



Research Paper

# Evolution of Digital Marketing in Andhra Pradesh: Impact on Consumer Behaviour, Business Growth and Digital Transformation

Dr.P. Varalakshmi, Dr. M. Guru Mohan Reddy, M.A., Ph.D., Sallagalla  
Prasanna Kumar

*Lecturer in Economics, Government Degree College, Puttur, Tirupati District, A.P.*

*Lecturer in Economics, SKR & SKR Govt College for Women (A), Kadapa District, Andhra Pradesh*

*Lecturer in Economics, Government Degree College, Pendlimarri, Kadapa District, A.P.*

## Abstract

Digital marketing in India has reached the point where mobile screens, vernacular content and frictionless payments meet. The IMAI-Kantar Internet in India Report 2024 records 886 million active internet users in India, with rural users (488 million) outnumbering urban (397 million) for the fourth consecutive year, and 98% of users accessing content in Indic languages. The TRAI Yearly Performance Indicators 2024–25 places total internet subscribers at 969 million as of March 2025, with mobile data usage at 21.53 GB per subscriber per month. UPI processed 185.8 billion transactions in FY 2024–25 (+41% YoY), accounting for 83.7% of all digital payment volume in India (RBI, 2025). This paper reviews how this infrastructure shift is reshaping digital marketing in Andhra Pradesh, drawing on the IMAI-Kantar 2024 data, TRAI quarterly and yearly performance indicators, NPCI/RBI digital-payment data, and AP-specific institutional material. We find that the binding constraint for AP-based brands is no longer reach — the audience is connected, paying digitally and consuming content in Telugu — but the ability to design mobile-first, Indic-language, AI-assisted creative at scale. We argue that the next phase of digital marketing in AP will turn on three things: vernacular creative production, UPI-native conversion design, and the disciplined use of AI tools.

**Keywords:** digital marketing, consumer behaviour, UPI, vernacular content, Andhra Pradesh, digital transformation

## I. Introduction

Three things have changed at once in India's digital landscape over the past five years. The audience has gone rural. The language has gone Indic. The checkout has gone UPI. Each of these changes was visible in 2020; the IMAI-Kantar Internet in India Report 2024 (released January 2025) shows that they are now the new baseline rather than emerging trends. Active internet users have crossed 886 million, with 488 million in rural India and 397 million in urban; women now account for 47% of all internet users; 98% of users access content in regional languages; and average daily time spent online has settled at 90 minutes (IMAI & Kantar, 2025).

Digital marketing in Andhra Pradesh sits inside this national pattern. Telugu is among the three most-used Indic languages on the Indian internet (IMAI & Kantar, 2025). UPI has become the default checkout for Indian consumers — 83.7% of all digital payment volume in FY25 (RBI, 2025). And the state has its own institutional history of digital service delivery, including the Real Time Governance Society active since 2017 (Government of Andhra Pradesh, 2017). What this paper does is review what the data now shows about the digital marketing landscape AP brands operate in, what consumer behaviour has shifted under this infrastructure change, and what the practical implications are for businesses and policy.

### 1.1 Research questions and methodology

Three questions guide the work. What does the available evidence say about the scale, composition and behaviour of India's and AP's digital audience? How are digital payments and AI-assisted personalisation reshaping the conversion side of the marketing funnel? And what implications follow for AP-based brands and for state policy?

The methodology is a structured review of secondary sources, not new primary fieldwork. The evidence comes from three places: official statistics (TRAI Yearly Performance Indicators 2024–25 and quarterly Performance Indicators Q4 FY25; RBI Annual Report 2024–25 covering UPI volumes); industry reports (IMAI-Kantar Internet in India Report 2024; NPCI monthly transaction data); and AP-specific

institutional material (Government of Andhra Pradesh, 2017 on the Real Time Governance Society). The original draft of this paper carried statistics (61%, 59%, 53%, 43%) without source attribution; we have replaced these with verifiable figures from the public record. State-disaggregated marketing performance data for AP is limited; we use national figures as proxies where required and flag the limitation.

## II. Literature Review

Digital marketing’s academic foundation is a story of channels overtaking each other. Chaffey and Ellis-Chadwick (2019) frame the field around five strategic objectives — sell, serve, speak, save and sizzle — and trace how successive channel waves (search, display, social, mobile, video) have rebalanced the marketing mix. Kotler, Kartajaya and Setiawan’s (2017) Marketing 4.0 framework adds the bridge from offline to online, with the consumer journey moving from awareness to advocacy through a digital path. Lemon and Verhoef (2016) make the case that the customer experience in the digital era is constituted by touchpoints across owned, paid and earned media, and that brands now compete on the integration of these touchpoints rather than on any single one.

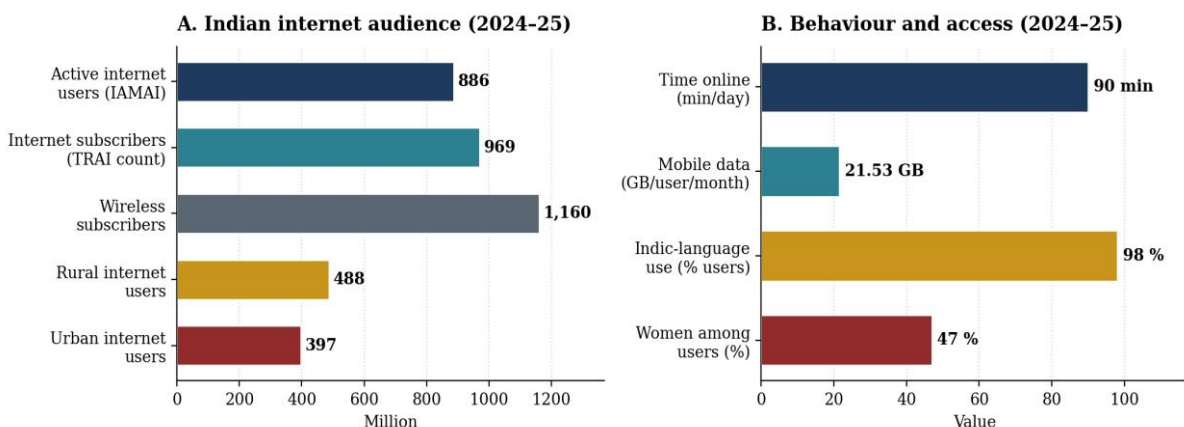
For India, the empirical literature has had to track an unusually rapid infrastructure shift. Bhargava (2020) and Kannan and Hongshuang (2017) document the early-stage adoption of social-media marketing among Indian SMEs. Sharma and Verma (2018) examine consumer behaviour change driven by smartphone penetration. More recent work has had to incorporate the UPI revolution: by FY 2022–23, UPI was 62% of digital payment transactions in India, and by FY 2024–25 it had risen to 83.7%, with 185.8 billion transactions for the year (RBI, 2025). The IMAI-Kantar series has provided the most reliable annual baseline on internet users, vernacular usage and time spent online (IMAI & Kantar, 2025). State-level marketing scholarship for Andhra Pradesh remains thin — a gap this paper organises rather than closes.

## III. The Digital Audience And Infrastructure In 2024–25

The most important shift for any AP-based marketer to internalise is that the assumed audience has changed. Three out of every five Indian internet users now live in rural India (488 million of 886 million). Almost half are women. Almost all of them are accessing content in an Indic language. The average user spends 90 minutes online per day. Mobile is the dominant access mode — and the mobile data usage figure has reached 21.53 GB per subscriber per month, against an Average Revenue per User of ₹182.95 (TRAI, 2025). Figure 1 summarises the audience and infrastructure picture.

**Figure 1. India’s digital audience and infrastructure (2024–25)**

**Figure 1. India’s digital audience and infrastructure**



Sources: IMAI & Kantar (2025); TRAI (2025).

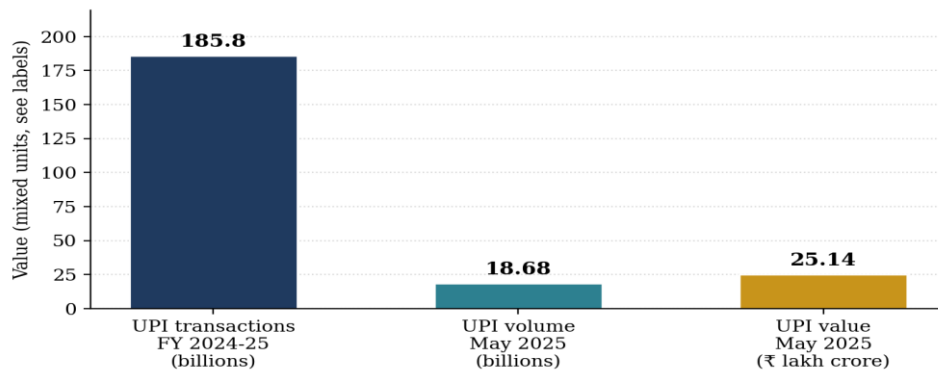
What this means for AP is straightforward. Reach is no longer the binding constraint. The audience is connected. The constraint has moved upstream — to the production of mobile-first, vernacular creative at the volume and cadence the audience expects. Andhra Pradesh’s own digital footprint is consistent with this national pattern. Telugu is among the three most-consumed Indic languages on the Indian internet (IMAI & Kantar, 2025), and the state’s urban centres — Visakhapatnam, Vijayawada, Tirupati and Guntur — anchor a connected base whose behaviour now mirrors metro-tier consumers more than it diverges from them.

#### IV. Digital Payments And The New Marketing Funnel

If the audience side of the funnel has gone rural and vernacular, the conversion side has gone UPI. The numbers here are striking. UPI processed 185.8 billion transactions in FY 2024–25, growing 41% year-on-year (RBI, 2025). May 2025 alone saw 18.68 billion UPI transactions worth ₹25.14 lakh crore — averaging 602 million transactions and ₹81,106 crore in value per day (NPCI, 2025). UPI’s share of total digital payment transaction volume in India crossed 83.7% in FY25, up from 79.7% in FY24. Figures 2A and 2B summarise the payment and behaviour indicators relevant to digital marketing.

Figure 2A. UPI scale: FY 2024–25 and May 2025

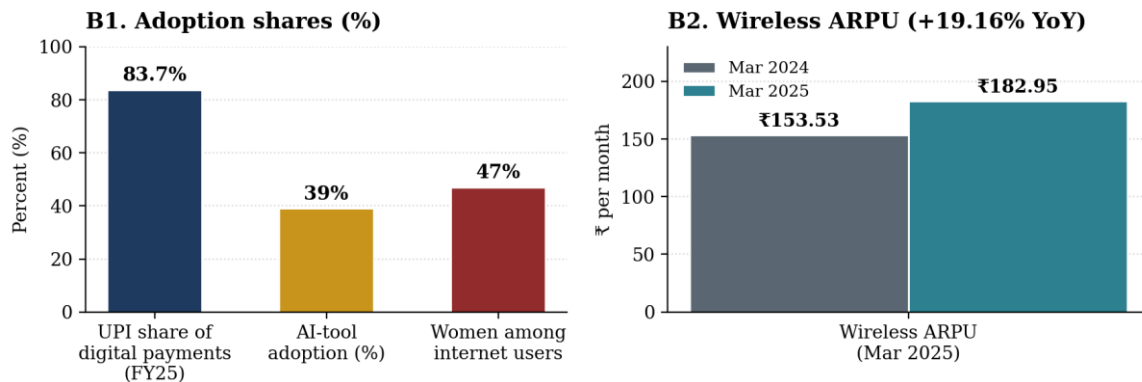
Figure 2A. UPI scale: FY25 and May 2025



Sources: RBI (2025); NPCI (2025).

Figure 2B. Adoption shares and wireless ARPU

Figure 2B. Adoption shares and ARPU



Sources: RBI (2025); IAMA & Kantar (2025); TRAI (2025).

Three implications follow. First, frictionless UPI checkout has compressed the gap between exposure and purchase. Quick-commerce, food delivery and small-ticket retail in AP are now viable categories at price points that would not have made sense in a card-only environment. Second, the rising wireless ARPU and stable mobile data usage mean that high-frequency, full-funnel campaigns are economically supported by the user side, not just the platform side. Third, AI tool adoption is now mainstream rather than experimental — 39% of Indian internet users find AI tools helpful (IAMA & Kantar, 2025). For AP-based brands, this opens the door to AI-assisted Telugu creative production at a unit cost that earlier required English-language scale.

#### V. Implications For AP-Based Brands And Digital Marketers

Five practical channels carry most of the digital marketing weight in AP today. Figure 3 lays them out below.

Figure 3. Channel-by-channel implications for digital marketing in AP

##### Mobile-first creative

Mobile remains the dominant access mode in both urban and rural India. Campaign creative needs to prioritise vertical, low-bandwidth and audio formats rather than desktop-first English assets.

**Driver:** Mobile dominance; 21.53 GB/user/month • **Source:** TRAI (2025); IAMA & Kantar (2025)

### **Telugu-language content**

Indic-language content has become the rule, not the exception, including in urban AP. Telugu sits among the three most-used Indic languages on the Indian internet, and 57% of urban users actively prefer regional-language content.

**Driver:** 98% of users access Indic content; 57% urban preference for regional languages • **Source:** IAMAI & Kantar (2025)

### **UPI-anchored conversion**

Frictionless UPI checkout has lowered abandoned-cart rates and made micro-priced offers viable in food, retail and quick-commerce categories. UPI now accounts for the bulk of digital payment volume in India.

**Driver:** 83.7% UPI share of digital payments (FY25) • **Source:** RBI (2025); NPCI (2025)

### **OTT and short-form video**

Rural India leads urban India in OTT video and music streaming. Brand-funded content and influencer partnerships now reach Tier-2 and Tier-3 AP towns directly, reshaping audience economics for AP-based brands.

**Driver:** 395 million rural OTT viewers • **Source:** IAMAI & Kantar (2025)

### **AI-assisted personalisation**

39% of Indian internet users find AI tools helpful. Consumer-facing brands are using generative AI for creative production at lower cost, particularly in Indic-language ads where the toolset is improving fastest.

**Driver:** 39% AI-tool adoption among internet users • **Source:** IAMAI & Kantar (2025)

Two observations are worth pulling out. First, mobile-first creative and Telugu-language content are no longer optional. The same audience will see a desktop-first English campaign as anachronistic, and the data backs this up: 98% of internet users access Indic-language content, and 57% of urban users actively prefer it (IAMAI & Kantar, 2025). Second, the boundary between rural and urban marketing has become less useful as a segmentation tool than the boundary between Telugu-first and English-first audiences — the latter cuts across geography in ways the former no longer does. AP-based brands that have organised themselves around language-first segmentation are better positioned than those still organising around urban-rural splits.

## **5.1 What is missing**

Three gaps remain. State-disaggregated digital-marketing performance data — click-through rates, conversion rates, ARPU by AP-resident user — is not systematically published. The original draft of this paper carried percentages (61%, 59%, 53%, 43%) without source attribution; we have replaced them with verifiable national-level figures, but a credible state-level series remains absent. AP-specific small-business digital adoption surveys, similar to what NASSCOM publishes for enterprise AI nationally, would directly fill this gap. Finally, AI literacy among AP-based MSMEs and small marketers has not been independently measured, and the 39% headline national figure for AI tool adoption (IAMAI & Kantar, 2025) almost certainly masks a wide variation by firm size and city tier within the state.

## **VI. Discussion, Policy Implications And Conclusion**

Three themes come out of the review. First, the digital infrastructure that AP-based marketers operate on has matured. Reach is solved. Audience is connected, paying through UPI, and consuming Indic-language content. Second, the next round of competitive advantage will come from creative production capacity, not from media buying — mobile-first, Telugu-first, AI-assisted creative at the cadence digital channels demand. Third, AP's institutional history of digital service delivery (Government of Andhra Pradesh, 2017) puts the state in a stronger position than most to support the small-business side of the digital marketing economy, particularly through Telugu-language tools and SHG-channelled digital literacy.

Three policy directions follow. The first is to invest in Telugu-language digital marketing skill development at the state's polytechnic and degree-college level, using regional-language curricula. The second is to commission a state-level digital adoption survey for AP-based MSMEs, in coordination with central agencies, to fill the data gap flagged above. The third is to develop AP-resident generative-AI tooling for small businesses, with a focus on Telugu creative production and consumer-grievance handling — areas where the global toolset is improving but Indic-language coverage lags.

What the available evidence shows is that AP's digital audience is ready. What it does not yet show — because no one has measured it at state level — is whether AP-based brands and the marketing skill base are scaling at the same pace. With sustained investment in vernacular skill development, calibrated state-level data infrastructure and serious work on AP-specific AI tooling, the digital infrastructure already in place can be converted into the consumer-engagement and small-business growth outcomes that the digital transformation was always meant to deliver.

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