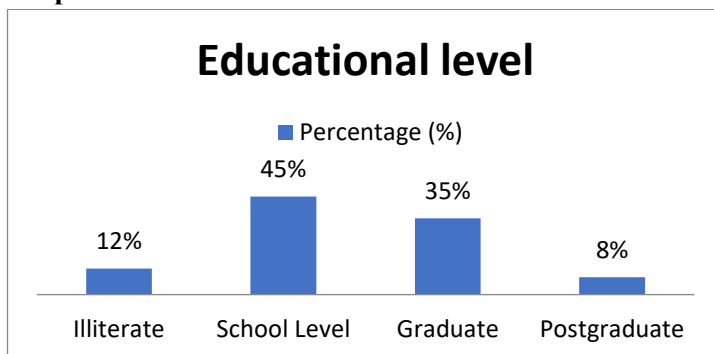
**Interpretation:**

From the above table, it is observed that a majority of respondents (51%) fall under the below ₹10,000 income group, indicating a predominantly low-income sample profile. The ₹10,000–₹20,000 category accounts for 24%, followed by ₹20,000–₹30,000 (17%), while only 8% of respondents belong to the above ₹30,000 income group, reflecting limited representation of higher-income individuals.

**Table:6**  
**Education Level**

Responses	Number of Respondents	Percentage (%)
Illiterate	23	12%
School Level	85	45%
Graduate	67	35%
Postgraduate	16	8%
<b>Total</b>	191	100

**Graph:6**



**Interpretation:**

From the above table, it is observed that a majority of respondents (45%) possess school-level education, indicating a moderately educated sample profile. Graduates constitute 35%, reflecting a significant proportion of higher

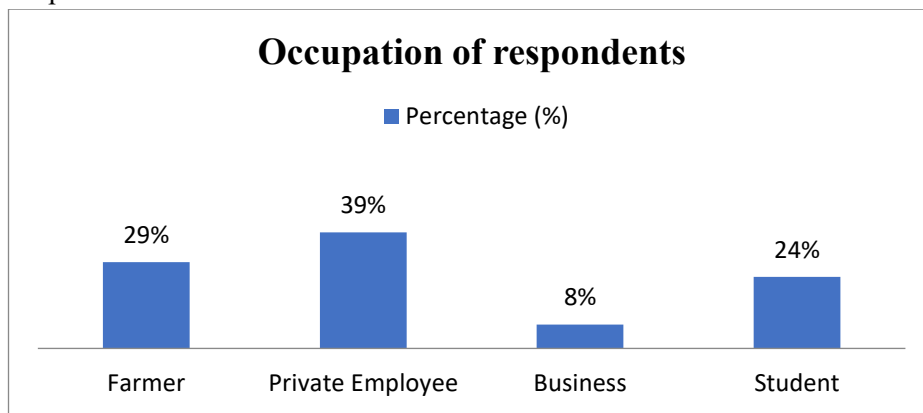
educational attainment, while illiterate respondents account for 12%. Postgraduates represent only 8%, indicating limited representation of highly educated individuals within the sample.

**Table:7**

**Occupation of respondents**

Responses	Number of Respondents	Percentage (%)
Farmer	56	29%
Private Employee	75	39%
Business	15	8%
Student	45	24%
<b>Total</b>	191	100%

**Graph:7**



**Interpretation:**

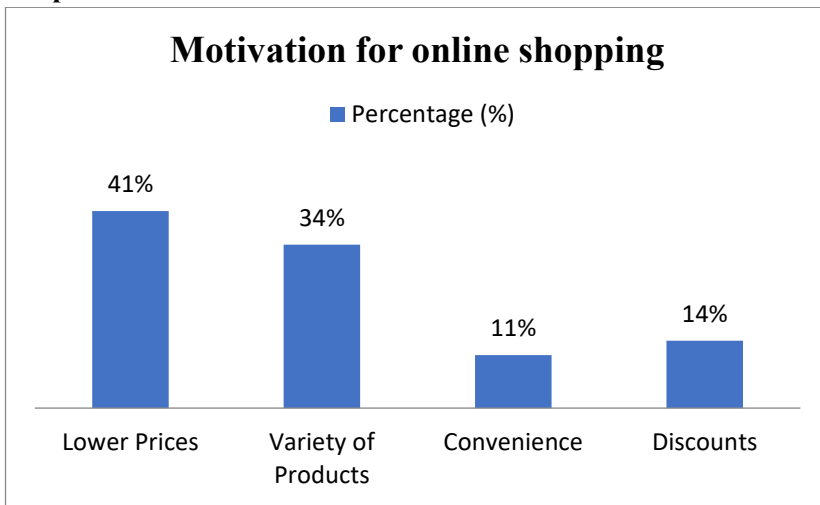
From the above table, it is evident that respondents are predominantly employees (39%) and farmers (29%), indicating occupational concentration, while business (8%) representation is minimal, reflecting an uneven occupational distribution.

**Table:8**

**Motivation for Online Shopping**

Responses	Number of Respondents	Percentage (%)
Lower Prices	79	41%
Variety of Products	65	34%
Convenience	21	11%
Discounts	26	14%
<b>Total</b>	191	100%

**Graph:8**



**Interpretation:**

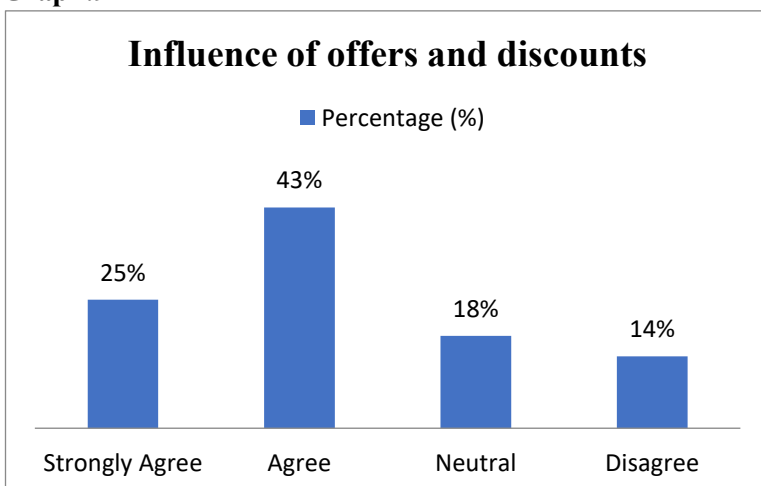
From the above table, it is evident that lower prices (41%) are the primary motivation for online shopping, followed by product variety (34%), while convenience (11%) and discounts (14%) exert comparatively lesser influence on consumer purchasing behavior.

**Table:9**

**Influence of Offers/Discounts**

Responses	Number of Respondents	Percentage (%)
Strongly Agree	47	25%
Agree	82	43%
Neutral	35	18%
Disagree	27	14%
<b>Total</b>	191	100%

**Graph:9**



**Interpretation:**

From the above table, it is evident that a majority of respondents (68%) either strongly agree or agree that offers and discounts influence purchase decisions, indicating a strong impact of promotional strategies, while 18% remain neutral and 14% disagree, reflecting limited resistance among a smaller segment.

**Table:10**

**Preference for Time-Saving in Online Shopping**

Responses	Number of Respondents	Percentage (%)
Yes	108	57%
No	83	43%
<b>Total</b>	<b>191</b>	<b>100</b>

**Graph:10**



**Interpretation:**

From the above table, it is observed that a majority of respondents (57%) prefer online shopping for its time-saving benefits, indicating moderate inclination towards convenience, while 43% do not perceive significant time-saving advantages.

**Table:11**

**Trust on Shopping Online**

Responses	Number of Respondents	Percentage (%)
Yes	147	77%
No	44	23%
<b>Total</b>	<b>191</b>	<b>100%</b>

**Graph:11**



**Interpretation:**

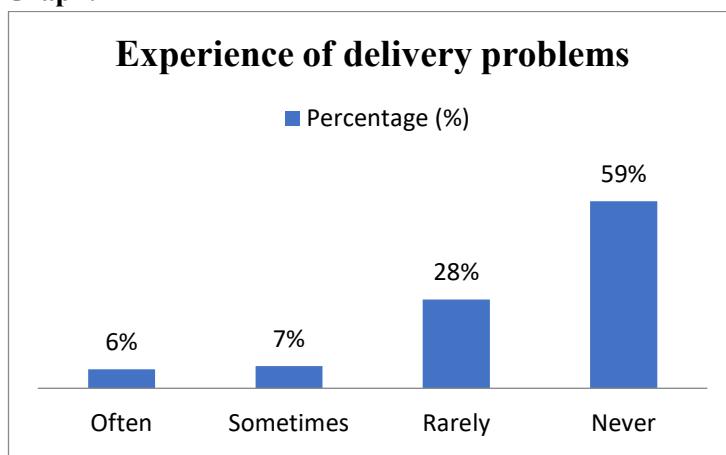
From the above table, it is evident that a substantial majority of respondents (77%) experienced trust on shopping online, indicating significant concerns regarding reliability and security, while only 23% express no trust on online transactions.

**Table:12**

**Experience of Delivery Problems**

Responses	Number of Respondents	Percentage (%)
Often	12	6%
Sometimes	13	7%
Rarely	54	28%
Never	112	59%
<b>Total</b>	<b>191</b>	<b>100%</b>

**Graph:12**



**Interpretation:**

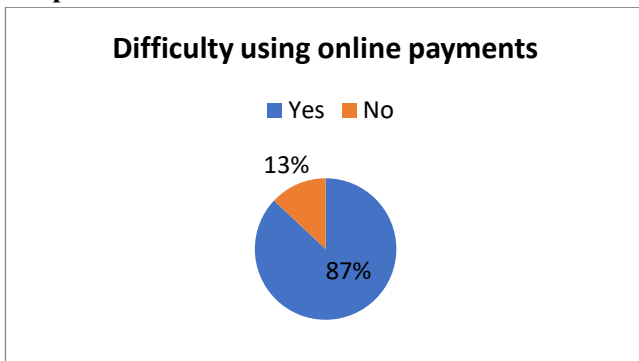
From the above table, it is evident that a majority of respondents (59%) have never experienced delivery problems, indicating satisfactory logistics performance, while 28% rarely face issues. Only a small proportion report sometimes (7%) or often (6%) encountering delivery-related difficulties.

**Table:13**

**Difficulty Using Online Payment Methods**

Responses	Number of Respondents	Percentage (%)
Yes	167	87%
No	24	13%
<b>Total</b>	<b>191</b>	<b>100</b>

**Graph:13**



**Interpretation :**

From the above table, it is evident that a vast majority of respondents (87%) experience difficulty using online payment methods, indicating significant usability and digital literacy challenges, while only 13% report ease in handling such transactions.

**Table:14**

**Satisfaction with online shopping**

Responses	YES	NO	Total	% of YES	% of NO
Overall satisfied	163	28	191	85	15
satisfied with delivery	169	22	191	88	12
satisfied with product quality	176	15	191	92	8
satisfied with price	172	19	191	90	10
satisfied with offers	153	38	191	80	20



## Interpretation:

From the above table, it is evident that respondents exhibit high satisfaction levels across online shopping dimensions, particularly product quality (92%) and delivery (88%), while comparatively lower satisfaction is observed with offers (80%), indicating scope for improvement.

## Findings

1. A substantial majority of respondents (72%) are aware of online shopping platforms, indicating high digital awareness; however, a notable 28% remain unaware, reflecting a persistent digital divide.
2. Interpersonal sources (53%) dominate awareness creation, followed by social media (24%), highlighting the strong influence of informal communication channels over traditional media.
3. Most respondents (53%) engage with online shopping platforms on a weekly basis, indicating moderate usage, while only 24% are daily users, suggesting limited habitual engagement.
4. Flipkart (35%) and Amazon (29%) emerge as the most recognized e-commerce platforms, demonstrating strong brand dominance in the market.
5. The sample is predominantly low-income, with 51% earning below ₹10,000, indicating high price sensitivity among consumers.
6. Lower prices (41%) and product variety (34%) are the primary drivers of online shopping, emphasizing value-oriented consumer behavior.
7. A significant proportion (68%) of respondents are influenced by offers and discounts, indicating the effectiveness of promotional strategies in driving purchase decisions.
8. Despite high satisfaction with product quality (92%) and delivery (88%), a critical issue is that 87% of respondents face difficulty using online payment systems, highlighting a major usability barrier.

## Suggestions

1. Digital literacy initiatives should be strengthened to reduce the awareness gap and include the 28% of respondents unfamiliar with online shopping platforms.
2. Marketing strategies should emphasize word-of-mouth and social media engagement to capitalize on the most influential awareness channels.
3. E-commerce platforms should enhance user engagement through personalized experiences, loyalty programs, and notifications to convert occasional users into frequent users.
4. Lesser-known platforms should invest in aggressive branding and promotional campaigns to compete with dominant players like Flipkart and Amazon.
5. Pricing strategies should remain competitive and tailored to low-income consumers, including budget-friendly products and flexible payment options.
6. E-commerce companies should prioritize competitive pricing and wider product assortments to align with key consumer motivations.
7. Promotional campaigns should be made more transparent, attractive, and personalized to further leverage the strong influence of discounts and offers.
8. Immediate attention is required to simplify online payment systems through user-friendly interfaces, multilingual support, and digital payment education programs to overcome usability challenges.

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