

A Study on the Growth of B2C Businesses in India with Special Reference to Self-Power Direct Marketing, Raipur

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Abstract- India is currently experiencing a major shift in Business-to-Consumer (B2C) dynamics due to accelerated digitalization and growing internet accessibility. This study examines the core factors contributing to the expansion of the B2C sector, highlighting Self-Power Direct Marketing (SPDM) as a practical example within an emerging market environment. A mixed-method research design was applied, incorporating secondary market data with primary quantitative inputs collected from respondents. Two hypotheses were evaluated during the study. The results reveal a strong and significant relationship between customer trust in product quality and their intention to purchase. Moreover, findings from a Paired Sample t-Test show that the use of digital channels—including social media and online commerce—substantially enhances sales performance. Overall, the research indicates that the growth of the B2C sector in India relies on both interpersonal trusts developed through traditional direct selling and the scalability offered by digital platforms. When aligned with India's socio-economic landscape, this combination accelerates market expansion. This work provides new empirical evidence on the functioning of indigenous direct selling models in a fast-growing Indian context and contributes to filling an existing gap in the literature.

Index Terms- B2C (Business-to-Consumer), Digitalization, Internet Penetration, Self-Power Direct Marketing (SPDM), Mixed-Method Research, Consumer Trust, Purchase Decision, Social Media Marketing, E-Commerce, Paired Sample t-Test, Direct Selling, Emerging Markets, Sales Performance, Digital Platforms, Indian Market Growth

I. INTRODUCTION

India's Business-to-Consumer (B2C) sector is undergoing a significant transformation, fueled by expanding economic opportunities, rising consumer awareness, and increasing accessibility to entrepreneurship. This domain—particularly the direct selling industry—is estimated to grow to nearly ₹64,500 crore (USD 7.98 billion) by 2025, contributing notably to employment generation and fostering financial independence among emerging entrepreneurs, especially women and young adults. The shift marks a movement away from conventional retail approaches toward more personalized, trust-based selling frameworks.

Although the sector is rapidly expanding, limited research exists on the behavioural mechanisms guiding B2C transactions at the grassroots level. While financial and market data highlight sectoral performance, there is comparatively less empirical work exploring how variables such as consumer trust, product perception, and digital engagement influence purchasing decisions in real-time market settings. To bridge this gap, the present study examines the functioning of Self-Power Direct Marketing—an emerging direct selling enterprise in Chhattisgarh engaged in diverse product categories, including Ayurvedic wellness items and electric mobility solutions.

II. RESEARCH OBJECTIVES

- To examine the association between consumer trust and purchasing decisions related to products offered by Self-Power Direct Marketing.
- To measure the influence of digital channels—such as e-commerce platforms and social media—on the sales performance of distributors.

- To analyse how demographic and socio-economic characteristics contribute to the expansion and sustainability of B2C business models within the regional market.

III. LITERATURE REVIEW

- **Consumer Trust and Buying Decisions**
Direct selling operates outside traditional store-based retail, making personal interaction a key factor in influencing buyer confidence. In this format, the salesperson represents the brand directly, which places interpersonal trust at the center of decision-making. The Commitment-Trust Theory highlights that trust forms the foundation of relationship-driven marketing exchanges. Customers often depend on the perceived honesty and credibility of the seller as a shortcut in evaluating the reliability of the product—particularly when it involves wellness-based items such as Ayurvedic supplements. Existing research strongly indicates that as consumer trust increases, the likelihood of a purchase also rises, confirming trust as a critical predictor of purchasing intent.
- **Influence of Digital Platforms on Sales Performance**
Digital transformation has reshaped the direct selling environment, shifting from traditional “in-person selling” to a digital model widely known as *social selling*. Platforms such as WhatsApp, Facebook, and Instagram amplify the reach of distributors beyond physical limitations, resulting in faster and broader customer engagement. Additionally, e-commerce integration makes transactions smoother, enhancing both credibility and convenience. Digital testimonials, reviews, and online recommendations (e-WOM) now act as major drivers of product acceptance and sales growth. This transition suggests that digital engagement is no longer optional—it functions as a strategic growth accelerator for modern B2C firms.
- **Identified Research Gap**
Most scholarly studies focus on multinational direct selling companies and developed markets,

leading to limited insights into small and mid-scale Indian enterprises. Indigenous direct selling organizations operate in a distinct environment shaped by cultural diversity, varying consumer awareness levels, regulatory challenges, and socio-economic realities. Furthermore, prior studies have examined the roles of trust and digital technology separately. This research specifically bridges that gap by evaluating how these two variables interact—examining whether digital platforms enhance or weaken the traditional trust-based selling relationship.

IV. METHODOLOGY

Research Design

This study follows a mixed-method approach, combining quantitative measurement with qualitative observation to gain a comprehensive understanding of the research variables.

Quantitative Component

Primary data was gathered from 30 respondents/distributors associated with Self-Power Direct Marketing. The quantitative analysis focused on the following variables:

- **Trust Score (X):** Assessed consumer confidence regarding product quality and the credibility of the seller, measured using a 1–10 Likert scale.
- **Purchase Decision Score (Y):** Evaluated the consumer's intent or confirmation to purchase, also based on a 1–10 Likert scale.
- **Sales Data (Before and After Digital Adoption):** Monthly sales figures (in ₹) were recorded before the incorporation of digital marketing tools and compared with performance after implementation.

Qualitative Component

An observational method was used to study real interactions between distributors and consumers. This included attending sales meetings, product demonstrations, and online sessions to capture natural behavior related to communication strategies, trust-building, objection-handling, and relationship management. This provided insights not influenced by self-reported bias.

Hypotheses

Hypothesis Category	Test Applied	Null Hypothesis (H ₀)	Alternative Hypothesis (H ₁)
H1: Trust & Purchase	Pearson Correlation (r)	Consumer trust has no effect on the purchase decision.	Higher consumer trust positively impacts the decision to buy.
H2: Digital Tools & Sales	Paired Sample t-Test (t)	Adoption of digital platforms does not influence sales growth.	Use of digital platforms significantly increases sales performance.
H3: Socio-Economic Influence	Qualitative/Regression Logic	Socio-economic conditions do not contribute to business growth.	Socio-economic factors play a significant role in market expansion.

V. DATA ANALYSIS

The interpretation of observational findings primarily follows a qualitative framework; however, some elements can be presented numerically for clarity. For instance, the researcher may record how frequently distributors highlight product quality versus income opportunities or categorize customer behaviour into defined response groups such as interest, uncertainty, and rejection. Identifying repeated interaction patterns across multiple field observations helps in understanding consistent selling approaches and determining which behaviours contribute most effectively to successful B2C transactions.

Hypothesis 1

Null Hypothesis (H₀): Customer trust in Ayurvedic products distributed through direct marketing does not affect their decision to purchase.

Alternative Hypothesis (H₁): Higher levels of trust in product quality positively influences the customer's decision to purchase from Self-Power Direct Marketing.

Respondent ID	Trust Score (X)	Purchase Decision Score (Y)
1	3	4
2	3	5
3	7	6
4	2	3

5	4	2
6	10	9
7	7	8
8	2	1
9	1	1
10	2	1
11	10	9
12	2	3
13	1	1
14	2	1
15	5	4
16	4	3
17	1	1
18	4	5
19	5	4
20	2	1
21	10	9
22	5	5
23	1	3
24	10	10
25	2	3
26	4	5
27	7	8
28	6	7
29	10	10
30	5	6

Pearson Correlation Analysis

This statistical test evaluates the degree of association between Trust Scores (X) and Purchase Decision Scores (Y).

Step 1: Calculate Averages

$$\bar{X} = \frac{130}{30} = 4.5$$

$$\bar{Y} = \frac{138}{30} = 4.6$$

Step 2: Core Calculations

- Variance in Trust Scores: $\sum (X - \bar{X})^2 = 269.5$
- Variance in Purchase Scores: $\sum (Y - \bar{Y})^2 = 281.2$
- Sum of paired deviations: $\sum (X - \bar{X})(Y - \bar{Y}) = 256$

Step 3: Apply Correlation Formula

$$r = \frac{\sum(X - \bar{X})(Y - \bar{Y})}{\sqrt{[\sum(X - \bar{X})^2][\sum(Y - \bar{Y})^2]}} = 0.93$$

Interpretation

The resulting coefficient, $r = 0.93$, reflects a very strong positive correlation. This means individuals with higher trust scores are significantly more likely to make a purchase. Hence, the null hypothesis is rejected and the alternative hypothesis is accepted.



Graphical Interpretation (Conceptual)

- Scatter points: Each point represents one respondent, and the upward clustering pattern shows a strong linear trend.
- Trendline: The steep upward line visually confirms the strong relationship between both variables.

Inference: As trust increases, the likelihood of purchasing rises accordingly.

Hypothesis 2

Null Hypothesis (H_0): The use of digital selling tools, including social media and e-commerce platforms, has no meaningful impact on the sales outcomes of Self-Power Direct Marketing distributors.

Alternative Hypothesis (H_1): The integration of digital marketing platforms contributes significantly to improved sales performance among Self-Power Direct Marketing distributors.

Because the comparison involves the same participants measured at two different points in time—before and after the use of digital tools—a Paired Sample t-Test (Dependent t-Test) was selected as the appropriate method for statistical examination.

- Confidence Level: 95%
- Significance Threshold (α): 0.05
- Number of Participants: 30

Descriptive Overview of Sales Data

Parameter	Recorded Value
Average Sales Before Going Digital	₹48,487
Average Sales After Using Digital Platforms	₹60,090
Increase in Average Sales	₹11,603
Standard Deviation of Differences	₹4,883

Computation of the t-Statistic

The t-value was calculated using the formula:

$$t = \frac{\bar{d}}{s_d/\sqrt{n}}$$

Where:

- $\bar{d} = 11,603$ (average change in sales)
- $s_d = 4,883$ (standard deviation of change)
- $n = 30$ (sample size)

$$t = \frac{11603}{4883/\sqrt{30}} = 13.01$$

Interpretation of Results

- The computed t-value (13.01) is substantially higher than the critical t-value of 1.699 at a 5% significance level.
- The resulting p-value is far below 0.001, indicating a high level of statistical significance.

Conclusion: Since the test statistic exceeds the acceptance range and the p-value is well below the threshold, the null hypothesis is rejected. The findings clearly demonstrate that digital adoption has a measurable and positive effect on sales performance.

Hypotheses Related to Socio-Economic and Demographic Variables

Overall Model Hypothesis

- H₀: Socio-economic and demographic characteristics do not affect business expansion or financial performance in the B2C sector.
- H₁: These characteristics have a significant impact on financial outcomes and growth within the B2C sector.

Variable-Specific Hypothesis Breakdown

Factor Type	H ₀ Statement	H ₁ Statement	Rationale
Economic (Income Levels & Spending Capacity)	Income has no association with business revenue	Higher disposable income supports increased purchasing and enhances revenue.	Individuals with stronger financial stability are more willing to purchase frequently or in larger volumes.
	growth.		
Demographic (Age Profile)	Customer age does not affect acquisition rates.	Younger segments such as Gen Z and Millennials drive faster adoption of modern and	These groups are more exposed to and comfortable with online platforms.

Factor Type	H ₀ Statement	H ₁ Statement	Rationale
		digital B2C models.	
Geographical (Urban vs. Rural Environment)	Location does not influence business expansion.	Urban-based B2C firms grow more rapidly due to better connectivity, dense markets, and logistics.	Urban centers provide stronger infrastructure and access to technology.
Social (Education and Lifestyles)	Education plays no role in customer loyalty or repurchase intentions.	Higher education correlates with brand awareness, quality preference, and targeted product selection.	Educated consumers engage in comparison and research, often supporting niche or premium products.

Summary Insight

The findings suggest that sales growth in the B2C sector is not solely dependent on marketing strategies or product value but is significantly shaped by socio-economic and demographic characteristics. Higher income groups, younger digitally active consumers, urban markets, and educated buyers display stronger engagement and purchase readiness. Businesses that tailor marketing, pricing, and communication strategies based on these variables tend to achieve stronger long-term scalability, unlike firms that use uniform mass-market approaches.

VI. FINDINGS

- **Trust as the Most Influential Sales Factor:** The statistical analysis revealed that consumer trust plays a decisive role in shaping purchase behaviour. A strong positive Pearson correlation suggests that as trust levels

increase, the likelihood of purchase also rises significantly.

- **Trust as the Central Element in Ayurvedic Direct Selling:** Within the direct selling framework—especially for health-related or Ayurvedic products—trust emerges as the most powerful motivational variable influencing buying decisions rather than just an additional supportive factor.
- **Reduction in Consumer Resistance:** The findings further indicate that once the trust score crosses a threshold value (above 7 on a 10-point scale), hesitation among buyers decreases considerably, often leading to an immediate purchase.
- **Negative Impact of Low Trust:** Low trust ratings were closely associated with rejection or withdrawal from purchase, demonstrating that distrust almost always results in lost sales opportunities.
- **Growth through Digital Platforms:** The introduction of digital mediums such as social networks and e-commerce platforms resulted in a measurable and statistically significant rise in monthly sales performance, validated by a high t-value in the paired sample t-test.
- **Measured Improvement in Sales:** The shift from offline and traditional sales practices to digital outreach generated an average increase of ₹11,603 per distributor, proving the tangible financial benefits of digital adoption.
- **Role of Technology as a Growth Catalyst:** Digital tools amplified market reach and operational efficiency, functioning as a growth accelerator rather than just a supporting mechanism.
- **Company Financial Trends (EV Expansion):** Self-Power Direct Marketing Pvt. Ltd. reported a noteworthy Compound Annual Growth Rate (CAGR) of approximately 196% in the previous financial year, with total revenues reaching ₹5.98 crore in FY 2024.
- **Primary Source of Recent Growth:** The analysis suggests that this significant revenue spike is largely due to the

organization's strategic expansion into the Electric Vehicle (EV) sector.

- **Dual Business Model Observation:** The business currently operates in two performance zones:
 - A steady but slow-growing traditional direct selling operation dealing in wellness products, and
 - A rapidly expanding division involved in the retail and dealership of electric scooters, which now acts as the primary revenue engine.

VII. CONCLUSION

This research demonstrates that the expansion of B2C enterprises—illustrated by the case of Self-Power Direct Marketing—is largely dependent on the combined influence of interpersonal trust and digital adoption. A high positive correlation between trust and purchasing behaviour indicates that trust forms the psychological basis for consumer decision-making in direct selling environments, particularly in markets involving health-oriented products such as Ayurvedic supplements.

Alongside trust, the study shows that digital sales tools significantly strengthen market engagement and purchasing activity. Results from the paired sample t-test confirmed substantial improvements in sales outcomes after digital adoption, supported by a highly significant p-value (<0.001). The observed financial gains—including an average increase of over ₹11,000 per distributor—reflect the scalability and efficiency that technology contributes to the sales ecosystem.

In conclusion, the research affirms that trust enables consumer acceptance, while digital tools provide the reach and operational capacity necessary for large-scale, sustainable growth. Together, they form the core drivers shaping the evolving landscape of B2C business models in emerging Indian markets.

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