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RESEARCH ARTICLE

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## DIGITAL ENTREPRENEURSHIP AS AN MSME OPPORTUNITY FOR WOMEN IN TIER-II AND RURAL INDIA

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### ABSTRACT

Antimicrobial Digital entrepreneurship is presenting new avenues for women entrepreneurs in the MSME sector of India. While starting a regular business is often challenging for women living in Tier II cities and rural regions due to several issues, including limited mobility, insufficient finances, societal pressures, and restricted market entry, digital technologies are making a difference. The increasing use of smartphones, mobile money, digital social media platforms, and e-commerce websites is providing women with the possibility to start selling their goods, providing certain services, and managing their enterprises at home without requiring significant investments. The current research paper presents a review of the literature concerning the issue of digital entrepreneurship as a new prospect for women entrepreneurs in the changing MSME environment of India. The paper discusses how new digital opportunities are appearing for women entrepreneurs to start working in such fields as online shopping, the food industry, beauty-related services, tutoring, handmade items, arts, and crafts, etc. However, it also acknowledges that the mere presence of such opportunities is not sufficient for many women, who still struggle with digital illiteracy, inadequate Internet access, financial difficulties, and various social obstacles. In this way, the paper highlights that entrepreneurship through digitisation is seen not only as an economic practice but also as a source of social empowerment. Specifically, the study contributes to debates around inclusive entrepreneurship by considering how such practices have been used by women in non-metropolitan and rural India.

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## INTRODUCTION

Female entrepreneurship has become one of the significant aspects of development and transformation of the Indian economy and society. However, for a significant number of women living in Tier-II towns and rural areas, engagement in business activities is not an easy choice due to lack of mobility, lack of educational opportunities, financial dependency, and deep-rooted social norms (Ahl, 2006; Roomi & Parrott, 2008). Under these circumstances, business activities become more than an economic choice as they are strongly influenced by social context and available resources. Modern technologies open up new horizons in terms of female entrepreneurship. The use of smartphones, low-cost Internet connection, payment apps, and other tools of social media enable women to take part in economic activities free from traditional constraints imposed by the presence of physical markets (Nambisan, 2017). Digital entrepreneurship allows women to engage in economic activities using alternative channels and opens up a variety of opportunities.

Home entrepreneurs can sell handmade goods on social networks, teach online, provide online beauty or wellness services, or run some small-scale e-businesses. This evolution is part of the growing scope of the MSME industry that has long played an important role in generating jobs and fostering innovation within India (Government of India, 2023). By leveraging digital entrepreneurship, MSMEs can overcome infrastructural, marketing, and geographical constraints. Digital entrepreneurship thus offers immense potential for women, especially in smaller cities and rural areas, where conventional business environments tend to lack. The adoption of technology, however, does not equal empowerment. Despite numerous initiatives aimed at enhancing digital literacy among women, many are still constrained by poor access to internet services, credit, as well as social obstacles that influence their decisions and behavior (UN Women, 2021). In other words, the opportunities created by digital entrepreneurship cannot be discussed without considering issues of ongoing inequality in India. While entrepreneurship and women empowerment are widely researched topics, there has been insufficient focus on digital entrepreneurship as an MSME-related possibility available to women outside major Indian cities. This paper

addresses the issue by exploring how digital entrepreneurship opens up new opportunities for women in Tier-II cities and rural regions, along with discussing the obstacles that affect women entrepreneurs. In doing so, this paper seeks to provide additional input in debates concerning inclusive entrepreneurship, gender equity, and digital transformation in modern India.

## LITERATURE REVIEW

Studies of women's entrepreneurship indicate the significance of both economic and socio-cultural conditions in shaping their entrepreneurial involvement. Early studies indicate that women's participation in entrepreneurship can be hindered by specific difficulties that cannot be attributed to male entrepreneurs, such as limited mobility, unequal access to funds, inadequate institutional support, and conflicting work-life arrangements (Ahl, 2006; Roomi & Parrott, 2008). Thus, it becomes easier to account for the current inconsistencies associated with women's entrepreneurial involvement in communities that still maintain gender stereotypes in regard to economic activities. Digital entrepreneurship adds another dimension to this debate by bringing up issues associated with using technology in the course of starting a new business venture. Digital entrepreneurship represents entrepreneurial initiatives made possible through the use of digital technologies, such as online markets, social networks, smartphone applications, and other digital instruments (Nambisan, 2017). As opposed to regular entrepreneurship, digital entrepreneurship requires smaller investments and provides more flexibility in terms of time and location management. According to current literature, digital technologies may help to overcome certain structural barriers limiting women's involvement in businesses. Women are able to promote their goods, conduct negotiations with clients, conduct payments, and create a network of contacts without having to fully rely on the physical means of business organization (Sahut, Iandoli, & Teulon, 2021). The advent of social media commerce has made informal but economically productive ways of doing business available to women who operate small companies. This has made room for home businesses, creative activities, and service provision.

Concerning India, the spread of digital infrastructure has facilitated changes in entrepreneurial practices within the country. Digital inclusiveness and fintech have become key elements of making small businesses participate in online commerce more actively (Elia, 2020). Micro and small scale enterprises have become a fertile field for the development of new forms of business since they can easily be accommodated into a digital framework. Women entrepreneurs in areas like handicraft, food production, education, and beauty industries use online means to engage in business. Simultaneously, researchers advise being cautious when approaching digital entrepreneurship as a space for equal opportunity. Technology access does not guarantee successful integration and participation. The digital divide continues to persist, especially in rural and semi-urban areas of India, in terms of internet connectivity, technological devices, and digital literacy (van Dijk, 2020). Often, women face the divide even more prominently because of economic disparities and family-imposed barriers to access. Moreover, research concerning women's empowerment indicates that economic activities must be considered outside the framework of income generation. Entrepreneurial involvement could enhance women's decision-making powers, visibility, and empowerment, although these processes depend heavily on the structural environment (Kabeer, 1999). In turn, digital entrepreneurship can offer new possibilities for empowerment, although inequality might persist in the absence of conducive ecosystems. Existing research concerning women's entrepreneurship, digital transformation, and MSMEs provides some insight into the phenomenon; however, literature on women's digital entrepreneurship as a path to success for MSMEs is limited. The majority of the existing body of knowledge concerns either urban entrepreneurship ecosystems or digital inclusivity in general rather than digital entrepreneurship experiences of entrepreneurs from non-metropolitan

areas. The current research aims to examine digital entrepreneurship through three lenses: gender, locality, and MSMEs opportunities.

**Research Gap:** Previous studies have been quite useful in understanding female entrepreneurship, digital transformation, and the involvement of MSMEs in economic growth. These studies have looked into various barriers women entrepreneurs face, like the lack of finances, societal pressures, inability to travel freely, and institutional disparity (Ahl, 2006; Roomi & Parrott, 2008). Digital entrepreneurship research has focused on the potential for technological solutions to bring about change, making entry easier and providing more flexible business options (Nambisan, 2017; Sahut et al., 2021). Moreover, Indian research on digital inclusion and MSME development has been carried out in terms of overall economic modernization (Elia, 2020). Nevertheless, an apparent research gap exists among these topics. There is a significant amount of literature that deals with women's entrepreneurship, digital entrepreneurship, and MSME development individually, without considering their interconnectivity. Studies devoted specifically to women's digital entrepreneurship tend to focus on metropolitan startup ecosystems or technologically driven businesses and do not give much attention to Tier-II and rural areas. In addition, current research tends to focus on digital access from the infrastructural and policy perspective; however, the way in which women in Tier-II towns and rural areas use digital entrepreneurship as a livelihood strategy remains underexplored. The everyday experiences of running home-based digital enterprises, dealing with social expectations, juggling family obligations, and developing enterprise via informal digital networks have yet to receive adequate consideration. Another issue relates to the tendency to approach digital entrepreneurship as a purely economic venture rather than a socially or gender-based practice. Issues related to empowerment, agency, local identity, and development of community-based enterprises warrant greater consideration, especially in contexts wherein entrepreneurship is mediated both by technological possibilities as well as social constraints (Kabeer, 1999). This research aims to address these issues by exploring the potential for digital entrepreneurship as a viable MSME option for women living in Tier-II towns and rural parts of India. This will enable the convergence of gender, digital inclusion, and MSMEs into a framework that can better understand the ways in which new technologies generate new possibilities as well as reinforce social hierarchies.

## RESEARCH METHODOLOGY

The present study employs a qualitative research design that only involves secondary data to investigate digital entrepreneurship as a new MSME opportunity among women in Tier-II cities and rural areas in India. The use of secondary data is suitable for the present study since it allows for understanding the existing trends, policy issues, and academic discussions regarding the topic without conducting primary field work (Johnston, 2017). Multiple sources of secondary data are considered to provide a holistic picture of the topic under investigation. These sources include peer-reviewed articles, books, government and organizational reports, policies, statistical data, and other documents concerning the topics of women entrepreneurship, digital transformation, and development of MSMEs in India. Specifically, these sources involve publications by the Ministry of Micro, Small and Medium Enterprises, Government of India, NITI Aayog, Reserve Bank of India, digital economy papers, and international organization reports by the World Bank, UN Women, and the International Labour Organization. Additionally, academic databases are used to identify relevant sources about digital entrepreneurship and gender enterprise engagement. A thematic analytical process is used in order to analyze the collected data. In other words, the selected literature and policies are analyzed in terms of recurring themes such as entrepreneurship opportunities, digital inclusion and access, socio-economic challenges, financial inclusion, digital literacy, and empowerment of women. The literature that was chosen as the source material for the paper represents a purposeful selection based on the topic. The specific criteria that were considered

include the focus on women's entrepreneurship in India, development of MSMEs, and digital economy in non-metropolitan locations. Special attention is paid to the literature dealing with Tier-II cities, rural entrepreneurship, and digital inclusion. Since it is a conceptual and analytical study, there are no human subjects involved in the research process. It is aimed at examining the mechanisms of operation of digital entrepreneurship as an economic opportunity as well as a social mechanism of empowering women within the context of the rapidly developing MSME sector in India. Secondary research can have certain drawbacks such as reliance on the data that is already available but is still quite effective in generating theoretical insight into the problem. Discussion and Analysis: Digital Entrepreneurship as an Opportunity for Women in MSMEs in Tier-II and Rural India With digital entrepreneurship opening up avenues for economic empowerment that transcend traditional employment arrangements, women have been able to tap into entrepreneurship in ways not possible earlier in Tier-II cities and rural areas in India, where traditional sources of economic opportunities are relatively scarce. The proliferation of smartphones, availability of the internet and digital payment services, and presence of social media has slowly done away with the need for physical market places, making it easier for women to create their own enterprises from home and in local communities.

#### **New Business Opportunities Created through Digital Enterprise:**

One of the greatest gains offered by digital enterprise is the diversification in business opportunity. Traditionally, entrepreneurship was dependent on several prerequisites including capital, space, mobility, and connections, all of which were difficult to acquire by many women. The emergence of social media platforms and online market places has led to women starting up online retail businesses in the form of micro-enterprises. This includes businesses based around handmade goods, clothing, accessories, crafts, and other homemade items sold either as personalized gifts or food products. Further, the trend of service-based entrepreneurship has emerged as well. There are instances of women working as online tutors, language coaches, content writers, beauty advisors, wellness experts, and digital freelancers. Such activities fit well within the context of the MSME framework since it involves a lower capital requirement as well as scalability in growth. Similarly, digital entrepreneurship has provided new avenues for product promotion in the rural sector. The local crafts, food products, and other region-specific creativity that was not easily available in distant markets can now be promoted.

**Flexibility in Digital Enterprises:** The second benefit of digital entrepreneurship is flexibility. In most cases, women continue to manage their family commitments as well as economic activities. Fixed work timings and mobility requirements can pose challenges. The option of digital enterprises makes it possible for women to work under flexible timeframes and in their own surroundings. Such flexibility becomes significant especially when women have to operate in a socially conservative environment or face geographical constraints. Thus, in such situations, entrepreneurship also assumes significance as an avenue for economic participation amidst existing social conditions. In the case of Indian women in Tier-II cities and rural areas, such enterprises provide an incremental approach towards owning their businesses. The growth in digital infrastructure has been a facilitator here. Mobile phones, data plans, digital payments, and digital public forums have all served to enhance the ease of doing business. Government policies and programs aimed at digital inclusion, finance, and micro-enterprise support have also made their contributions in helping bring about this change. Various government programs related to digital skills training, entrepreneurship, finance, and MSME development have ensured that there is recognition of the need to integrate women into economic activities. At times, policy may be well designed but not necessarily easily accessed by everyone. There needs to be greater awareness of schemes, especially in rural areas. The complexity involved in administration and process can even prove a hurdle for new entrants.

**Perennial Structural Hurdles:** Digital entrepreneurship does not necessarily imply equality in opportunities. The availability of

technological tools varies widely. Internet access, smartphone penetration, and digital skills levels differ markedly between social groups and geographies. There is the issue of digital literacy. It may be possible that some women have smartphones but not necessarily the digital literacy necessary to undertake online marketing, online transactions, customer management, or navigating the platform itself. Financial barriers still exist. While digital enterprises do not necessitate much capital, funds for equipment, connection, packaging, manufacturing, and platform use must nevertheless be obtained. Credit accessibility is also inconsistent, especially for females who lack independent financial means. The effects of social expectations on entrepreneurship are also present. Approval from family members, domestic obligations, and social conceptions regarding what constitutes women's work impact not only the level of entrepreneurship but also its viability.

**Digital Entrepreneurship as a Tool of Social Empowerment:** Digital entrepreneurship is more than just an economic practice. The involvement in economic activity holds several social implications as well. Participation in the economy increases women's social visibility and confidence and allows them to make decisions. Thus, in most cases, entrepreneurship represents an act of empowerment by negotiations rather than an attempt at structural transformation in women's lives. Nonetheless, results are far from being identical. Economic independence may come into fruition for some but not for all as women might continue working in the realm of informal or low-yielding entrepreneurship. Thus, transformative power relies heavily on surrounding conditions. Therefore, digital entrepreneurship appears to have significant MSME potentials for Indian women living in Tier-II cities and rural areas.

## CONCLUSION

Digital entrepreneurship offers an opportunity for Indian women entrepreneurs in the MSMEs of India who live in Tier-II cities and rural areas where there is little scope for starting businesses using conventional methods. The development of digital technology has allowed women to start their ventures by employing a flexible approach, minimal investment, and working from home. Women's ventures have expanded from online retail to social commerce, digital services, education services, and even creative industries. However, it would be wrong to view this opportunity solely through the prism of technology and economics. Digital platforms can solve certain problems and offer opportunities; nevertheless, they still do not ensure the full engagement of women in entrepreneurship as social expectations, lack of digital literacy, inequality in accessing information, financing difficulties, and infrastructure issues continue playing a role in shaping women's entrepreneurship. This study proves that there is both economic opportunity as well as social negotiation involved in the process of digital entrepreneurship. For most women, especially from smaller towns and rural areas, not only does engaging in digital entrepreneurship provide them a means to earn money but also an opportunity to gain visibility and confidence in participating in economic activity at a local level. This transformation can take place in the future by promoting better digital literacy programs, financial assistance, easier policy execution, and institutional motivation. The development of a digital economy in India should be continued keeping inclusive entrepreneurial development as one of the main goals of the country's growth. Women's engagement in digital MSMEs not only is an economic strategy but also promotes inclusivity through social development. Further research can take forward this study by conducting field-based studies on women digital entrepreneurs in different regions.

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