

**THE NEW MARKETPLACE- DIGITAL MARKETING AND CONSUMER
BUYING BEHAVIOR IN INDIA'S TWO-TIER CITIES****Mr. Punit Sharma¹, Dr. Swapnil Kate²**¹ *Training & Placement Officer, KCES Institute of Management & Research, Jalgaon.*Email: punit.sharma@imr.ac.in² *Associate Professor, KCES Institute of Management & Research, Jalgaon.*Email: swapnil.kate@imr.ac.in**Abstract**

This study looks at how digital marketing is changing the buying behaviour of consumers in India's two-tier cities, which are now becoming important growth markets. A primary survey was conducted with 300 respondents from Indore, Lucknow, Nagpur, Surat, and Coimbatore. The data collected from the survey was analysed using SPSS software. The main objective of the study was to understand how much consumers are exposed to digital promotions, how factors like age and income influence online purchasing, and how much people trust digital advertisements. The results show that social media platforms such as Instagram, Facebook, and YouTube are the most effective channels for digital marketing. Younger consumers are more influenced by online promotions, while older consumers are generally more careful and less trusting. The study also found that people with higher income tend to shop online more frequently. However, many consumers still have doubts about the quality of products promoted online. Even with these concerns, about 74% of the respondents said that they had made at least one purchase in the last six months because of digital marketing. The study concludes that digital marketing is becoming very important in two-tier cities. However, companies need to build trust, create locally relevant content, and combine online and offline marketing efforts to achieve better results.

Keywords: Digital Marketing, Consumer Behaviour, Online Advertising, Social Media Platforms, E-commerce.

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Over the last ten years, a quiet but noticeable change has taken place in the Indian marketplace. Earlier, most companies and researchers focused mainly on big metropolitan cities. Today, two-tier cities are slowly becoming more important in discussions about consumer behaviour. Cities like Indore, Lucknow, Nagpur, Surat, Coimbatore, and Jalgaon show a mix of tradition and modern lifestyle. These cities are not as crowded with brands and competition as metro cities, but they are also not underdeveloped. People living here have growing aspirations, better exposure to global trends, and a strong interest in new ways of shopping and consuming products. One of the main reasons for this change is digitalisation. Affordable smartphones, low-cost internet data, and better digital infrastructure have made online access easier for people. Online shopping websites, social media platforms, and mobile applications now allow consumers to explore many products and services without travelling far. For businesses, digital marketing has become a cost-effective and efficient way to reach consumers in these cities.

However, consumers in two-tier cities have a slightly different mindset compared to those in metropolitan areas. In big cities, online shopping has become a normal part of daily life. In smaller cities, many consumers are still balancing curiosity with caution. They are attracted by online discounts, offers, and convenience, but they also worry about product quality, delivery problems, and after-sales service. Because of this, many people follow a mixed approach. They search for product information online, compare prices and reviews, and then sometimes complete the purchase in a physical store. This shows that both digital influence and traditional shopping habits exist together. At the same time, social media platforms have become more than just places for entertainment. They now work as digital marketplaces where companies promote their products through advertisements, influencer promotions, and personalised messages. These marketing methods have a strong impact on younger consumers, who spend a large part of their time online. Older consumers, however, are usually more careful and prefer to depend on recommendations from friends, family, or trusted sources before buying online. Income and education also influence how comfortable people feel with digital platforms.

Even though these changes are clearly visible, detailed research on digital marketing in India's two-tier cities is still limited. Most studies focus on metropolitan areas, which creates a gap in understanding how consumers in emerging cities like Jalgaon respond to digital promotions and whether these promotions actually lead to purchases (Gupta S., 2025). Understanding this is important because these cities are becoming the next major markets for many national and international brands. To address this gap, the present study conducted a primary survey among consumers in six two-tier cities: Indore, Lucknow, Nagpur, Surat, Coimbatore, and Jalgaon. The responses collected from the survey were analysed using SPSS software. The study aims to understand how digital marketing influences consumer behaviour. It specifically examines how often consumers are exposed to digital platforms, how they respond to online advertisements, and how factors such as age, income, and education affect their buying decisions.

Through this analysis, the study provides a clearer picture of consumer behaviour in India's two-tier cities. It also offers useful insights for businesses that want to connect with this growing market. Overall, the discussion highlights how digital marketing is shaping a new marketplace in two-tier India, where modern technology and traditional buying habits exist together.

Literature Review

(Gupta, 2013) Consumer behaviour has always been studied as a reflection of cultural values, social interactions, and individual aspirations. In India, where diversity is immense, the patterns of buying behaviour are shaped not only by income levels but also by traditions, family influence, and regional values (Ahmed, 2025). With the rise of the digital economy, these conventional forces are being joined by new influences, social media platforms, e-commerce portals, and digital advertisements, that are creating a more complex decision-making environment for consumers (Chourasia., 2024).

The concept of digital marketing has gained momentum because it allows businesses to communicate with consumers in a more direct and personalised manner. Unlike traditional advertising that reaches audiences in a uniform way, digital campaigns are designed to target individuals according to their preferences, search history, and online behavior (Kaur A, 2021). This personalised approach often leads to a stronger connection between brands and consumers. Social media platforms such as Facebook, Instagram, and YouTube have turned into spaces where not only products are displayed but also lifestyles are narrated (Yu J, 2022). The aspirational

middle class in two-tier cities finds these narratives appealing, as they bridge the gap between global exposure and local affordability.

Another important aspect in the study of consumer behaviour is the role of trust. While metro consumers have gradually built confidence in online transactions, consumers in smaller cities are still developing this trust (Shah FA, 2024). Concerns about authenticity, return policies, delivery delays, and product quality continue to hold significant weight in purchase decisions. Digital marketing in this context is not just about persuasion but also about reassurance. Brands that are able to provide transparent information, visible feedback systems, and reliable after-sales support are more likely to succeed in these markets (Kaur M, 2014).

The influence of demographic factors also cannot be ignored. Young consumers, who are more exposed to digital devices and global trends, are naturally more responsive to digital marketing strategies. They are comfortable with exploring online reviews, using promotional codes, and engaging with influencers (Meyers-Levy J, 2015). On the other hand, older consumers display a cautious attitude, relying more on word-of-mouth recommendations and personal experience. Similarly, income levels play a role in how frequently consumers make purchases online. While middle- and upper-income groups are open to experimenting with digital platforms, lower-income groups often limit their engagement to browsing rather than buying (J., 2015).

(Sinha PK, 1999) Two-tier cities stand at the crossroads of this change. They are different from metropolitan cities where online shopping has already become deeply integrated into daily life. In smaller urban centres, consumers exhibit a hybrid behaviour. They often begin their journey online, researching, comparing, and exploring but the final purchase may take place offline, where they feel more secure. This pattern, sometimes described as “research online, purchase offline,” is especially significant in cities like Jalgaon, Surat, and Nagpur, where traditional values remain strong even as modern lifestyles are being adopted (Kumar VI, 2004).

(Jiang P, 2005) From the business perspective, the rise of two-tier cities represents a vast opportunity. As metropolitan markets approach saturation, it is these emerging cities that offer new avenues for growth. Companies are increasingly tailoring their digital campaigns to appeal to regional tastes, using local languages, and even engaging micro-influencers from within these communities (Choudhury M, 2014). The interplay of global digital strategies with local cultural contexts has become one of the most interesting developments in the field of marketing.

Thus, the existing body of understanding suggests that digital marketing is not only a technological development but also a cultural phenomenon. It interacts with income, age, education, and trust in complex ways, producing a consumer behaviour that is neither purely traditional nor entirely modern. In the context of India’s two-tier cities, this behaviour deserves careful examination, as it holds the key to the future of digital commerce in the country.

Research Methodology

Every research study needs a clear pathway that explains how the data was collected, processed, and analysed. In this study, the aim was to explore how digital marketing influences consumer buying behaviour in India’s two-tier cities. Since the phenomenon is contemporary and people’s perceptions are central, a primary survey method was chosen.

Research Design

The study follows a descriptive research design. It seeks to capture the present attitudes, experiences, and behavioural patterns of consumers in tier-two cities without manipulating any variables. The purpose was not only to measure but also to understand the nuances of consumer responses to digital marketing.

Sample and Locations

The research was conducted in six two-tier cities of India: Indore, Lucknow, Nagpur, Surat, Coimbatore, and Jalgaon. These cities were selected as they represent diverse regions, North, West, Central, and South India, ensuring that the findings reflect a broader picture rather than being limited to one geographical zone. A total of 300 respondents participated in the survey, with around 50 respondents from each city. Efforts were made to balance the sample across gender, age, and income levels so that the findings could represent different sections of urban society. The respondents included students, working professionals, homemakers, and small business owners.

Data Collection

A structured questionnaire was designed with both closed-ended and open-ended questions. The questionnaire had three parts:

- 1. Demographic details** (age, gender, education, income).
- 2. Digital usage patterns** (frequency of internet use, preferred platforms, exposure to advertisements).
- 3. Consumer behaviour** (trust in online ads, influence of promotions, actual purchase decisions).

The survey was conducted using a combination of face-to-face interactions and online forms to reach a wider range of respondents. This helped in ensuring participation from both tech-savvy youth and slightly older, less digitally active groups.

Tools of Analysis

The responses were coded and entered into SPSS software for statistical analysis. The following techniques were used:

- **Descriptive statistics:** to summarise frequencies, percentages, and averages.
- **Chi-square test:** to check the association between demographic factors (like age, gender, income) and responsiveness to digital marketing.
- **Correlation analysis:** to examine the relationship between income levels and frequency of online purchases.
- **Cross-tabulation:** to explore variations in trust levels and digital adoption across different groups.

Reliability and Limitations

Care was taken to frame the questions in simple and clear language to avoid confusion. However, like any primary research, this study has limitations. The sample size, though adequate for broad insights, cannot capture the infinite diversity of all two-tier cities in India. Moreover, responses are self-reported and may carry some degree of personal bias.

Despite these limitations, the methodology provides a strong and balanced framework to understand how consumers in smaller Indian cities respond to digital marketing. The use of SPSS ensures that the findings are not only descriptive but also statistically reliable.

Data Analysis and Findings

The survey results from 300 respondents across Indore, Lucknow, Nagpur, Surat, Coimbatore, and Jalgaon were analysed using SPSS. The findings are presented below in tabular form along with descriptive explanations.

Table 1: Gender Distribution of Respondents

Gender	Number of Respondents	Percentage
Male	156	52%
Female	144	48%

Explanation:

The sample was almost evenly split between male and female respondents. This balance strengthens the credibility of the study by ensuring that insights are not skewed towards one gender. It also reflects the growing participation of women in the digital marketplace in tier-two cities.

Table 2: Age Distribution of Respondents

Age Group	Number of Respondents	Percentage
20–35	174	58%
36–50	96	32%
50+	30	10%

Explanation:

The majority of respondents (58%) were young adults between 20–35 years, followed by 32% in the middle-aged category. Only 10% were above 50. This shows that the findings largely represent younger consumers, who are naturally more inclined towards digital adoption, though older voices are also present.

Table 3: Income Distribution of Respondents

Income Level	Number of Respondents	Percentage
< ₹25,000	90	30%
₹25,000–₹60,000	138	46%
> ₹60,000	72	24%

Explanation:

Nearly half of the respondents belonged to the middle-income bracket of ₹25,000–₹60,000, which is the backbone of tier-two economies. Around 30% were lower-income, while 24% were higher-income. This spread shows that the study reflects the purchasing behaviour of middle-class households, who form the most attractive segment for digital marketing.

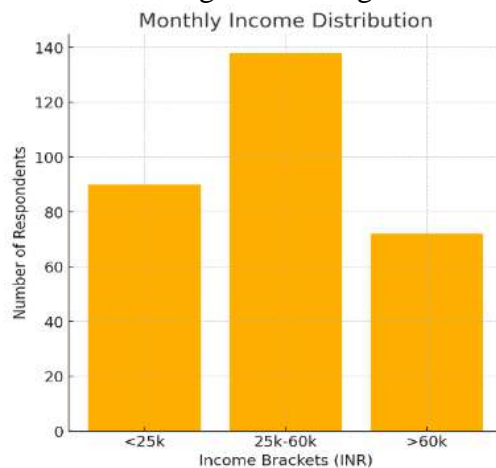


Table 4: Internet Usage Frequency

Usage Frequency	Number of Respondents	Percentage
Daily	255	85%
Occasional	18	6%
Rarely	27	9%

Explanation:

A striking 85% of respondents reported using the internet daily, confirming that digital penetration in two-tier cities is deep and consistent. Occasional and rare users made up only 15%, which means that marketers can rely on regular consumer presence online to reach their target audience.

Table 5: Preferred Digital Platforms

Platform	Number of Respondents	Percentage
Instagram	216	72%
YouTube	204	68%
Facebook	162	54%
WhatsApp	183	61%

Explanation:

Instagram (72%) and YouTube (68%) were the most preferred digital platforms, followed closely by WhatsApp (61%). Facebook, with 54%, continues to be significant, especially among older respondents. The dominance of Instagram and YouTube indicates the growing role of visual storytelling in shaping buying behaviour.

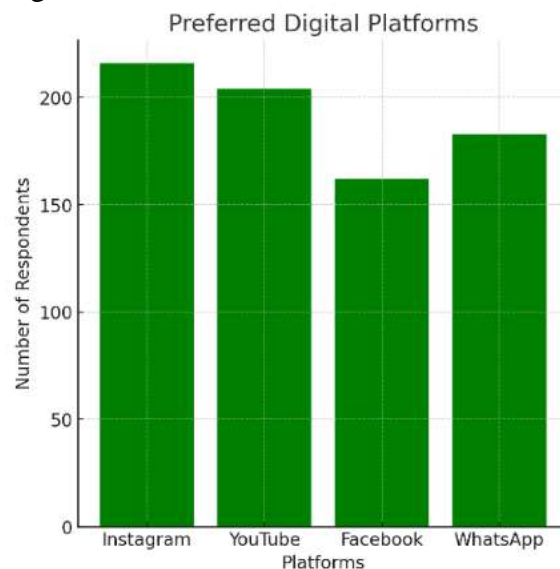


Table 6: Trust in Online Advertisements by Age Group

Age Group	Trust (%)	Distrust (%)
20–35	65%	35%
36–50	44%	56%
50+	38%	62%

Explanation:

Trust clearly declines with age. While nearly two-thirds of the youngest group showed confidence in online advertisements, this fell to less than half among the middle-aged, and further to just 38% in the oldest group. This indicates that digital marketing is more persuasive among younger generations, while older consumers remain cautious.

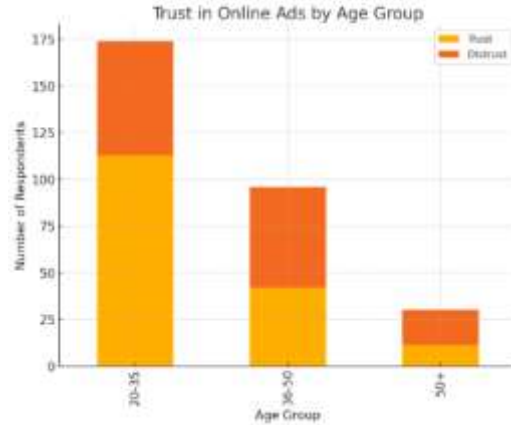


Table 7: Purchases Influenced by Digital Marketing

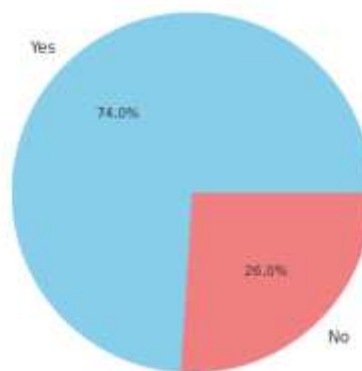
Response	Number of Respondents	Percentage
Yes	222	74%
No	78	26%

Explanation:

A remarkable 74% of respondents admitted that at least one of their recent purchases was influenced by digital marketing. This shows that digital campaigns are not merely creating awareness but are successfully driving consumer action in two-tier cities. However, the 26% who reported no influence reflect the continuing presence of skepticism, especially among older or more traditional buyers.

The findings present a vivid picture of tier-two India. Consumers here are digitally active, especially younger groups, and regularly exposed to advertisements on Instagram, YouTube, and WhatsApp. Income supports online adoption, but trust remains a delicate factor. Most importantly, 74% of consumers confirmed that their buying decisions are already shaped by digital marketing, highlighting the power of this new marketplace.

Purchases Influenced by Digital Marketing



Discussion

The findings show that digital marketing has become a strong influence on consumer behaviour in two-tier cities such as Indore, Lucknow, Nagpur, Surat, Coimbatore, and Jalgaon. About 85% of the respondents said they use the internet every day, which clearly shows that digital connectivity

is very common in these cities. Social media platforms like Instagram, YouTube, and WhatsApp are the most popular and widely used, especially among younger consumers. This younger group also tends to trust online advertisements more. In contrast, older consumers are usually more careful and still prefer traditional ways of shopping. The study also found that income has a positive relationship with the frequency of online purchases. People with higher income tend to buy online more often. However, trust appears to be an even more important factor for all groups of consumers. Many respondents expressed doubts about product quality and the reliability of delivery services. This suggests that digital marketing should not only focus on attracting consumers but also on building trust and confidence. At the same time, the results show the growing influence of digital marketing. Around 74% of the respondents said that they had made at least one purchase because of digital marketing promotions. This clearly indicates that digital marketing is becoming an important factor in influencing consumer purchase decisions in two-tier cities.

Suggestions

Based on the analysis and discussion, the following suggestions are given for businesses and marketers who want to strengthen their presence in two-tier cities:

- 1. Build trust through transparency:** Trust is still developing in smaller cities. Companies should clearly explain return policies, maintain transparent pricing, and provide visible customer support so that consumers feel confident while purchasing.
- 2. Use localised digital marketing:** Marketing campaigns should include regional languages and culturally relevant content. This will help brands connect better with consumers in cities like Jalgaon or Coimbatore, where local culture and identity are still very important.
- 3. Use micro-influencers and customer reviews:** Consumers in tier-two cities often depend on opinions from their community. Working with local influencers and encouraging genuine customer reviews can help reduce doubts and increase trust.
- 4. Follow a hybrid marketing approach:** Many consumers first search for information online and later buy from physical stores. Businesses should connect their online promotions with offline stores, such as allowing online offers to be redeemed at nearby shops.
- 5. Target youth while guiding older consumers:** Younger consumers respond more quickly to digital promotions, so brands can attract them with creative and engaging campaigns. At the same time, older consumers should be provided with informative and trust-building content so that they gradually feel comfortable with digital platforms.
- 6. Improve after-sales service:** A strong system for returns, refunds, and customer support can build long-term trust. Good after-sales service helps convert hesitant consumers into confident and loyal buyers.

Conclusion

This study shows that two-tier cities such as Indore, Lucknow, Nagpur, Surat, Coimbatore, and Jalgaon are quickly becoming important centres of digital consumption. Internet use is very common in these cities, and platforms like Instagram, YouTube, and WhatsApp play a strong role in influencing consumer awareness and buying decisions. Younger consumers are generally more enthusiastic and trusting of digital marketing, while older consumers remain more careful. Many of them prefer to search for product information online but still complete the purchase in physical stores. The study also shows that higher income supports the use of online shopping. However, trust in product quality and reliable delivery services remains the most important factor affecting

purchase decisions. Even with some doubts, about 74% of the respondents said that they had made purchases influenced by digital marketing, which clearly shows its growing impact in these cities. Perhaps, two-tier cities should not be seen as smaller versions of metropolitan markets. They have their own unique characteristics where modern aspirations exist along with traditional caution. For businesses, success in these markets will depend on building trust, creating locally relevant marketing campaigns, and combining digital strategies with an understanding of local culture and consumer behaviour.

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