

## **Commerce Practices and Their Influence on Consumer Purchase Behavior**

**Isha Sharma, Research Scholar (Ph.D)**

**Regd No. 72411927**

**Department of Commerce, CT University**

**Ludhiana, Punjab, India**

### **Abstract**

Commerce practices have undergone a profound transformation as organizations have moved from predominantly physical and traditional retail systems toward integrated, technology-enabled, data-driven and customer-centered commercial environments. E-commerce, mobile commerce, social commerce, digital payments, online marketplaces, omnichannel retailing, personalization, artificial intelligence, electronic word-of-mouth, loyalty programmes, influencer marketing, live commerce and sustainable commerce have substantially changed how consumers identify needs, search for information, compare alternatives, evaluate sellers, complete transactions and develop post-purchase relationships. The study is theoretical and descriptive in nature and does not claim to present primary survey findings. The analysis demonstrates that convenience, perceived value, price, trust, product information, online reviews, social influence, personalization, payment convenience, delivery reliability, customer experience and perceived security collectively influence purchase decisions. Contemporary commerce practices also reduce geographical and informational barriers, allowing consumers to compare a wider range of products and sellers. At the same time, digital commerce introduces concerns related to privacy, cybersecurity, fake reviews, algorithmic manipulation, information overload, excessive personalization and sustainability. Available international evidence confirms the increasing economic significance of e-commerce. UNCTAD reported that business e-commerce sales across 43 economies increased from approximately US\$17 trillion in 2016 to US\$27 trillion in 2022, while its later data indicate continued expansion and emphasize the importance of improving e-commerce measurement and consumer protection. The paper concludes that commerce practices influence purchase behavior most effectively when technology is combined with convenience, trust, transparency, service quality and meaningful consumer value.

**Keywords:** Commerce Practices, Consumer Purchase Behavior, E-Commerce, Digital Commerce, Social Commerce, Mobile Commerce, Consumer Experience, Digital Payments, Personalization, Artificial Intelligence, Online Reviews.

### **Introduction**

Commerce is one of the oldest and most fundamental forms of economic interaction. In its traditional form, commerce involved the exchange of products and services through physical marketplaces, retail stores, wholesalers, distributors, agents and sales representatives. Consumer decisions were generally influenced by product quality, price, availability, salesperson behavior, physical location, brand reputation, advertising, personal

recommendations and previous purchasing experience. Although many of these factors remain important, the environment in which consumers make decisions has changed considerably.

The development of information and communication technology has transformed the commercial environment. The expansion of internet connectivity, smartphones, digital payments, online marketplaces, social networking platforms, mobile applications, artificial intelligence and data analytics has created a commerce environment in which consumers can interact with businesses continuously. Digitalization has also reduced geographical barriers and enabled consumers to access products and services from sellers located far beyond their immediate physical markets.

UNCTAD describes digitalization as a major transformation affecting the ways people consume and businesses operate. It notes that e-commerce can provide consumers with greater convenience, broader choice and potentially lower prices. The scale of this transformation is substantial. UNCTAD's data indicate that business e-commerce sales across 43 developed and developing economies increased from approximately US\$17 trillion in 2016 to almost US\$27 trillion in 2022.

The significance of commerce practices is therefore no longer limited to the transaction itself. A contemporary consumer may discover a product through social media, search for additional information through a search engine, compare prices across marketplaces, examine online reviews, watch a product demonstration, visit a physical store, return to an online platform, make a digital payment and subsequently share an evaluation of the product.

Consumer purchase behavior has consequently become a multidimensional process involving functional, economic, psychological, social and technological factors. The consumer is not merely responding to a product or advertisement but to an entire commercial ecosystem.

## **2. Conceptual Meaning of Commerce Practices**

Commerce practices refer to the methods, processes, strategies and technologies used by organizations to communicate with consumers, offer products and services, facilitate transactions, distribute products, provide customer service and develop long-term relationships.

Traditional commerce practices include physical retailing, personal selling, product displays, newspaper advertising, catalogues, price discounts, sales promotions, direct selling and relationship-oriented customer service.

Contemporary commerce practices increasingly combine traditional methods with digital technologies. These include e-commerce, mobile commerce, social commerce, electronic

payments, online marketplaces, personalized recommendations, artificial intelligence, influencer marketing, digital loyalty programmes, live commerce and omnichannel retailing.

The difference between traditional and contemporary commerce is therefore not simply that the transaction has moved online. Rather, commerce has become more interconnected, interactive, personalized and data dependent.

**Table 1. Major Commerce Practices and Their Potential Influence**

| <b>Commerce Practice</b> | <b>Main Characteristic</b>                   | <b>Influence on Consumer Behavior</b>                     |
|--------------------------|----------------------------------------------|-----------------------------------------------------------|
| Traditional retailing    | Physical interaction with products           | Builds sensory confidence and interpersonal trust         |
| E-commerce               | Online product purchasing                    | Increases convenience and product availability            |
| Mobile commerce          | Smartphone-based commerce                    | Facilitates immediate and location-independent purchasing |
| Social commerce          | Social interaction combined with purchasing  | Increases social influence and product discovery          |
| Online marketplaces      | Multiple sellers on one platform             | Facilitates comparison and increases choice               |
| Digital payments         | Electronic transaction mechanisms            | Reduces payment friction                                  |
| Personalization          | Individualized offers and recommendations    | Increases perceived relevance                             |
| AI-enabled commerce      | Algorithmic recommendations and assistance   | Improves search and product discovery                     |
| Online reviews           | Consumer-generated evaluations               | Influences trust and perceived product quality            |
| Loyalty programmes       | Rewards for repeat purchases                 | Encourages retention                                      |
| Omnichannel retailing    | Integration of physical and digital channels | Provides continuity and flexibility                       |
| Influencer commerce      | Socially mediated product promotion          | Utilizes credibility and identification                   |
| Live commerce            | Real-time demonstration and interaction      | Encourages engagement and impulse purchasing              |
| Sustainable commerce     | Environmental and ethical considerations     | Influences values-based purchasing                        |

## Consumer Purchase Behavior

Consumer purchase behavior refers to the processes through which individuals recognize needs, search for information, evaluate alternatives, select products or services, complete purchases and evaluate their experiences after purchase.

Traditional consumer behavior models often describe purchasing as a sequence involving problem recognition, information search, evaluation of alternatives, purchase and post-purchase evaluation. Contemporary digital commerce has made this process less linear.

Consumers may move between stages repeatedly. A consumer might identify a need, search for a product, read reviews, postpone the purchase, encounter an advertisement several days later, compare prices, visit a physical store and finally purchase through a mobile application.

The availability of information has also changed consumer power. Consumers can often compare products and sellers rapidly. They can investigate product characteristics, examine ratings, read customer experiences and compare delivery or return policies before committing to a purchase.

This means that businesses increasingly compete not only on products but also on information quality, convenience, trust, service, experience and accessibility.

## Theoretical Foundation

The relationship between commerce practices and consumer purchase behavior can be explained using several established theoretical perspectives.

The **Theory of Planned Behavior** proposed by Ajzen (1991) suggests that behavioral intention is influenced by attitudes, subjective norms and perceived behavioral control. Commerce practices can influence all three components. Positive product information can improve attitudes, online reviews and social recommendations can influence subjective norms, while easy payment and delivery systems can increase perceived behavioral control.

The **Technology Acceptance Model** developed by Davis (1989) emphasizes perceived usefulness and perceived ease of use as important determinants of technology adoption. This theory is highly relevant to e-commerce and mobile commerce because consumers are more likely to use commercial technologies when they perceive them as useful and easy to operate.

The **Stimulus-Organism-Response framework** also provides a useful explanation. Commerce practices can act as external stimuli that influence consumers' internal psychological states, including trust, emotions, perceived value, satisfaction and perceived risk. These internal responses can subsequently influence purchase intentions and behavior.

The **Consumer Decision-Making perspective** emphasizes information search and evaluation. Digital commerce has expanded the quantity and accessibility of information available to consumers, thereby changing how alternatives are evaluated.

These theoretical perspectives demonstrate that commerce practices influence behavior through multiple psychological and environmental mechanisms rather than through a single variable.

### **Evolution from Traditional Commerce to Digital Commerce**

The development of commerce can be viewed as a gradual transition from physical and seller-controlled environments toward interconnected consumer-centered environments.

Traditional retail depended heavily on physical location. Consumers generally visited stores, interacted with salespeople and physically inspected products. Information was comparatively limited and was often controlled by sellers.

The growth of e-commerce changed this relationship by allowing consumers to access information and products remotely. Digital platforms enabled consumers to compare sellers and prices, read reviews and place orders without visiting a physical location.

Mobile technology subsequently made commerce even more immediate. Consumers could search and purchase products from smartphones at almost any time.

Social media introduced another transformation by connecting commercial activities with social communication. Products could be discovered through friends, communities, influencers and user-generated content.

#### **E-Commerce and Purchase Behavior**

E-commerce is one of the most influential contemporary commerce practices.

Its most important consumer benefit is convenience. Consumers can search for products without travelling to a physical store, compare multiple alternatives and complete transactions at any time.

E-commerce also expands product variety. A physical store is constrained by shelf space and geographic limitations, whereas online platforms can present extensive assortments.

The availability of product information also influences purchase decisions. Consumers can examine specifications, photographs, videos, customer ratings, reviews and frequently asked questions.

UNCTAD's evidence demonstrates the considerable economic scale of e-commerce. Business e-commerce sales across 43 economies reached almost US\$27 trillion in 2022, representing a substantial increase from pre-pandemic levels.

The growth of e-commerce does not mean that all consumers have abandoned physical retail. Rather, many consumers combine online and offline channels.

### **Mobile Commerce**

Mobile commerce extends e-commerce to smartphones and mobile devices.

The smartphone has become an important commercial interface because it is continuously accessible. Consumers can search for products, receive notifications, compare prices, make payments and track deliveries without using a conventional computer.

Mobile commerce can reduce the time between product discovery and purchase. A consumer seeing a product in social media content may immediately access the seller's page and complete the transaction.

However, mobile commerce also creates challenges. Excessive promotional notifications can irritate consumers, while poorly designed applications can create frustration.

Therefore, mobile commerce is most effective when it combines convenience, speed, security and usability.

### **8. Social Commerce**

Social commerce combines social interaction with commercial activities.

Social media platforms have changed the way consumers discover products. Instead of beginning with a direct search for a product, consumers may encounter products through videos, posts, recommendations, communities or influencers.

Social commerce is important because purchasing decisions are often socially influenced. Consumers may value information received from people they trust.

User-generated content also creates an additional source of product information. Consumers can observe how other people use products rather than relying solely on official promotional material.

This can reduce uncertainty and strengthen purchase confidence.

However, social commerce can also create impulsive purchasing behavior because entertaining content, social validation and limited-time promotions can shorten the evaluation process.

## **Artificial Intelligence and Commerce**

Artificial intelligence has become increasingly significant in commerce.

AI can support product recommendations, customer service, search, fraud detection, demand forecasting, personalization and conversational commerce.

AI-powered recommendation systems influence what products consumers see. Consequently, algorithms increasingly act as intermediaries between consumers and product alternatives.

AI chatbots can answer questions immediately, potentially reducing delays in the decision process.

The OECD's Digital Economy Outlook identifies artificial intelligence and other emerging technologies as important components of the contemporary digital transformation while emphasizing the need for responsible development and attention to risks.

AI therefore creates opportunities for greater convenience but also raises questions concerning transparency, privacy, bias and consumer autonomy. Social Influence and Consumer Decision-Making

Social influence affects purchasing through recommendations, reviews, communities and interpersonal communication.

Consumers often seek confirmation from others before purchasing unfamiliar products.

Digital platforms have expanded the scale of social influence. A consumer can now access thousands of opinions rather than relying only on family and friends.

This creates opportunities for businesses but also makes reputation management more complex.

Negative experiences can spread rapidly, while positive consumer advocacy can generate significant credibility.

## **Loyalty Programmes**

Loyalty programmes encourage consumers to continue purchasing from an organization.

Traditional loyalty programmes used physical cards and coupons, whereas digital programmes can provide personalized rewards through mobile applications.

Loyalty programmes can influence behavior by creating economic and psychological incentives.

Consumers may continue purchasing from a retailer because they have accumulated points or because they receive personalized benefits.

### Comparative Analysis of Traditional and Contemporary Commerce

**Table 2. Traditional Commerce and Contemporary Commerce**

| <b>Dimension</b>    | <b>Traditional Commerce</b>      | <b>Contemporary Commerce</b>                                        |
|---------------------|----------------------------------|---------------------------------------------------------------------|
| Primary channel     | Physical store                   | Integrated physical and digital channels                            |
| Product information | Mainly seller controlled         | Seller and consumer generated                                       |
| Consumer reviews    | Personal communication           | Large-scale online reviews                                          |
| Payment             | Cash/card at physical location   | Digital wallets, cards, bank transfers and other electronic methods |
| Product comparison  | Relatively time-consuming        | Rapid digital comparison                                            |
| Personalization     | Limited                          | Data-driven and algorithmic                                         |
| Social influence    | Family and local community       | Global digital communities                                          |
| Customer service    | Physical or telephone            | Physical, online, chatbot and social channels                       |
| Advertising         | Mass media                       | Personalized and data-driven communication                          |
| Purchase timing     | Store-dependent                  | Often available continuously                                        |
| Geographic reach    | Mainly local/regional            | National and international                                          |
| Consumer data       | Relatively limited               | Extensive behavioral data                                           |
| Returns             | Physical interaction             | Digital and integrated return systems                               |
| Product discovery   | Store, catalogue and advertising | Search, social media, recommendations and marketplaces              |

The table demonstrates that contemporary commerce has increased consumer access, information and choice while simultaneously increasing the complexity of decision-making.

### Evidence on the Growth of E-Commerce

The available international evidence demonstrates that e-commerce has become a major component of economic activity.

**Table 3. Selected Evidence on E-Commerce Development**

| Indicator                    | Evidence                                                                                                    |
|------------------------------|-------------------------------------------------------------------------------------------------------------|
| Business e-commerce sales    | Approximately US\$17 trillion in 2016 across 43 economies in UNCTAD's dataset                               |
| Business e-commerce sales    | Almost US\$27 trillion in 2022 across 43 economies                                                          |
| Growth 2016–2022             | Approximately 59% increase                                                                                  |
| Digitally ordered exports    | Approximately US\$2.5 trillion in 2021 across the economies analyzed                                        |
| Major platform transactions  | Transactions through 37 major digital intermediary platforms increased by more than 55% during the pandemic |
| 2025 measurement development | UNCTAD launched a global database on e-commerce value                                                       |
| Consumer protection          | Increasingly important as cross-border e-commerce expands                                                   |

UNCTAD's 2024 technical analysis reported that business e-commerce sales across 43 economies rose from about US\$17 trillion in 2016 to almost US\$27 trillion in 2022.

In December 2025, UNCTAD reported further progress in measuring e-commerce and emphasized that better statistics are necessary for effective consumer protection, competition policy and digital inclusion.

These figures provide important context for understanding why commerce practices have become increasingly relevant to consumer behavior.

## Discussion

The overall analysis demonstrates that commerce practices influence consumer purchase behavior through a combination of economic, functional, psychological, social and technological mechanisms.

Price remains important, but consumers increasingly evaluate broader dimensions of value.

Convenience has become a central determinant because consumers increasingly expect easy search, simple payment, reliable delivery and convenient returns.

Trust has become particularly important in digital commerce because physical interaction between buyer and seller is often absent.

Social influence has also become more significant. Reviews, ratings, social media and influencers provide consumers with information that may affect purchase decisions.

Personalization and artificial intelligence have created new opportunities for relevance and convenience. However, they also introduce concerns concerning privacy and consumer autonomy.

The growth of digital commerce does not imply the disappearance of physical commerce. Instead, the evidence increasingly supports an integrated environment in which physical and digital channels complement one another.

The OECD notes that some online behaviors accelerated during the COVID-19 pandemic but that retail e-commerce has also been converging toward pre-pandemic patterns in some markets. This suggests that the future is not necessarily one of complete digital replacement but of continuing integration between channels.

### **Managerial Implications**

Organizations should treat commerce practices as components of a complete consumer journey rather than isolated marketing activities.

Businesses should provide accurate product information because consumers increasingly compare information from multiple sources.

Organizations should also prioritize trust. Transparent prices, authentic reviews, secure payments, clear return policies and responsive customer service can reduce perceived risk.

Personalization should be used carefully. Relevant recommendations can improve consumer experience, but excessive targeting can create privacy concerns.

Organizations should integrate online and offline channels so that consumers can move easily between them.

Digital payments should be secure and convenient.

Customer reviews should be monitored not merely for promotional purposes but as sources of information for improving products and services.

Organizations should also adopt responsible AI practices and ensure that algorithmic recommendations do not undermine transparency or consumer choice.

Finally, sustainable commerce should involve measurable and credible practices rather than unsupported promotional claims.

## Limitations of the Study

Consumer behavior varies according to demographic, cultural, economic and technological conditions. Therefore, the relationships described in the paper may differ across countries, age groups, income categories and product categories.

Another limitation is the rapid evolution of digital commerce. Technologies such as artificial intelligence, social commerce and digital payment systems are changing quickly. Consequently, commerce practices identified as emerging today may become mainstream in the future.

## Conclusion

Commerce practices have undergone a fundamental transformation from traditional, predominantly physical and seller-controlled systems toward integrated, digital, interactive and increasingly data-driven environments. The development of e-commerce, mobile commerce, social commerce, digital payments, online marketplaces, personalized marketing, artificial intelligence, influencer commerce, loyalty programmes and omnichannel retailing has changed the way consumers discover, evaluate, purchase and discuss products.

The analysis demonstrates that contemporary consumer purchase behavior is influenced by a combination of price, quality, convenience, trust, perceived value, social influence, information availability, personalization, payment security, delivery reliability, customer service and post-purchase experience. No single commerce practice is sufficient to determine consumer behavior. Rather, consumers respond to the cumulative experience generated across multiple commercial touchpoints.

Social commerce and online reviews have increased the importance of social influence. Consumers can now access information from large communities before making purchases. Personalization and artificial intelligence have made commercial communication more relevant, but they have also created concerns about privacy, transparency and consumer autonomy.

Digital payments have reduced transaction friction and supported faster purchasing, while omnichannel commerce has integrated physical and digital experiences. Physical stores continue to provide important sensory and interpersonal benefits, while digital channels offer information, convenience and extensive choice.

The future of commerce therefore should not be understood simply as a replacement of traditional retail by digital platforms. Instead, it represents an increasingly interconnected system in which physical, digital, social and technological practices work together.

The most important strategic implication is that organizations should move beyond a narrow focus on immediate sales and develop commerce practices that create sustainable consumer

value. Convenience should be supported by reliability, personalization by privacy, technology by transparency, promotions by fairness, and digital efficiency by human-centered service.

## References

- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.
- Brynjolfsson, E., Hu, Y., & Rahman, M. S. (2013). Competing in the age of omnichannel retailing. *MIT Sloan Management Review*, 54(4), 23–29.
- Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital marketing: Strategy, implementation and practice*. Pearson.
- Chevalier, J. A., & Mayzlin, D. (2006). The effect of word of mouth on sales: Online book reviews. *Journal of Marketing Research*, 43(3), 345–354.
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340.
- Grewal, D., Roggeveen, A. L., & Nordfält, J. (2017). The future of retailing. *Journal of Retailing*, 93(1), 1–6.
- Hajli, N. (2015). Social commerce constructs and consumer's intention to buy. *International Journal of Information Management*, 35(2), 183–191.
- Huang, M.-H., & Rust, R. T. (2021). A strategic framework for artificial intelligence in marketing. *Journal of the Academy of Marketing Science*, 49, 30–50.
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons*, 53(1), 59–68.
- Kotler, P., & Keller, K. L. (2016). *Marketing management*. Pearson.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69–96.
- Mangold, W. G., & Faulds, D. J. (2009). Social media: The new hybrid element of the promotion mix. *Business Horizons*, 52(4), 357–365.
- OECD. (2024). *OECD Digital Economy Outlook 2024, Volume 1: Embracing the Technology Frontier*. OECD Publishing.

- Pavlou, P. A. (2003). Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International Journal of Electronic Commerce*, 7(3), 101–134.
- Rose, S., Clark, M., Samouel, P., & Hair, N. (2012). Online customer experience in e-retailing: An empirical model of antecedents and outcomes. *Journal of Retailing*, 88(2), 308–322.
- Shankar, V., Smith, A. K., & Rangaswamy, A. (2003). Customer satisfaction and loyalty in online and offline environments. *International Journal of Research in Marketing*, 20(2), 153–175.
- Stephen, A. T. (2016). The role of digital and social media marketing in consumer behavior. *Current Opinion in Psychology*, 10, 17–21.
- UNCTAD. (2024). *Business e-commerce sales and the role of online platforms*. UN Trade and Development.
- UNCTAD. (2024). *Digital Economy Report 2024: Shaping an environmentally sustainable and inclusive digital future*. UN Trade and Development.
- UNCTAD. (2025). *E-commerce and Digital Economy Programme: Year in Review 2025*. UN Trade and Development.
- UNCTAD. (2025). *Stronger statistics to measure e-commerce and the digital economy*. UN Trade and Development.
- Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omni-channel retailing. *Journal of Retailing*, 91(2), 174–181.
- Wedel, M., & Kannan, P. K. (2016). Marketing analytics for data-rich environments. *Journal of Marketing*, 80(6), 97–121.
- Xiang, Z., & Gretzel, U. (2010). Role of social media in online travel information search. *Tourism Management*, 31(2), 179–188.
- Zhang, K. Z. K., Benyoucef, M., & Zhao, S. J. (2016). Building brand loyalty in social commerce: The case of brand microblogs. *Electronic Commerce Research and Applications*, 15, 14–25.