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RESEARCH EXPLORER-International Journal on Economics and Business Management

ISSN: 2250-1940 (P) 2349-1647 (O)

Impact Factor: 8.276 (12OR), 3.676 (COSMOS)

Volume XV, Issue 53

October - December 2026

Formally UGC Approved Journal (63185), © Author

A STUDY ON CHANGING CONSUMER BUYING BEHAVIOUR AND ITS IMPACT ON RURAL RETAIL BUSINESSES

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ABSTRACT

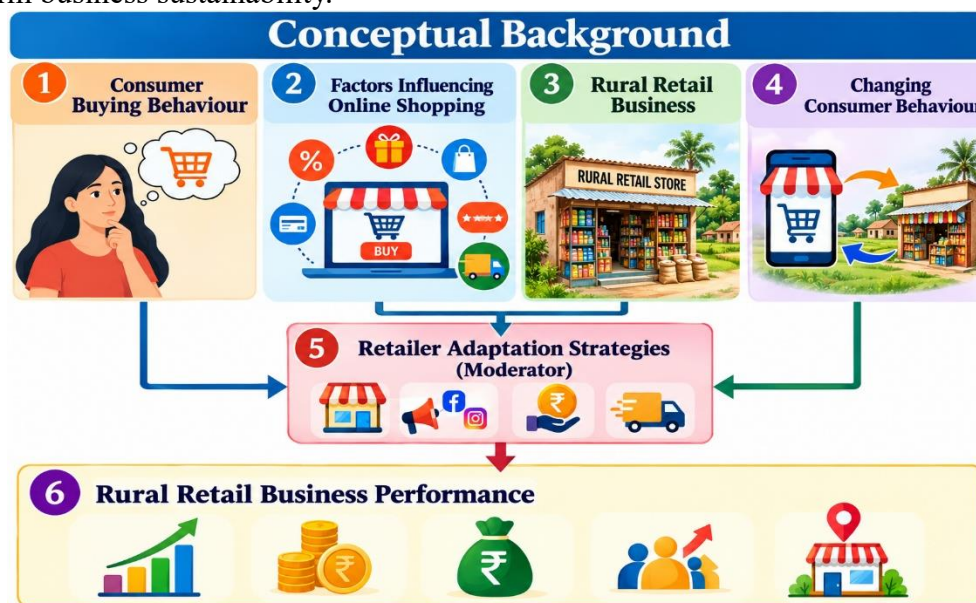
This study examines changing consumer buying behaviour and its impact on rural retail businesses. The increasing adoption of online shopping, digital payments, competitive pricing, and home delivery has transformed rural consumers' purchasing preferences. The study adopts a descriptive and analytical research design, using primary data from rural consumers and traditional retailers, supported by secondary sources. Percentage analysis, descriptive statistics, correlation, and regression are proposed for data analysis. The study focuses on changes in customer footfall, sales, profitability, and competitive pressures. It also highlights digital adoption, customer service, and innovative retail strategies as potential approaches to strengthening rural retail competitiveness and long-term business sustainability.

KEYWORDS: Consumer Buying Behaviour, Online Shopping, Rural Retail Businesses, E-commerce, Digital Payments, Consumer Preferences, Rural Markets.

INTRODUCTION

Consumer buying behaviour has undergone significant transformation due to technological advancements, the expansion of e-commerce, digital payment facilities, and changing consumer preferences. The increasing accessibility of smartphones and internet services has encouraged rural consumers to explore online shopping platforms for purchasing a wide range of products. Factors such as competitive pricing, attractive discounts, product variety, convenience, and home delivery have influenced their purchasing decisions. These developments have created new opportunities for consumers while presenting challenges to traditional rural retail businesses. Local retailers, who have traditionally depended on personal relationships, customer loyalty, and community-based transactions, are experiencing increasing competition from online retailers. Changes in customer footfall, sales performance, profitability, and purchasing patterns have become important concerns for rural businesses. Therefore, this study examines the changing buying behaviour of rural consumers and its implications for traditional retail businesses. It also

explores retailer challenges and adaptation strategies to enhance competitiveness and ensure long-term business sustainability.



REVIEW OF LITERATURE

Velayudhan (2019) rural India, focusing on consumer characteristics, product attributes, infrastructure, and the competitive position of online and offline retail channels. The review highlights the need to understand rural-specific barriers and opportunities when analysing online shopping adoption and its implications for traditional retail businesses.

Mishra and Barik (2020) examined factors influencing online shopping behaviour, with particular reference to rural consumers. Their review considered differences between rural and urban buying behaviour, internet usage, digital awareness, and the opportunities available to e-commerce businesses. Their work provides a useful foundation for investigating changing purchasing patterns and the transformation of rural retail markets.

Ghosal et al. (2021) investigated changes in rural consumer behaviour and online purchase intention in India. Their research addressed the growing role of e-commerce in meeting consumer needs across different socioeconomic groups. The study provides a relevant perspective for understanding how digital commerce influences rural purchasing decisions and creates new challenges for traditional retailers.

Arumugam, Hameed, and Sanjeev (2023) modelled rural consumers' online purchase intentions using logistic regression. Their findings identified service quality, enjoyment, and trust as important factors influencing rural e-commerce adoption. The study offers useful insights into consumer preferences and suggests that rural retailers must improve service quality and customer experiences to remain competitive.

Joe Arun (2023) investigated online shopping intentions among rural women in Thanjavur and Thiruvarur districts using responses from 270 online shoppers. The study identified shopping convenience and customer service as significant influences on purchase intention, while trust did not have a direct influence. These findings provide valuable regional context for rural consumer behaviour.

Sarkar, Kundu, and Roy Chaudhuri (2016) examined factors influencing purchase preferences among traditional rural retailers. Their research highlighted product demand, profit margins, credit availability, supply quality, delivery, brand reputation, and supplier relationships. The study demonstrates that rural retail performance depends on interconnected commercial factors, providing a useful basis for examining retailer competitiveness.

A study published in the Journal of Retailing and Consumer Services developed a conceptual model of village shopkeepers' purchasing behaviour in Eastern India. It identified product demand, supplier credit, delivery quality, profit margins, and company reputation as important considerations. These findings help explain the operational pressures faced by rural retailers as consumer demand and market competition evolve.

Hamsa (2025) studied online shopping perceptions among 300 rural consumers in Malappuram district, Kerala. The findings indicated that product variety and lower prices attracted consumers to online shopping, while cash-on-delivery was a preferred payment method. The study illustrates how convenience, affordability, and payment preferences shape rural consumer purchasing behaviour and retail channel choices.

Manikandan and Prabakaran (2025) examined rural consumer behaviour towards online shopping, including awareness, satisfaction, demographic characteristics, and purchasing preferences. Their discussion highlighted product variety and cost-effectiveness as benefits, alongside trust concerns and limited internet access as barriers. The study supports further investigation into the relationship between digital adoption and rural retail transformation.

Bhosale, Vibhute, and Sable (2026) examined the implications of e-commerce growth for traditional retail businesses in India. Their study discussed changing consumer preferences, pricing competition, sales performance, and retailer adoption of digital technologies. The authors highlighted digital marketing and hybrid retail approaches as possible adaptation strategies, providing a relevant framework for studying rural retailer sustainability.

RESEARCH GAP

The reviewed studies address rural online shopping adoption, consumer preferences, purchasing intentions, and traditional retailer behaviour. However, further empirical research is warranted on how changing consumer buying behaviour affects the sales, profitability, customer footfall, and competitive sustainability of rural retail businesses, particularly in the selected study area. The present study can address this gap by collecting data from both rural consumers and traditional retailers and analysing their perspectives together.

STATEMENT OF THE PROBLEM

The rapid development of digital technology, internet connectivity, smartphones, and e-commerce platforms has significantly transformed consumer buying behaviour in recent years. Rural consumers are increasingly adopting online shopping because of competitive prices, attractive discounts, wider product choices, convenience, and home delivery facilities. These changes have influenced traditional purchasing patterns and created new challenges for rural retail businesses.

Traditional rural retailers play an important role in meeting local consumer needs, generating employment, and supporting the rural economy. Their business operations generally depend on customer relationships, local market knowledge, credit facilities, and regular customer visits. However, the growing popularity of online shopping has intensified competition and may affect their sales revenue, profitability, customer footfall, and customer retention. Furthermore, limited financial resources, technological knowledge, digital marketing capabilities, and delivery infrastructure may restrict their ability to compete effectively with online retailers.

Despite these developments, the extent to which changing consumer buying behaviour affects the performance and sustainability of rural retail businesses requires further investigation. It is also important to understand the factors influencing consumers' purchasing decisions and the strategies adopted by traditional retailers to respond to changing market conditions. Therefore, this study seeks to examine changing consumer buying behaviour and its implications for rural retail businesses, identify the challenges

faced by traditional retailers, and suggest suitable strategies for improving their competitiveness and long-term sustainability.

OBJECTIVE OF THE STUDY

To analyse the impact of changing consumer buying behaviour on the performance and sustainability of rural retail businesses.

RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design to examine changing consumer buying behaviour and its impact on rural retail businesses. Primary data will be collected from rural consumers and traditional retail business owners using structured questionnaires. Secondary data will be obtained from research articles, journals, books, government reports, and relevant publications. A suitable sampling technique will be employed to select respondents from the study area. The collected data will be analysed using percentage analysis, descriptive statistics, correlation, and regression, wherever appropriate. The findings will help identify changes in consumer preferences, challenges faced by rural retailers, and strategies for improving business competitiveness and sustainability.

Table 1: Demographic Profile of the Respondents

Demographic variable	Category	No. of respondents	Percentage
Gender	Male	55	55%
	Female	45	45%
Age	Below 25 years	20	20%
	25–35 years	30	30%
	36–45 years	28	28%
	Above 45 years	22	22%
Educational qualification	School level	35	35%
	Undergraduate	40	40%
	Postgraduate	25	25%
Monthly household income	Below ₹15,000	30	30%
	₹15,001–₹30,000	40	40%
	Above ₹30,000	30	30%

The data indicate that males constitute 55% of the respondents, while females account for 45%. The largest age group is 25–35 years, representing 30% of the sample. Regarding education, 40% are undergraduates. In terms of monthly household income, 40% belong to the ₹15,001–₹30,000 category. These demographic characteristics provide a basis for examining differences in consumer buying behaviour and online shopping adoption.

Table 2: Impact of Changing Consumer Buying Behaviour on Rural Retail Businesses

S. No.	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Online shopping has changed consumer purchasing preferences.	35 (35%)	30 (30%)	15 (15%)	12 (12%)	8 (8%)
2	Online shopping has reduced customer footfall in traditional retail stores.	28 (28%)	32 (32%)	18 (18%)	14 (14%)	8 (8%)
3	Online shopping has increased price competition for rural retailers.	40 (40%)	30 (30%)	12 (12%)	10 (10%)	8 (8%)
4	Online shopping has affected the profitability of traditional retailers.	25 (25%)	35 (35%)	20 (20%)	12 (12%)	8 (8%)

5	Digital adoption can improve the competitiveness of rural retailers.	38 (38%)	32 (32%)	18 (18%)	7 (7%)	5 (5%)
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The results show that 65% of respondents agree or strongly agree that online shopping has changed consumer purchasing preferences. Similarly, 60% perceive a reduction in customer footfall, while 70% report increased price competition. A total of 60% believe that online shopping has affected traditional retailers' profitability. However, 70% agree that digital adoption can improve rural retailers' competitiveness. These indicative patterns suggest that online shopping may create competitive pressures while encouraging traditional retailers to adopt digital business practices.

MAJOR FINDINGS OF THE STUDY

The results indicate that 65% of respondents agree that online shopping has changed consumer purchasing preferences. This suggests that convenience, product variety, competitive pricing, and digital accessibility may influence rural consumers' buying decisions and shopping channel preferences.

The findings reveal that 60% of respondents perceive a reduction in customer footfall at traditional retail stores. This indicates that online shopping may influence consumers to shift some purchases from local shops to digital platforms.

The results show that 70% of respondents agree that online shopping has increased price competition. Discounts, promotional offers, and price comparisons may place pressure on rural retailers to maintain competitive prices while protecting their profit margins.

The findings indicate that 60% of respondents believe online shopping has affected traditional retailers' profitability. Increased competition, customer expectations, and pricing pressure may influence operating costs, sales revenue, and the financial sustainability of rural retail businesses.

The results reveal that 70% of respondents believe digital adoption can improve rural retailers' competitiveness. Digital payments, social media promotion, online ordering, and home delivery may help traditional retailers respond to changing consumer preferences and sustain their businesses.

MAJOR SUGGESTIONS

Rural retailers should adopt digital payment systems, WhatsApp-based ordering, and social media marketing to reach more customers. Developing an online presence can improve product visibility, simplify transactions, and attract younger consumers. Retailers should also improve digital literacy through training programmes to strengthen their ability to compete with established e-commerce platforms.

Rural retailers should offer competitive prices, maintain essential product availability, and provide personalised customer service. Loyalty programmes, reasonable discounts, flexible payment options, and home delivery can encourage repeat purchases. Building strong customer relationships and responding to changing consumer preferences can help traditional retailers retain customers and improve their market position.

Retailers should regularly monitor customer preferences, sales performance, and market competition to make informed business decisions. Maintaining proper inventory records, controlling operating costs, and collaborating with suppliers can improve efficiency. Government agencies and financial institutions should support rural retailers through affordable credit, digital training, and entrepreneurship development programmes to promote long-term sustainability.

CONCLUSION

Changing consumer buying behaviour has significantly influenced the retail environment, particularly through the growing popularity of online shopping. The illustrative findings suggest that online shopping affects consumer preferences, customer

footfall, price competition, and the profitability of traditional rural retail businesses. However, digital adoption offers opportunities for retailers to improve their competitiveness and customer reach. Adopting digital payment systems, social media marketing, home delivery, and customer-oriented services can help traditional retailers respond to changing market demands. Therefore, rural retailers should combine their traditional strengths with modern business practices to improve customer satisfaction, maintain competitiveness, and ensure long-term business sustainability.

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