

Social Commerce: Concept and Trends in Rural India

Nandkishor Balu Gosavi¹; Dr. Suresh Magare²

¹Research Scholar; ²Research Supervisor

^{1,2}Department of Economics, Savitribai Phule Pune University, Pune, Maharashtra, India.

Corresponding Author: Nandkishor Balu Gosavi*

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Abstract: Social commerce the fusion of social media and e-commerce has emerged as a transformative force in global digital transactions. In rural India, this evolution is being accelerated by the widespread availability of affordable smartphones and expanding internet connectivity. This paper delves into the dynamics of social commerce within rural Indian contexts, examining its foundational concept, key growth drivers, prevailing trends, and inherent challenges. It highlights how platforms such as WhatsApp, Facebook, and region-specific applications are enabling peer-to-peer selling, influencer-led marketing, and community-driven purchasing behaviors. Drawing on statistical insights from government publications and industry reports, the study provides a data-backed analysis of the sector's trajectory. The paper concludes with strategic recommendations for businesses and policymakers aimed at fostering inclusive and sustainable adoption of social commerce across rural markets.

Keywords: Social Commerce, Rural India, Digital Transactions, E-Commerce, Whatsapp Commerce.

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I. INTRODUCTION

Social commerce refers to the buying and selling of goods and services directly through social media platforms, bypassing traditional e-commerce models that depend on standalone websites or apps. By leveraging social networks, messaging platforms, and community interactions, social commerce fosters a more personalized and trust-driven shopping experience. This model is particularly well-suited to rural India, where purchasing decisions are often influenced by word-of-mouth, peer recommendations, and local relationships.

India's digital landscape is rapidly expanding, with over 692 million internet users as of 2023 (IAMAI & Kantar). Notably, rural regions account for nearly 48% of this digital population, underscoring the growing connectivity beyond urban centers. The proliferation of affordable smartphones—such as JioPhone and entry-level Android devices—combined with ultra-low data costs (₹10–15 per GB), has significantly boosted digital access in these areas.

Social commerce platforms like WhatsApp, Facebook Shops, and regionally popular apps such as Meesho are playing a pivotal role in this transformation. They empower

rural entrepreneurs, women-led self-help groups (SHGs), and small-scale vendors to engage in online commerce, expand their customer base, and participate meaningfully in the digital economy.

This paper examines:

- The concept and evolution of social commerce
- Key trends in rural India
- Challenges and opportunities
- Future outlook

II. CONCEPT OF SOCIAL COMMERCE

Social commerce in rural India thrives on community trust, affordability, and vernacular accessibility. P2P selling, group buying, influencer commerce, and live selling are the dominant models, powered by WhatsApp, Facebook, Meesho. As internet penetration grows, these platforms will continue to bridge the gap between rural entrepreneurs and digital markets. Key components include:

➤ *Types of Social Commerce in Rural India*

Table 1 Types of Social Commerce in Rural India

Model	How It Works	Example	Why It Works
Peer-to-Peer Selling	Vendors and artisans share catalogs in WhatsApp groups, coordinate orders via chat; payment via UPI, cash, CoD	Homemaker sells snacks on WhatsApp	Trust-based, informal, cost-effective
Group Buying	Collective orders placed for bulk discounts, coordinated by a community leader	DealShare facilitates group grocery orders	Enables bulk savings, community engagement
Influencer Commerce	Micro-celebrities promote products in local languages on apps; sales through DMs or affiliate links	Farming influencer sells seeds via YouTube	Leverages local trust, authentic endorsements
Live Commerce	Sellers showcase products via live video, interact with buyers, take real-time orders	Weaver streams saree sales on Facebook Live	Mirrors offline market experience, builds confidence

➤ Key Platforms Driving Social Commerce in Rural India

• WhatsApp

With over 500 million users in India, WhatsApp has become the most widely used platform for peer-to-peer selling, order booking, and even payments. Its simple interface and widespread adoption make it ideal for small vendors, who often share product images or videos in local WhatsApp groups, take orders directly via chat, and coordinate delivery with minimal technical barriers.

• Facebook & Instagram

Facebook and Instagram together offer powerful tools for social commerce. Facebook Shops enables businesses to create free digital storefronts, while Instagram Reels and influencer collaborations drive product discovery and sales. For example, a rural artisan can list handmade crafts on Facebook Marketplace and promote them through visually engaging posts or short videos, reaching buyers far beyond their local community.

• Meesho

Home to over 10 million sellers, with 80% based in Tier-2 and smaller cities, Meesho operates on a reseller-driven model where individuals source products from suppliers and sell them within their personal networks. This model has empowered many, such as homemakers in rural areas, to earn by reselling fashion apparel and accessories to their local contacts often using platforms like WhatsApp to manage orders and payments

III. TRENDS IN RURAL SOCIAL COMMERCE

In rural India, social commerce is growing rapidly with 88% of users preferring content in their own regional languages, supported by apps like Share Chat and Josh that offer local product suggestions. Women entrepreneurs are playing a big role, with over 1.5 crore women, especially in Self-Help Groups, selling handicrafts, organic products, and homemade goods via WhatsApp. Hyperlocal models like City Mall connect buyers to local kirana stores, with 60% of orders being for groceries and daily needs. Cash-on-Delivery remains the most common payment method for about 75% of transactions due to low digital payment adoption, though UPI and WhatsApp Pay are slowly gaining popularity.

Table 2 Trends in Rural Social Commerce

Trend	Key Insights	Supporting Data & Sources
Growth of Vernacular Content	Regional language content drives engagement and purchase intent among rural users. Platforms are tailoring recommendations to local culture and needs.	- 88% of rural internet users prefer content in regional languages (KPMG–Google Report, 2021)- ShareChat and Josh offer localized product recommendations
Rise of Women Entrepreneurs	Women are emerging as a strong force in rural social commerce, leveraging digital platforms to sell locally made products.	- Over 15 million rural women engaged in social commerce (UNDP, 2022)- SHGs (Self-Help Groups) use WhatsApp to market handicrafts, organic goods, and homemade items
Hyperlocal & Community-Based Models	Group-buying models and local retailer tie-ups are fueling trust and convenience in rural markets.	- City Mall integrate with local kirana stores for delivery- 60% of rural orders are groceries and essentials (RedSeer, 2023)
Cash-on-Delivery (CoD) Dominance	Cash remains the preferred payment mode due to lower digital literacy, though digital payments are slowly growing.	- 75% of rural transactions are CoD (RBI, 2022)- UPI and WhatsApp Pay are gradually gaining adoption

IV. CHALLENGES IN RURAL SOCIAL COMMERCE

Despite its promising growth, rural social commerce in India grapples with a series of interconnected challenges that hinder its full potential. A major barrier is limited digital

literacy many users lack the skills to navigate e-commerce interfaces, comprehend online transactions, or confidently engage with digital services. This digital divide restricts participation and slows adoption.

Logistical inefficiencies, particularly poor last-mile connectivity, exacerbate the problem. Delivery delays and elevated transportation costs diminish the competitiveness of rural sellers and erode customer satisfaction. Trust also remains a critical issue: concerns over online fraud, data privacy breaches, and counterfeit goods discourage consumers from embracing digital commerce.

Moreover, the low penetration of digital payment systems such as mobile wallets, Unified Payments Interface (UPI), and credit cards results in a continued reliance on cash-on-delivery. This not only complicates transactions but also impedes the transition toward a cashless rural economy.

Collectively, these challenges form a complex web of barriers that must be systematically addressed through targeted interventions, infrastructure development, and digital education to unlock the transformative potential of social commerce in rural India.

V. FUTURE PROSPECTS AND RECOMMENDATIONS

The future of rural social commerce in India is rich with potential, contingent on the implementation of targeted strategies to address current limitations. Government-led initiatives such as *Digital India*, *PM e-Vidya*, and the *Open Network for Digital Commerce (ONDC)* are poised to play a transformative role by expanding digital infrastructure, promoting e-commerce literacy, and enabling rural entrepreneurs to participate in the digital economy.

Technological innovations can further accelerate this progress. The integration of AI-powered chatbots with support for local languages can help bridge the digital literacy gap, offering intuitive guidance to first-time users and enhancing their confidence in online transactions. Strategic partnerships with kirana stores long-standing pillars of rural retail can convert these trusted outlets into efficient pickup and return hubs, improving last-mile logistics and reinforcing consumer trust.

Financial inclusion remains a cornerstone of sustainable growth. Promoting widespread adoption of digital payment systems such as UPI and mobile wallets, alongside accessible micro-loan facilities, can empower small vendors to expand their operations and invest in digital tools. Together, these interventions can catalyze a vibrant, inclusive, and resilient social commerce ecosystem across rural India.

VI. CONCLUSION

Social commerce is reshaping the retail landscape in rural India, serving as a powerful catalyst for digital inclusion and economic empowerment. Fueled by rising internet penetration and innovative, community-driven business models, rural consumers and entrepreneurs are increasingly engaging with digital marketplaces. Yet, for this transformation to be truly sustainable, it is imperative to address critical infrastructure gaps, improve last-mile logistics, and invest in digital literacy initiatives. By fostering

an enabling ecosystem, social commerce can unlock unprecedented opportunities for rural India, driving inclusive growth and bridging the urban-rural digital divide.

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