

OPEN ACCESS

Citation: Devaraja, T. S., & Ramya, D. J. (2024). E-commerce trends and consumer buying behavior: A study of digital marketplaces. *International Journal of Commerce, Management, Leadership, and Law*, 1(1), 21–28.

***Corresponding author**

mailtouramy@gmail.com

Copyright: ©2024. This is an open access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the

Keywords: E-commerce, Consumer Buying Behavior, Digital Marketplaces, Mobile Commerce, Personalization, Social Media, Data Privacy, Sustainability

Published By

Notation Publishing

www.notationpublishing.com

E-commerce Trends and Consumer Buying Behavior: A Study of Digital Marketplaces

Dr. Devaraja T S¹ and Ramya D J^{2}*

¹ Professor of Commerce, Dept of Commerce, Post Graduate Centre, Hemangothri Campus, University of Mysore, Hassan – 573220 Karnataka.

^{2*} Assistant Professor, Dept of Commerce, Govt First Grade College for Women, Gandadakoti, (Affiliated to Hassan University), RC Road, Hassan 573201, Karnataka.

ABSTRACT

E-commerce has rapidly grown as a preferred shopping avenue, significantly altering consumer buying behaviors and expectations. This paper examines emerging e-commerce trends—such as mobile commerce, artificial intelligence-driven personalization, social media influence, subscription models, and sustainability initiatives—and analyzes their impact on consumer buying behavior within digital marketplaces. The findings suggest that consumers increasingly value convenience, personalization, and brand values in their online shopping experiences, although concerns about data privacy and security persist. By analyzing the interaction between these trends and consumer behavior, this paper highlights how digital marketplaces can adapt to evolving consumer expectations, enabling businesses to enhance engagement, loyalty, and competitiveness.

1. Introduction

The rise of e-commerce has reshaped the retail landscape, transforming consumer buying behavior through a range of

digital platforms and technologies. Digital marketplaces, which have become increasingly popular for their accessibility and convenience, have introduced consumers to new ways of shopping that transcend traditional brick-and-mortar boundaries. With e-commerce sales expected to reach \$5.4 trillion by 2024 globally (Statista, 2023), understanding the factors that influence online consumer behavior is crucial for businesses seeking to optimize their digital strategies and remain competitive (Laudon & Traver, 2021). This shift is driven by trends that respond to evolving consumer preferences for fast, accessible, and personalized shopping experiences. Mobile commerce (m-commerce), for example, has emerged as a dominant force

in e-commerce, providing consumers with the flexibility to shop on-the-go through their smartphones. Personalization, driven by advancements in artificial intelligence (AI) and data analytics, allows businesses to tailor product recommendations and marketing messages to individual consumers, enhancing user experience and increasing conversion rates (Chaffey & Ellis-Chadwick, 2019). Additionally, social media has become a powerful influence on consumer buying behavior, with platforms such as Instagram, TikTok, and Facebook playing a significant role in product discovery and engagement.

Other significant trends in e-commerce include subscription-based business models, which offer convenience and encourage customer loyalty, and sustainability-focused initiatives, which resonate with environmentally conscious consumers. However, these advancements also raise challenges, particularly regarding data privacy, cybersecurity, and ethical concerns surrounding personalized marketing. This paper explores the relationship between these e-commerce trends and consumer buying behavior, providing insights into how digital marketplaces can leverage these dynamics to foster customer engagement and loyalty in an increasingly competitive landscape.

2. Literature Review

2.1 Mobile Commerce (M-commerce)

Mobile commerce, or m-commerce, has become one of the fastest-growing sectors in e-commerce. With the proliferation of smartphones and improved mobile internet access, consumers are increasingly using mobile devices for shopping. Studies indicate that over 70% of global e-commerce transactions now take place on mobile devices, and this figure is projected to continue rising as mobile shopping interfaces become more user-friendly and secure (Grewal et al., 2018; Zhang & Sundar, 2019). M-commerce provides consumers with the flexibility to shop anytime and anywhere, driving higher engagement and conversion rates, particularly among younger demographics who favor mobile-first interactions (Laudon & Traver, 2021). The success of m-commerce is further supported by mobile payment solutions, such as Apple Pay, Google Wallet, and PayPal, which streamline the payment process and reduce friction at checkout. Mobile apps, which are optimized for quick access and personalized browsing, also enhance the shopping experience by offering features like one-click purchasing, real-time notifications, and order tracking. Research has shown that consumers are more likely to make impulse purchases on mobile platforms due to the ease and immediacy that m-commerce

provides (Shi et al., 2020). As a result, businesses that invest in mobile-friendly designs and optimized payment processes are better positioned to capture this growing market segment.

However, m-commerce also presents unique challenges, particularly regarding user experience. Studies indicate that consumers often abandon purchases on mobile devices due to smaller screen sizes, navigation difficulties, or slow loading times (Li & Yu, 2021). To address these challenges, companies are increasingly focusing on mobile-optimized designs and simplified checkout processes to enhance user experience and reduce cart abandonment rates. With these improvements, m-commerce is likely to remain a critical component of e-commerce, offering unparalleled convenience to consumers worldwide.

2.2 Personalization in E-commerce

Personalization has become essential in modern e-commerce, with consumers expecting tailored experiences that reflect their preferences and shopping behavior. Advances in AI and machine learning have enabled digital marketplaces to offer highly personalized recommendations based on consumer data, including browsing history, purchase patterns, and demographic information (Javornik et al., 2022). Research indicates that personalization significantly enhances engagement, as consumers are more likely to respond positively to product recommendations that align with their interests (Gretzel et al., 2015). In fact, studies show that personalized recommendations can increase conversion rates by up to 20%, illustrating the impact of data-driven personalization on consumer buying behavior (Acquisti et al., 2016).

Despite its benefits, personalization also raises ethical and privacy concerns. As companies collect more data to refine their personalization algorithms, consumers are increasingly concerned about how their personal information is used and stored. This has led to growing demand for data transparency and compliance with privacy regulations, such as the General Data Protection Regulation (GDPR) in Europe. Companies that prioritize data security and provide clear privacy policies are more likely to gain consumer trust, which is essential for long-term engagement and loyalty (Chaffey & Smith, 2017). In the future, balancing personalization with ethical data practices will be crucial for businesses seeking to optimize consumer experiences while addressing privacy concerns.

2.3 Social Media's Influence on Consumer Buying Behavior

Social media has emerged as a powerful influence on consumer buying behavior, with platforms like Instagram, Facebook, and TikTok facilitating product discovery and influencing purchase

decisions. Social media platforms allow brands to engage with consumers directly, creating a space for authentic interactions, user-generated content, and influencer endorsements. Studies indicate that consumers often perceive influencer recommendations as trustworthy, particularly among younger audiences who view influencers as relatable figures (Evans et al., 2017). Influencer marketing, which has become a key strategy for brands, can significantly boost brand awareness, credibility, and conversion rates (Hudson et al., 2016).

Social media also supports consumer decision-making through peer reviews and user-generated content, which provide insights into product quality and user satisfaction. Research shows that user-generated content increases consumer trust and positively influences purchase intentions, as consumers tend to trust the experiences of their peers more than traditional advertising (Hollebeek & Macky, 2019). Additionally, interactive features such as polls, live streaming, and shoppable posts on platforms like Instagram allow consumers to engage with brands more closely, enhancing their connection to the brand and encouraging loyalty.

However, the influence of social media on consumer buying behavior also presents challenges, particularly regarding the authenticity of influencer partnerships. As consumers become more aware of sponsored content, there is a risk that overly commercialized partnerships may reduce trust in influencers and diminish their effectiveness (Alalwan et al., 2017). Brands that prioritize authenticity and transparency in their social media strategies are more likely to build lasting relationships with consumers, leveraging social media as an effective tool for driving brand loyalty and customer engagement.

2.4 Subscription-Based E-commerce Models

The subscription model in e-commerce has gained popularity as consumers seek convenience and consistency in their purchasing experiences. Subscription-based services range from monthly boxes in beauty and wellness to software and streaming services, providing regular access to products and services that align with consumers' needs and preferences. This model promotes customer loyalty and offers businesses a predictable revenue stream, with studies indicating that consumers appreciate the convenience and personalization that subscription services provide (McCarthy & Fader, 2018). Subscription models are especially appealing to consumers who value customization and exclusive offerings, as many subscriptions provide curated products based on user profiles. Research shows that consumers are willing to pay a premium for subscription services that add value to their routines or introduce new products (Grewal et al., 2018). However, maintaining high satisfaction levels is essential, as consumers

may quickly cancel subscriptions if the service fails to meet their expectations (Huang et al., 2020). To mitigate churn rates, companies are investing in personalized subscription options, flexible payment plans, and enhanced customer support.

3. Methodology

This study adopts a quantitative approach by distributing structured surveys to 200 online shoppers, focusing on their interactions with mobile commerce, personalization, social media influence, subscription services, and sustainability-focused purchasing. The survey includes Likert-scale questions to measure consumer preferences, purchasing frequency, and attitudes toward e-commerce trends. Descriptive and inferential statistics are applied to analyze responses, providing insights into the significance of each trend on consumer buying behavior.

4. Results

Table-01 E-commerce Trend

E-commerce Trend	Impact on Buying Behavior (%)	Key Insights
Mobile Commerce (M-commerce)	82%	High convenience and on-the-go accessibility, with younger consumers favoring mobile shopping
Personalization	85%	Enhances consumer engagement, but raises privacy concerns
Social Media Influence	79%	Influences brand discovery and trust through peer reviews and influencer marketing
Subscription-Based Models	72%	Appeals for convenience and loyalty, but demands consistent satisfaction
Sustainability Initiatives	68%	Attracts environmentally conscious consumers, especially

4.1 Discussion of Results

The survey findings underscore the significant impact of these e-commerce trends on consumer buying behavior, highlighting several notable insights:

- a. **Mobile Commerce (M-commerce):** M-commerce is favored by 82% of respondents, indicating that mobile shopping has become a preferred mode of online purchasing. The

convenience and flexibility offered by mobile devices allow consumers to make purchases anytime, enhancing the shopping experience for those who seek on-the-go solutions. Younger demographics, in particular, show a strong preference for mobile-friendly shopping platforms, underscoring the importance for brands to invest in mobile-optimized designs.

- b. **Personalization:** Personalization received the highest positive response, with 85% of participants noting that tailored recommendations significantly enhance their shopping experience. Consumers are more likely to engage with brands that deliver personalized product suggestions and targeted promotions based on past behavior. However, the study also reveals growing concerns about data privacy, suggesting that while personalization is a valuable tool for engagement, brands must implement transparent data practices to maintain consumer trust.
- c. **Social Media Influence:** Social media's role in influencing consumer decisions is evident, with 79% of respondents acknowledging that platforms such as Instagram, TikTok, and Facebook impact their product discovery and trust. Influencer marketing and user-generated content play pivotal roles in building brand credibility, particularly among younger consumers who view social media as a trusted source for product reviews and recommendations.
- d. **Subscription-Based Models:** Subscription models appeal to 72% of respondents, who appreciate the convenience of receiving products or services on a regular basis. However, maintaining customer satisfaction is crucial in this model, as consumers are likely to cancel subscriptions if the perceived value declines. Brands leveraging subscription services are increasingly focusing on personalization and customization to meet evolving consumer expectations and reduce churn rates.
- e. **Sustainability Initiatives:** With 68% of respondents indicating a preference for brands with sustainable practices, it is clear that eco-friendly initiatives resonate with environmentally conscious consumers. This trend is particularly strong among millennials and Gen Z consumers, who prioritize sustainability in their purchasing decisions. Brands that incorporate sustainable practices, such as eco-friendly packaging or ethical sourcing, are more likely to attract and retain customers in this demographic.

5. Conclusion

This study highlights the critical influence of e-commerce trends—m-commerce, personalization, social media, subscription models, and sustainability—on consumer buying behavior. Digital marketplaces have become integral to modern retail, offering consumers enhanced convenience, tailored experiences, and access to a wide variety of products. Mobile commerce and personalization emerged as the most impactful trends, reflecting consumers' preferences for accessible and customized shopping experiences. Social media continues to shape brand discovery and influence buying decisions, particularly through influencer partnerships and peer reviews, which foster trust and brand engagement. While subscription models promote customer loyalty, they demand consistent value and personalization to avoid churn. Furthermore, the rise of sustainability as a driving factor highlights the shift toward ethical consumerism, with consumers increasingly favoring brands that prioritize environmental responsibility. However, challenges surrounding data privacy and ethical use of consumer data remain central to the future of e-commerce, as brands must balance personalization with transparency to build lasting consumer relationships.

References

- Acquisti, A., Taylor, C., & Wagman, L. (2016). The economics of privacy. *Journal of Economic Literature*, 54(2), 442-492.
- Alalwan, A. A., Rana, N. P., Dwivedi, Y. K., & Algharabat, R. (2017). Social media in marketing: A review and analysis of the existing literature. *Telematics and Informatics*, 34(7), 1177-1190.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: Strategy, implementation, and practice* (7th ed.). Pearson.
- Chaffey, D., & Smith, P. R. (2017). *Digital marketing excellence: Planning, optimizing and integrating online marketing* (5th ed.). Routledge.
- Evans, N. J., Phua, J., Lim, J., & Jun, H. (2017). Disclosing Instagram influencer advertising: The effects of disclosure language on advertising recognition, attitudes toward the brand, and purchase intentions. *Journal of Interactive Advertising*, 17(2), 138-149.
- Grewal, D., Roggeveen, A. L., & Nordfält, J. (2018). The future of retailing. *Journal of Retailing*, 94(1), 1-6.
- Gretzel, U., Fesenmaier, D. R., & O'Leary, J. T. (2015). The transformation of consumer behavior through social media. *Journal of Travel Research*, 54(4), 451-465.

- Hollebeek, L. D., & Macky, K. (2019). Digital content marketing's role in fostering consumer engagement, trust, and value: Framework, fundamental propositions, and implications. *Journal of Interactive Marketing, 45*, 27-41.
- Hudson, S., Roth, M. S., Madden, T. J., & Hudson, R. (2016). The effects of social media on emotions, brand relationship quality, and word of mouth: An empirical study of music festival attendees. *Tourism Management, 47*, 68-76.
- Huang, M., Lee, S., & Hwang, W. (2020). Consumer behavior in online subscription business: Exploring drivers for purchase, churn, and repurchase. *Journal of Business Research, 109*, 68-77.
- Javornik, A., Filieri, R., & Gumann, R. (2022). Artificial intelligence in marketing: Examining the effect of AI-driven personalization on consumer behavior. *Journal of Business Research, 140*, 320-333.
- Laudon, K. C., & Traver, C. G. (2021). *E-commerce 2021: Business, technology, society*. Pearson.
- Li, X., & Yu, Y. (2021). M-commerce challenges: Cart abandonment and user experience on mobile platforms. *Journal of Electronic Commerce Research, 22*(1), 14-26.
- McCarthy, D., & Fader, P. S. (2018). How to value and grow a subscription-based business. *Harvard Business Review, 96*(1), 43-50.
- Shi, S., Wang, W., Chen, X., & Zhang, Q. (2020). Conceptualizing and measuring the consumer journey in digital environments. *Journal of Business Research, 118*, 212-220.
- Statista. (2023). Global e-commerce sales from 2019 to 2024. Retrieved from <https://www.statista.com/>
- Tene, O., & Polonetsky, J. (2012). Privacy in the age of big data: A time for big decisions. *Stanford Law Review Online, 64*, 63-69.
- Zhang, T., & Sundar, S. S. (2019). Mobile commerce and consumer behavior: A literature review and research agenda. *Journal of Retailing and Consumer Services, 47*, 68-75.