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Impact of Digital Media on Economy of India

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Abstract: *The present research examines how digital media use affects economic growth, focusing on determining regional variations in adoption between urban and rural populations. Digital platforms are now essential to many aspects of economic activity, such as online transactions, digital marketing, business operations, and financial inclusion. Even though digital media has greatly boosted economic growth, there are still gaps in its availability and use, particularly between urban and rural areas. A structured Likert scale questionnaire was administered to 200 respondents, equally divided between urban and rural areas. Descriptive statistics, independent samples t-tests, and simple linear regression were used to analyze the data. According to the regression results, there is a moderately positive and statistically significant relationship between economic growth and the use of digital media. Additionally, the t-test showed that respondents from urban and rural areas used digital media significantly differently, with urban users demonstrating significantly higher engagement. The findings highlight the critical role of digital media in economic development, while also pointing to the challenges posed by the digital divide. According to the study, initiatives should be taken to improve digital infrastructure, advance digital literacy, and guarantee fair access to technology in rural regions.Closing this gap is crucial for equitable and sustainable economic development in India.*

Keywords*:* Digital media, Economy, Growth, Urban, Rural, India

I. INTRODUCTION

One of the main drivers of India's socioeconomic development is digital media, which has an impact on how people, companies, and governments function. Digital platforms are becoming more and more integrated into economic activities as a result of the quick development of internet technology and mobile connectivity. These activities range from online education, digital marketing, and content creation to e-commerce and digital payments. Due to the widespread use of smartphones and reasonably priced data, India is currently experiencing a digital revolution and is now the second-largest online market in the world**(Porwal, 2025).**

The emergence of digital media has opened up new avenues for economic growth by improving market efficiency, reducing transaction costs, and expanding access to goods, services, and information. Digital media is encouraging entrepreneurship and innovation at all levels, from small retailers marketing their goods on Instagram and WhatsApp to large-scale digital marketing campaigns and fintech services. In developing countries like India, digital transformation via media platforms is a major driver of job creation and entrepreneurship. With India's aspirations to become a $5 trillion economy, this digital push is particularly crucial.

Digital platforms have become more widely used across industries thanks to government programs like Startup India, Digital India, and the National Digital Communications Policy. These regulations seek to improve digital literacy, fortify digital infrastructure, and stimulate the use of digital tools for economic engagement and governance. By facilitating smooth, real-time digital transactions, the Unified Payments Interface (UPI), for example, has completely transformed the financial ecosystem and boosted consumer spending and financial inclusion **(Maiti et al., 2019).**

Even with its bright future, digital media's influence on economic growth is still not uniform across India's various regions. With superior infrastructure and greater levels of digital literacy, urban areas have profited far more than rural ones. Disparities in access to and use of digital technologies, or the "digital divide," continue to be a significant problem. Due to things like low internet penetration, low device ownership, and ignorance of digital opportunities, rural

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areas continue to lag behind. Because of this, the economic benefits of using digital media are concentrated in urban areas at a disproportionate rate.

Developing inclusive policies requires an understanding of the regional variations in digital media use. Rural populations can engage in the digital economy through remote work, online businesses, or e-learning platforms if they have equitable access to digital tools and skills. Additionally, the incorporation of digital media into SMEs has demonstrated benefits in terms of increased productivity and market penetration, both of which eventually support the expansion of the national economy **(Saputra et al., 2024).**

Problem statement

Despite the rapid growth of India's digital infrastructure, not much is understood about the true relationship between digital media and economic expansion. Despite the fact that digital platforms have transformed communication, marketing, finance, and entrepreneurship, not all regions have equally benefited. Urban areas, which have better internet access and digital literacy, see higher usage and economic gains from digital media, while rural areas continue to face challenges like low awareness, limited digital skills, and poor connectivity. This digital divide raises questions about the inclusivity of economic growth driven by digital technology. Furthermore, there is a lack of empirical evidence to support the belief that digital media enhances productivity, market access, and income generation. Therefore, it is essential to systematically investigate the relationship between digital media usage and economic growth as well as to analyze area-wise differences in its adoption in order to develop evidence-based strategies for inclusive and balanced digital economic development in India.

Objectives

- To evaluate impact of use of digital media on economic growth.
- To find area wise difference in the usage of digital media.

Hypothesis

- **H_0:** There is no significant impact of use of digital media on economic growth.
- **H_1:** There is significant impact of use of digital media on economic growth.
- **H_0:**There is no significant area wise difference in the usage of digital media.
- **H_2:**There is significant area wise difference in the usage of digital media.

II. LITERATURE REVIEW

(Khan & Haneef, 2023) explains, wide range of material on the internet is having a significant impact on the political economy of the news industry. Competitors in the media sector are using a variety of price strategies to stay afloat. There are digital media companies that are torn between charging for their content and just giving it away for free. This study delves into the issues and changing business models of three English-language digital native news companies in India through participant observation and in-depth interviews. According to this study, despite facing stiff competition from the likes of Google and Facebook, the three news websites have not yet figured out how to turn a profit. While traditional websites rely on advertising revenue, digital natives are beginning to consider paywalls as an alternative revenue stream independent of platforms.

(Prakash et al., 2023) describes, Marketing encompasses two separate subfields: digital marketing and social media marketing. As a result of changes in consumer behavior and the widespread availability of digital technology, the digital and social media marketing industries have been on the cutting edge of a global revolution. In this study paper, we set out to discover what recent events had an impact on startups in India's economy. The research is examining technological advancements and determining the new marketing lexicon for the year 2023. All of this has expanded due to the widespread adoption of digital changes by organizations of all sizes throughout the globe. Studying emerging marketing trends may be a game-changer for companies looking to capitalize on these trends and shape the future of

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marketing, research and development, and related industries. This study will help a great deal in understanding the terminology that this market may use in the future and in the present.

(Sruthi, et al., 2023) This study aims to identify the ways in which digital media and other socioeconomic factors affect India's micro and small businesses. Social capital, network effects, and the digital divide will form the pillars of the research. As part of its mixed-methods strategy, the research will gather data in a quantitative and qualitative fashion. Indian micro and small business owners will be surveyed and interviewed to learn more about their social media habits and economic pursuits. It is the goal of this research to shed light on how MSMEs in India are faring in relation to the influence of digital media and other socioeconomic factors. With this comes the possibility of both more connectivity and networking possibilities and a wider digital gap and less access to resources. The study's findings on the pros and cons of social media marketing for small businesses would be useful for Indian lawmakers and entrepreneurs. Plus, it will add to what is already known about how digital technologies have affected small companies in underdeveloped nations. To address a knowledge vacuum, this study employs a mixed-methods strategy to investigate the effects of digital media on socio-economic factors on micro and small firms in India.

(Madhumithaa et al., 2023) The focus of this study is on small and medium-sized businesses in India, specifically how digital media and societal trends affect them. The study will employ a mixed-methods strategy, which combines qualitative and quantitative techniques, to gather data. The purpose of this study is to collect information about the digital media usage and socioeconomic activities of micro and small business owners in India using surveys and interviews. The study's results will shed light on how factors like digital media and economic and social activities affect the expansion and prosperity of India's micro and small businesses. The possibilities for digital divide and restricted access to resources are among them, along with the possibilities for enhanced connectivity and networking.

(Thanga, 2023)observes in his study, The digital era has brought about enormous changes in the marketing business, and India is no exception. The rise of smartphones and internet access has made digital marketing a powerful medium via which companies can reach out to consumers. Examining the ways in which digital marketing contributes to the growth, development, and creation of jobs in India's economy is the primary goal of this paper. Due to digital media, Indian enterprises can now target specialized markets more precisely and reach a bigger audience. With a population of over 1.3 billion, India presents a substantial opportunity for businesses to leverage digital marketing strategies. Online marketing channels such as search engines, social media, email, and others enable companies to promote their wares, generate leads, and ultimately boost sales. Because digital marketing strategies are more accessible and cheaper, they have levelled the playing field for small and medium-sized enterprises (SMEs). By making things more equal, this has boosted entrepreneurialism and helped the economy flourish.

(Mittal et al., 2023) describes, social media has revolutionized the way companies engage with customers and build their brands, regardless of whether they are well-established brick-and-mortar stores or brand-new startups. Established companies now have more opportunities than ever before to connect with their target audiences, gauge customer sentiment, and foster brand loyalty through social media platforms such as LinkedIn, Facebook, and Twitter. At the same time, new online firms may utilize social media to establish their credibility, engage with clients, and differentiate themselves in the crowded online marketplace. Social media has become an essential tool for contemporary client connection and brand growth for businesses across all sectors and sizes. This research aims to use data collected from some of the biggest companies in the world to determine the impact that social media has had on these corporations. Focusing on how social media affects the operational efficiency of big companies is what this research is all about. Research on the effects of social media on company performance looks at a variety of metrics, including revenue growth, customer happiness, brand reputation, and employee participation. Some major companies have jumped on the bandwagon of social media's rising star power to increase profits. However, studies examining the impact of social media on businesses have focused more on small and medium-sized companies than on large-scale corporations. How can massive corporations (such tech behemoths and business juggernauts) reach out to varied customer bases through these new channels of industry-consumer engagement, and what are the benefits and drawbacks of these channels?

(Akhtar et al., 2023) This study intends to provide a comprehensive literature evaluation on digital economy and social media analytics from 1996 to 2022 by using bibliometric analysis from the Scopus database. Research grounded in bibliometrics has shockingly ignored digital economies and global social media analytics. The present status of the

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internet economy and social media analytics is illustrated in this research using VOS viewer. The current study analyzes 1539 articles extracted from the Scopus database using VOS viewer, a tool that creates visual representations of data. Analysis of keyword co-occurrence, co-citation, journal, and co-authorship are some of the research approaches utilized in the work. Among the most important findings are the most prolific journals, publications, authors, subjects, keywords, and countries, as well as the most significant trends. By combining bibliographic coupling with content analysis, study determine the clusters' main themes. This studyused a conceptual quadrant model to examine the outcomes of the link between social media analytics and the digital economy. This study states that research on digital economy and social media analytics has shifted from wealthy nations to poorer ones. Countries like India, Pakistan, Bangladesh, and Ukraine are seeing an increase in the number of studies conducted.

(Chatterjee et al., 2022) The SMEs in India are the focus of this research, which aims to shed light on the ways in which corporate digital entrepreneurship affects their daily operations. We also look at how strategic planning and AI-CRM skills moderate the consequences of corporate digital entrepreneurship. Theoretical frameworks and scholarly works have been used to construct a conceptual model. A total of 315 eligible respondents helped validate the model using the partial least squares structural equation modeling method. Additionally, we have examined the moderators' effects using multigroup analysis. The study concludes that characteristics such as perceived usefulness, perceived simplicity of use, and readiness to adapt significantly impact corporate digital entrepreneurship for small and medium-sized firms (SMEs) in India. The study also sheds light on the fact that the two moderators have substantial impacts on the correlations between corporate digital entrepreneurship and its precursors. Research limitations and implications: This study developed a new model that provides valuable information to SME owners in emerging markets. By digitizing more conventional procedures and processes, entrepreneurs may greatly improve the efficiency of their digital entrepreneurial activities within their organizations. These inputs can be used to develop regulations in a more efficient manner.

III. RESEARCH METHODOLOGY

This study uses a quantitative research design to investigate how digital media use affects India's economic growth and how urban and rural populations use digital media differently by area. To accomplish the goals of the study, the methodology consists of a cross-sectional survey approach, statistical analysis, and the use of structured tools.

Research design

Data was gathered and analyzed from respondents in both urban and rural locations using a descriptive and inferential research design. The design makes it easier to identify important regional variations and comprehend the connections between the independent variable (use of digital media) and the dependent variable (economic growth).

Sample and Sampling Technique

Stratified random sampling was used to select 200 respondents for the study, ensuring equal representation from urban and rural areas. The inclusion of 100 participants from rural and 100 from urban areas allowed for a comparative analysis. Respondents were chosen from a variety of age groups, genders, and occupations to ensure a diverse dataset.

Data Collection Tool

A structured Likert scale questionnaire was developed and administered to measure:
The extent of digital media usage (independent variable)
The perceived impact on economic growth (dependent variable)
The questionnaire included items rated on a 5-point Likert scale ranging from “Strongly Disagree (1)” to “Strongly Agree (5)”. It also included demographic questions to capture age, gender, and area of residence.

Method used

The data was gathered using both offline and online techniques, allowing participants from both urban and rural areas to access it. Prior to any data collection, the participants were informed of the purpose of the study.

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Data analysis

Descriptive and inferential statistical techniques were used to analyze the data collected from 200 participants through a structured Likert scale survey using SPSS software. The mean and standard deviation for significant variables, such as perceived economic growth and digital media usage, were calculated using descriptive statistics. Additionally, the demographic information of the respondents, including age, gender, and place of residence, was compiled. The relationship between economic growth and digital media use was examined using a simple linear regression analysis.

IV. RESULTS

This section provides the statistical results of a study that looked at how digital media use affected economic growth and how respondents in India's cities and rural areas adopted digital media differently by area. Using a structured Likert scale questionnaire, 200 respondents in total were polled. Descriptive and inferential statistical tools, such as regression analysis and the independent samples t-test, were used to analyze the data.

Table 1: Age wise distribution of respondents

Age		
	Frequency	Percent
Below 25 years	51	25.5
25 - 30 years	68	34.0
31 - 35 years	24	12.0
36 - 40 years	35	17.5
Above 40 years	22	11.0
Total	200	100.0

The age distribution of the respondents is shown in Table 1. The largest percentage of responders (34.0%) are between the ages of 25 and 30, With 25.5% of the sample as a whole, people under 25 make up the second-largest group. 17.5% of respondents are between the ages of 36 and 40, and 12.0% are between the ages of 31 and 35, indicating a moderate level of mid-career participation. With 11.0% of the respondents, the group over 40 years old is the smallest.

Graph 1: Graphical representation of age wise distribution of respondents

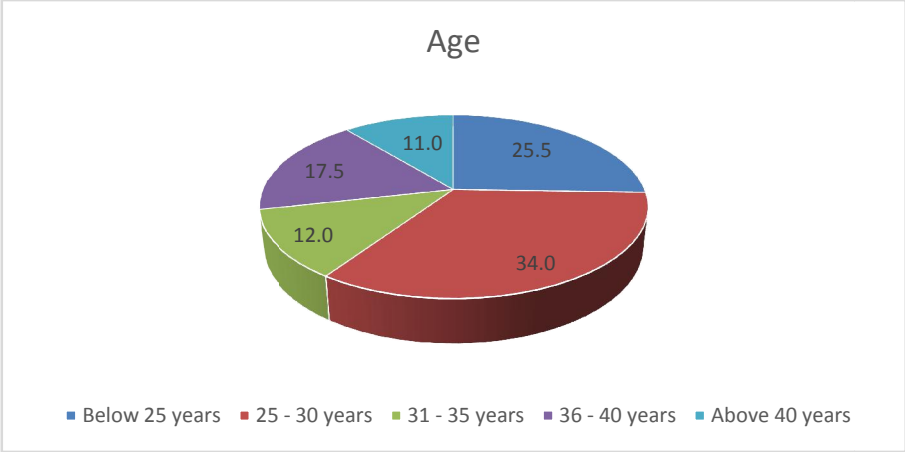

Table 2: Gender wise distribution of respondents

Gender		
	Frequency	Percent
Male	122	61.0
Female	78	39.0
Total	200	100.0

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The distribution of the respondents by gender is displayed in Table 2. Of the total, 78 respondents (39.0%) are female, and 122 respondents (61.0%) are male.

Graph 2: Graphical representation of gender wise distribution of respondents

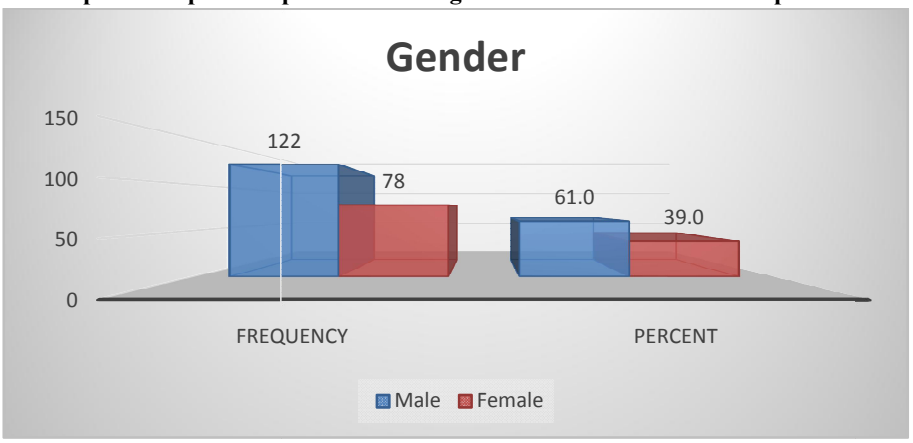
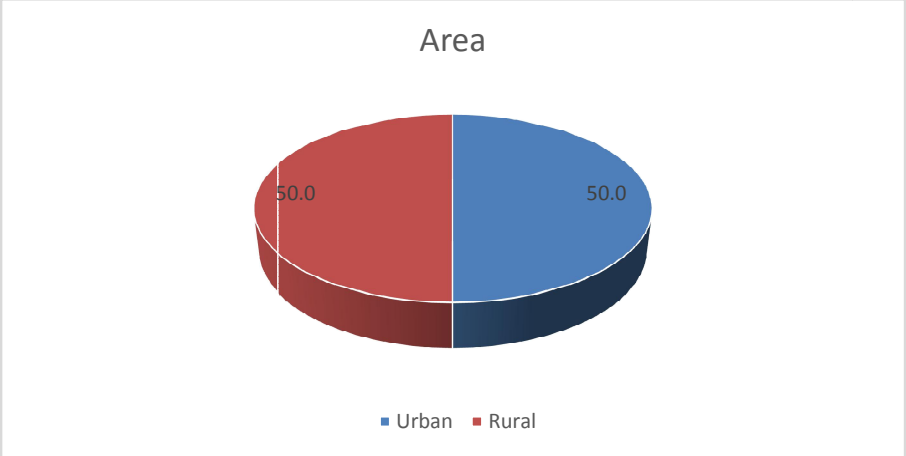


Table 3: Area wise distribution of respondents

Area		
	Frequency	Percent
Urban	100	50.0
Rural	100	50.0
Total	200	100.0

The distribution of respondents by area is shown in Table 3. There are 100 respondents (50.0%) from both urban and rural areas, making up a comparable percentage of the sample.

Graph 3: Graphical representation of area wise distribution of respondents



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Hypothesis testing

Hypothesis 1: There is no significant impact of use of digital media on economic growth.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.565[a]	.319	.315	3.95707
a. Predictors: (Constant), Use of digital media				

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1450.510	1	1450.510	92.634	.000[b]
	Residual	3100.370	198	15.658		
	Total	4550.880	199			
a. Dependent Variable: Economic growth						
b. Predictors: (Constant), Use of digital media						

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.478	.994		5.511	.000
	Use of digital media	.594	.062	.565	9.625	.000
a. Dependent Variable: Economic growth						

The regression analysis's findings show a statistically significant correlation between economic growth and digital media use. A moderately positive correlation is indicated by the R value of 0.565, and the R Square value of 0.319 indicates that the use of digital media accounts for about 31.9% of the variation in economic growth. The regression model's overall statistical significance is confirmed by the ANOVA table, which shows an F-value of 92.634 and a p-value of 0.000. According to the coefficients table, the unstandardized coefficient (B) for digital media use is 0.594 with a p-value of 0.000. This suggests that economic growth rises by 0.594 units for every unit increase in digital media use. The strength of this positive relationship is further supported by the standardized beta value of 0.565. Therefore, the null hypothesis stating that there is no significant impact of the use of digital media on economic growth is rejected.

Hypothesis 2: There is no significant area wise difference in the usage of digital media.

Group Statistics					
Area		N	Mean	Std. Deviation	Std. Error Mean
Use of digital media	Urban	100	18.0700	3.58238	.35824
	Rural	100	12.8700	3.88640	.38864

Independent Samples Test						
		t-test for Equality of Means				
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Use of	Equal	9.838	198	.000	5.20000	.52856

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digital media	variances assumed					
	Equal variances not assumed	9.838	196.701	.000	5.20000	.52856

The independent samples t-test results show that respondents from urban and rural areas use digital media differently, with a significant area-wise difference. There is a noticeable disparity in the mean score for digital media usage between urban and rural respondents, with the urban having a mean score of 18.07 and the rural of 12.87. With a degree of freedom (df) of 198 and a computed t-value of 9.838 and corresponding p-value of.000. This demonstrates the statistical significance of the mean difference. The average difference of 5.20 indicates that people in cities use digital media significantly more than people in rural areas. As a result, the null hypothesis stating that there is no significant area-wise difference in the usage of digital media is rejected.

V. CONCLUSION

This study evaluated the regional variations in digital media adoption between urban and rural populations and investigated the effect of digital media usage on economic growth in India. Regression analysis results showed a moderately strong and statistically significant positive correlation between economic growth and digital media use. This implies that greater use of digital platforms leads to a number of economic benefits, such as better market access, increased financial inclusion, business growth, and increased income opportunities. Urban respondents reported significantly higher levels of engagement with digital media than their rural counterparts, according to the independent samples t-test, which also showed a significant area-wise difference in digital media usage. This demonstrates how there is a digital divide that could restrict the economic advantages of digitization in underdeveloped areas. The study arrives at the conclusion that although digital media is essential for fostering economic growth, targeted policy interventions are required to address the unequal access and usage patterns. Strengthening digital infrastructure, promoting digital literacy, and expanding affordable internet services in rural areas are essential for achieving inclusive digital growth. In addition to increasing economic participation in rural areas, closing the digital divide will guarantee that the advantages of India's digital transformation are shared fairly among all socioeconomic and geographic groups.

Suggestions

Encourage digital literacy initiatives in rural and semi-urban regions to guarantee fair access to the digital economy.
Increase digital infrastructure, such as mobile network coverage and internet access, particularly in developing nations.
Small businesses and entrepreneurs should be given financial incentives or subsidies to use digital tools and platforms.
To provide training and reasonably priced digital devices in rural areas, promote public-private partnerships.
Enhance government programs such as Digital India by implementing focused interventions that take into account local trends in digital usage.
Develop regionally specific digital content to increase digital media usage among linguistically diverse populations.
Conduct awareness campaigns emphasizing the financial advantages of using digital media for financial inclusion, entrepreneurship, and employment.
Provide skill-building initiatives that incorporate digital resources pertinent to regional markets and industries.

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