

## ROLE OF E-COMMERCE IN CONSUMER DECISION MAKING

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### ABSTRACT

E-commerce provides plethora of information about products/services, which can be used by customers to make purchase online or offline. Therefore e-commerce can have a dramatic effect on consumer decision making. To understand this, in the present paper, an attempt has been made to study the role of e-commerce in consumer decision making. For this purpose the data has been collected from 560 respondents through survey-questionnaire and analyzed with the help of Factor Analysis. The findings reveal that e-commerce makes the consumer aware about offers made by companies, enhance knowledge and facilitate the consumer to make final purchase. To see whether there is any significant difference among these factor/roles of e-commerce, the data was further analyzed according to various demographic variables with the help of ANOVA and t-test. Here occupation, marital status and education have been found influencing the role of e-commerce in consumer decision making. The findings of the present study will help the marketing manager to understand the use of e-commerce in decision making so that they can frame their marketing strategies accordingly.

**KEYWORDS:** E-Commerce, Consumer Decision Making, Online Information, Online Purchase, Online Shopping, Purchase Decision

### INTRODUCTION

E-commerce involves individuals as well as organization engaging in a variety of electronic business transactions using computer and telecommunication networks. Traditionally, e-commerce is focused on EDI as the primary means of e-commerce, conducting business electronically between entities having a pre-established contractual relationship. More recently, however, e-commerce has broadened to encompass business conducted over the Internet, particularly and acceptance of the Internet as viable transport mechanism for business information.

The explosive growth of e-commerce and the rapidly increasing number of consumers who use interactive media such as World Wide Web for pre-purchase information search and online shopping, very little is known about how consumers make purchase decisions in such settings. A unique characteristic of online shopping environment is that they allow vendors to create retail interfaces with highly interactive features. One desirable form of interactivity from a consumer perspective is the implementation of sophisticated tools to assist shoppers in their purchase decisions by customizing the electronic shopping environment to their individual preferences. The availability of such tools, which refer as interactive decision aids for consumers, may lead to a transformation of the way in which shoppers search for product information and make purchase decisions.

### CONSUMER BUYING DECISIONS

All consumer buying decisions generally fall along a continuum of three broad categories: routine response

behavior, limited decision making, and extensive decision making. Goods and services in three categories can best be described in terms of five factors: level of consumer involvement, length of time to make a decision, cost of the goods/services, degree of information search, and the number of alternatives considered. The level of consumer involvement is perhaps the most significant determinant in classifying buying decisions. Involvement is the amount of time and effort a buyer invests in the search, evaluation, and decision processes of consumer behavior. This involvement is of three types: (i) Routine response behavior: Consumers spend little time on search and decision before making the purchase. Usually, buyers are familiar with several different brands in the product category but stick with one brand. These goods/services can also be called low involvement products. (ii) Limited decision making: It occurs when a consumer has previous product experience but is unfamiliar with the current brands available. Limited decision making is also associated with lower level of involvement because consumers do not expend moderate effort in searching for information or in considering various alternatives. (iii) Extensive decision making: Consumers practice it when buying an unfamiliar, expensive product or an infrequently bought item. This process is the most complex type of consumer buying decision and is associated with high involvement on the part of consumer. These consumers want to make the right decision, so they want to know as much as they can about the product category and available brands. People usually experience cognitive dissonance only when buying high involvement products.

The type of decision making that consumers use to purchase a product/service does not necessarily remain constant. For instance, if a routinely purchased product no longer satisfies, consumers may practice limited or extensive decision making to switch to another brand (McDenial et al., 2009). E-commerce has dramatic effect on consumer decision making. Social networks emerge since many websites help a consumer to take final purchase decision by sharing reviews written by previous customers and evaluated by potential customers. Many online shoppers tend to wait for early adopters' opinions before making a purchase decision to reduce the risk of buying a new product.

## LITERATURE REVIEW

Tsai and Chuang (2011) explored that there are two factors, which influence the consumer decisions i.e. information quality and service quality. For this a survey on 411 internet users was conducted and it was found that internet users assess the use and satisfaction of recommendation system, which is in internet book store. Quantitative results indicate that information quality of recommended system most influence on consumer shopping decision. So the recommendation and information is necessary for consumer decision making process. Chen et al. (2009) found that large amount of information may not be e-customers' benefits; rather, they, confronting abundant information, probably derive poorer subjective states towards their decisions. Thus, e-retailer should pay more attention on screening appropriate information to consumers. On the other side, an offer proposal can be tailored according to the information conveyed in the corresponding offer request (Karacapilidis and Moraitis, 2001). The effects of two main characteristics of online shopping environment – search tool and information load descriptive characteristics of consideration sets: size, dynamism, variety and preference dispersion showed that both information load and search tools transform the way in which consumers form their consideration sets, resulting in smaller, more stable, and more homogenous sets, integrated by more equally preferred alternatives (Parra and Ruiz, 2009).

Yoon et al. (2013) found that consumer online shopping experience does not have a significant effect on the relationship between customer satisfaction and customer loyalty. When shopping online, people tend to seek the

suggestions and help of similar people, shopping experts, and close friends. However, most of current social networking platform, such as facebook and twitter, and e-commerce platform, such as Amazon and Yahoo! Shopping, are independently operated. The study proposed a social recommender system that incorporates the preference similarity, recommendation trust, and social relation analyses in order to offer product recommendations in e-commerce (Li et al., 2013). Online retailing is rapidly emerging as an alternative mode of shopping and is expected to garner a substantial share of the retail market in future. The study indicates the usefulness of the S-O-R framework in understanding the relationships among website characteristics, emotional responses of shoppers and their purchasing behaviors (Mummalanei, 2005).

Rustam and Fei (2005) proposed a method based upon divergence/convergence principle of problem solving, for supporting consumer buying decisions in e-commerce. It argued in favor of facilitating imprecise preference elicitation and stressing divergent processes in providing decision support for infrequent shopping in e-commerce. Kim et al. (2008) studied that effects of trust, perceived risk, and perceived benefit on purchase intentions ultimately had a downstream effect on consumers' actual purchase decisions. The results indicate that trust to a large degree addresses the risk problem in e-commerce in two ways: by reducing perceived risk and by increasing purchase intentions directly. Wesley et al. (2006) studied how consumers' decision making styles relate to their shopping mall behavior. A theoretical model of antecedents and consequences of consumer decision making styles was developed and concluded with specific suggestions for extending psychological theory of shopping behavior and advancing strategic mall retailing strategies.

According to Senecal et al. (2005) different online decision making processes are used by consumers, influence the complexity of their online shopping behavior. Significant differences were observed between subjects' decision making process and their online shopping behavior. Subjects who did not consult a product recommendation had a significantly less complex online shopping behavior than subjects who consulted the product recommendation. Experimental results of Tan et al. (2012) study indicates that a more elaborated explanation aid could heighten a consumer's decision confidence leading to lesser cognitive effort expended and inferior product choice made. Xia and Sudarshan (2002) found the effects of four characteristics of interruption on decision process, like the impact of interruption frequency, timing, content, and the moderating effects of consumer knowledge. The results show that the right configuration of interruptions may lead to increased online viewing time, whereas ill designed interruptions may be detrimental. According to Kim and Srivastava (2007) the social influence has impact on e-commerce decision making process. The main issues which should be focused on are how to capture social interactions in e-commerce websites, how to combine social influence data into user preferences, and how to exercise social influence on consumers' purchase decision making, in order to expect the greatest impact of social influence in e-commerce. In the words of Lee and kwon (2008) qualitative factors are hard to codify yet they have a significant effect on a consumer decision making process in the form of causal relationships with quantitative factors. Thus, a new online recommendation mechanism is required that incorporates qualitative factors systematically with quantitative factors to analyze their combined influence on consumers' purchasing decision making process.

## RESEARCH PROBLEM

E-commerce comprises core business process of buying and selling of goods, services and information over the net. E-commerce has made it possible for the companies to expand their business in the form of B2B, B2C, etc. E-commerce has brought a change in the expectations and behavior of both firms and consumers. The power had been in

the firms' hands before digital economy emerged as firms were able to sell whatever they produced. But now it is the consumers who have the power and there is a wide range of products/services diversity for them. The desired information can be reached within minutes. It has reduced economic distance between manufacturer and consumers. Now consumers are in a position to take better decision for online purchasing. It may also help in offline buying and selling through plethora of information available on internet, which is still growing.

Customers can come to the dealer armed with information about the product and look for best ever deal. Thus, there is a possibility of change in consumer behavior, how, they make purchase decision. Earlier researches have given the hints that e-commerce is influencing the consumer decision making. However, there is no study which clearly indicates the relationship between e-commerce and consumer decision making. Thus, in the present study an attempt has been made to know the role of e-commerce in consumer decision making.

## OBJECTIVES

Major objectives of the study are

- To study the role of e-commerce in consumer decision making.
- To study the impact of demographic variables on the role of e-commerce in consumer decision making.

## METHODOLOGY

In the present study, Haryana, a northern state of India, is taken as universe. The state of Haryana has been divided into four divisions/zones (Ambala, Gurgaon, Hisar, and Rohtak) from each divisions/zones two districts (Ambala: Ambala, Kurukshetra; Gurgaon: Gurgaon, Faridabad; Hisar: Hisar, Jind and Rohtak: Karnal, Panipat) have been chosen for sample. 70 respondents from each districts has been selected as sample. Overall sample consists of 560 respondents comprises of different age, gender, education, areas, occupations and income (Table 1).

The data has been collected through survey-questionnaire, finalized after pilot survey (40 respondents). The final questionnaire consists of 15 items (Table 2). Data, thus generated, has been analyzed with the help of Descriptive Statistics, Factor Analysis, ANOVA, t-test. Reliability test was also conducted wherein reliability estimate (Cronbach's Alpha) is 0.91.

**Table 1: Sample Profile**

Demographic Characteristics	Category	Frequency	Percentage
Income/Annum (Rs.)	<2 Lakh	238	42.5
	2 Lakh – 5 Lakh	227	40.5
	5 Lakh –10 Lakh	86	15.4
	>10 Lakh	9	1.6
Occupation	Govt. Job	111	19.8
	Private Job	155	27.7
	Business	85	15.2
	Professional	88	15.7
	Students	121	21.6
Age (years)	<30	385	68.8
	30-40	141	25.2
	>40	34	6.1
Gender	Male	397	70.9
	Female	163	29.1

**Table 1: Contd.,**

Educational qualification	Upto 10+2	88	15.7
	Graduation	152	27.1
	Post graduation	219	39.1
	Doctorate	36	6.4
	Professional	65	11.6
Marital status	Married	333	41.6
	Unmarried	327	58.4
Family size	Nuclear	244	43.6
	Joint Family	316	56.4

**Table 2: Items for Questionnaire**

- Purchasing products/services online
- Purchasing products/services offline by using online information
- Searching alternatives of goods and services
- Making comparison among products/services
- Making payment online, debit/credit card
- Purchase order can be placed easily
- Confirmation of placed order of purchase through e-mail/sms
- Different alternatives of products/ services can be traced
- Prices of different products/services are available
- Best products/services can be purchased
- Facilitates prompt decision making
- Enhances decision making skills
- Facilitates the offline purchase decision
- Use of latest technology
- Knowledge of various schemes offered by companies

## ANALYSIS AND INTERPRETATIONS

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy for the sample is 0.91 which is greater than 0.5, suggesting thereby that the data is adequate for Factor Analysis. Here Principal Component Method of Factor Analysis has been applied. Factor extraction stopped when Eigen value (variances of the factors) came to 1.00, thereby extracting 3 factors. These factors account for 61.85% of total variance (Table 3). The factor loading of 0.50 or more is significant and retained for further analysis (Quazi and O'brien, 2000). The communalities (sum of squared factor loadings for the variables), denoted by  $h^2$ , range from 0.52 to 0.77 (Table 4).

**Table 3: Eigen Values with Cumulative Percentage of Variance**

Factors	Eigen Value	% of Variance	Cumulative % of Variance
1	3.32	22.14	22.14
2	2.99	19.96	42.10
3	2.96	19.75	61.85

**Table 4: Rotated Component Matrix**

Variables	Factors			$H^2$
	1	2	3	
Purchasing products/services online	0.12	0.05	<b>0.76</b>	0.62
Purchasing products/services offline by using online information	0.22	0.04	<b>0.77</b>	0.64
Searching alternatives of goods and services	0.19	0.28	<b>0.73</b>	0.64
Making comparison among products/services	0.29	0.23	<b>0.68</b>	0.60
Making payment online, debit/credit card	-0.01	<b>0.55</b>	0.51	0.56

Table 4: Contd.,

Purchase order can be placed easily	0.39	<b>0.51</b>	0.35	0.54
Confirmation of placed order of purchase through e-mail/sms	0.21	<b>0.55</b>	0.41	0.52
Different alternatives of products/services can be traced	<b>0.58</b>	0.34	0.27	0.53
Prices of different products/services are available	<b>0.67</b>	0.25	0.23	0.57
Best products/services can be purchased	<b>0.78</b>	0.23	0.21	0.71
Facilitates prompt decision making	<b>0.80</b>	0.23	0.14	0.71
Enhances decision making skills	<b>0.70</b>	0.20	0.15	0.56
Facilitates the offline purchase decision	0.39	<b>0.71</b>	0.10	0.67
Use of latest technology	0.30	<b>0.82</b>	0.09	0.77
Knowledge of various schemes offered by companies	0.40	<b>0.71</b>	0.08	0.67

Table 5: Details of the Extracted Factors

Factors	Factor Nomenclature	Variables Included in the Factor	Factor Loadings
1	Awareness ( $\alpha = .86$ )	Prompt decision making	0.80
		Best products/services can be purchased	0.78
		Enhances decision making skills	0.70
		Prices of different products/services are available	0.67
		Different alternatives of products/services can be traced	0.58
2	Knowledge enhancement ( $\alpha = .82$ )	Use of latest technology	0.82
		Knowledge of various schemes offered by companies	0.71
		Facilitates the offline purchase decision	0.71
		Making payment online, debit/credit card	0.55
		Confirmation of placed order of purchase through e-mail/sms	0.55
3	Purchase ( $\alpha = .81$ )	Purchase order can be placed easily	0.51
		Purchasing products/services offline by using online information	0.77
		Purchasing products/services online	0.76
		Searching alternatives of goods and services	0.73
		Making comparison among products/services	0.68

Here each of the factors represents the role of e-commerce in consumer decision making. The reliability estimate (Cronbach's Alpha) of these factors is 0.86, 0.82, and 0.81 respectively (Table 5). Following is the detailed explanation of all these factors

#### Factor 1: Awareness

E-commerce creates awareness among consumers about various offers made by companies, on the basis of which consumers can decide to purchase products/services. The basic structure of this factor suggests that consumers can take prompt decision to purchase best products/services of their choice as information relating to different alternatives of products/services and their prices are available online and can be compared easily. This information enhances decision making skills of consumers. Thus, it can be concluded that e-commerce makes the consumers aware about various products/services alternatives and their prices thereby making him a well informed consumer.

#### Factor 2: Knowledge Enhancement

Knowledge enhancement is another role which e-commerce plays in consumer decision making. Consumers are becoming techno-savvy with the help of consumer friendly technology being used by companies to widen their consumer base. Various schemes offered by different companies make the consumers more aware and alert. E-commerce enhances knowledge not only in online purchasing but also offline purchasing as consumer can collect the required information

online and later on with these assumed information can visit the dealer and bargain. Consumers are also getting knowledge of how he/she can place the order online and confirmation of the same by company through e-mail/sms. Companies also offer online payment options including debit/credit card so that consumers can make payment easily. Thus, consumers are getting more knowledge about technology, schemes, placing of order, mode of payment and offline purchase. Thus, enhanced knowledge can act as a booster dose of confidence for consumers.

### Factor 3: Purchase

Awareness and knowledge enhancement among consumers may lead to purchase decision, which is the ultimate target of companies. Consumers can make purchase offline, using information offered by e-commerce, as well as online purchase. This purchase decision become easy for consumers as various alternatives of products/services can be searched and compared easily. This availability of alternatives and comparison of products helps the consumers to save lot of time and money, and final purchase become easy and effective. From the above discussion it can be inferred that e-commerce influence the consumers to make a final purchase.

### MEAN SCORES OF FACTORS

The factors extracted so far have been re-arranged in an order based on weighted average score. The table 6 shows the weighted averages of the mean scores of factors preference of role of e-commerce in consumer decision making. The table makes it amply clear that highest mean value (3.57) is accorded by awareness followed by knowledge enhancement (3.53) and purchase (3.21). Consumers 1<sup>st</sup> become aware about offers made by companies. Then consumers search more and more information to increase knowledge about technology, discount schemes, placing order, mode of payment and finally decide to purchase the products online (may also be offline). Thus, it can be inferred that e-commerce creates awareness among consumers, enhance their knowledge and help them to make final purchase.

**Table 6: Factors with Mean Values**

Factors	Factor Connotation	Weighted Average	Rank
1	Awareness	3.57	I
2	Knowledge enhancement	3.53	II
3	Purchase	3.21	III

### COMPARATIVE ANALYSIS

To see whether there is any significant difference in the role of e-commerce in consumer decision making on the basis of demographic variables i.e. income, occupation, age, gender, marital status and education, mean of all the variables loaded on a factor was calculated, thereby for all the factors respectively. Then t-test and ANOVA was applied on factors' means to make a comparison among consumers demographically.

#### (A) Effect of Income

**Table 7: Comparison of Factor's Means – ANOVA (on the Basis of Income)**

Factors	<2		2-5		5-10		>10		ANOVA	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	F	Sig.
Awareness	3.58	0.96	3.58	1.07	3.53	1.00	3.71	0.91	0.12	0.95
Knowledge enhancement	3.48	0.90	3.60	1.03	3.45	1.01	3.70	0.97	0.91	0.44
Purchase	3.16	1.07	3.26	1.12	3.21	1.06	3.17	1.57	0.31	0.82

Income can play a significant role for consumers in making purchase decision. Here summary of ANOVA yields F-ratios which are non-significant. Non-significant F-ratios indicates that consumers are giving equal treatment to all three factors irrespective of their income. Thus, it can be concluded that role of e-commerce in consumer decision making across various income level will remain same.

#### (A) Effect of Occupation

**Table 8: Comparison of Factor's Means – ANOVA (on the Basis of Occupation)**

Factors	Govt. Job		Private Job		Business		Professional		Students		ANOVA	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	F	Sig.
Awareness	3.69	0.97	3.72	1.02	3.64	0.93	3.29	1.07	3.44	1.00	3.65	0.01
Knowledge enhancement	3.74	0.92	3.70	0.94	3.49	0.89	3.28	1.05	3.31	0.97	5.64	0.00
Purchase	3.28	1.06	3.29	1.04	3.36	1.14	3.06	1.15	3.03	1.12	1.92	0.12

The summary of ANOVA (Table 8) reveals that F-values for awareness and knowledge enhancement are significant whereas, F-value for purchase is non-significant. F-value for awareness is 3.65, significant at 1% level of significance. The high mean score of this factor is accorded by people in private job indicating thereby that these people are more aware about the offers of companies through e-commerce in comparison to people who are in government job, business, professional and students.

F-value ( $F=5.64$ ,  $p<0.00$ ) is also significant for knowledge enhancement. The high mean score on this factor is accorded by people in government job i.e. these people have more knowledge about latest technology, various schemes, placing purchase order, payment mode than people who are in private job, business, professional and students. Therefore occupation of people influence the level of awareness and knowledge enhancement but their final purchase is not influenced by occupation. Hence, irrespective of occupation purchase decision will remain same.

#### (A) Effect of Age

**Table 9: Comparison of Factor's Means – ANOVA (on the Basis of Age)**

Factors	<30		30-40		>40		ANOVA	
	Mean	S.D.	Mean	S.D.	Mean	S.D.	F	Sig.
Awareness	3.56	1.03	3.63	0.96	3.55	0.98	0.20	0.90
Knowledge enhancement	3.51	0.98	3.56	0.92	3.57	1.04	0.64	0.59
Purchase	3.24	1.08	3.17	1.12	2.97	1.17	0.92	0.43

The ANOVA Table 9 highlights that age does not have any influence on consumers while making purchase using e-commerce as reflected by non-significant F-ratios. Thus, it can be concluded that there is no significant difference among the consumers with regards to role of e-commerce in consumer decision making across various age group. Therefore companies can focus on consumers in general, not their age while framing policies to attract consumers.

#### (A) Effect of Gender

**Table 10: Comparison of Factor's Means – t-Test (on the Basis of Gender)**

Factors	Male		Female		t-Test	
	Mean	S.D.	Mean	S.D.	t	Sig. (2-Tailed)
Awareness	3.55	1.01	3.64	1.01	-0.99	0.32



**Table 10: Contd.,**

Knowledge enhancement	3.50	0.98	3.59	0.94	-0.93	0.35
Purchase	3.20	1.09	3.23	1.11	-0.28	0.78

The non significant t-values shows that there is no significant difference among consumers on awareness, knowledge enhancement and purchase across gender thereby all the consumers are giving equal treatment to these factors. Therefore, it can be inferred that the role of e-commerce in consumer decision making across male and female consumers will remain same.

#### (A) Effect of Marital Status

**Table 11: Comparison of Factor's Means – t-Test (on the Basis of Marital Status)**

Factors	Married		Unmarried		t-Test	
	Mean	S.D.	Mean	S.D.	t	Sig. (2 Tailed)
Awareness	3.71	0.94	3.48	1.05	2.63	0.01
Knowledge enhancement	3.69	0.92	3.41	0.99	3.31	0.00
Purchase	3.29	1.11	3.14	1.08	1.56	0.12

The significant t-value ( $t=2.63$ ,  $p<0.01$ ) of awareness highlights that there is a significant difference among the married and unmarried consumers. The mean score (Table 11) reveals that married consumers are more aware about the companies offers than unmarried consumers; it may be because of their needs, wants, etc. which are different. On the other hand t-value ( $t=3.31$ ,  $p<0.00$ ) is also significant for knowledge enhancement. Mean score (table 11) indicates that married consumers are having more knowledge about technology, various schemes, placing order of purchase, mode of payment, etc. than unmarried consumers. The non-significant t-values highlights that there is no significant difference on final purchase among the consumers. Thus, it can be concluded that married and unmarried consumers are using e-commerce for final purchase with the same spirit.

#### (A) Effect of Educational Qualification

**Table 12: Comparison of Factor's Means–ANOVA (on the Basis of Educational Qualification)**

Factors	Up To 10+2		Graduation		Post Graduation		Doctorate		Professional		ANOVA	
	Mean	S.D	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean	S.D.	F	Sig.
Awareness	3.22	1.18	3.54	0.99	3.72	0.93	3.79	0.81	3.51	1.06	4.59	0.00
Knowledge enhancement	3.23	1.10	3.48	0.97	3.63	0.89	3.77	0.75	3.57	1.05	3.51	0.01
Purchase	2.80	1.16	3.22	0.98	3.30	1.07	3.23	1.14	3.38	1.22	3.94	0.00

Table 12 reveals that F-values for awareness, knowledge enhancement and purchase are significant. This indicates that there is a significant difference among consumers in treating these factors. From the above result it is depicted that Doctorate are more aware and having more knowledge about the use of e-commerce, whereas Professionals are significantly differ on purchase than other consumers. The above discussion makes it amply clear that the role of e-commerce in consumer decision making across various educational qualification level is different.

## DISCUSSIONS

The findings of the present study reveal that there are three factors as extracted by the Factor Analysis represent

the role of e-commerce in consumer decision making. The most important role e-commerce play is making consumers aware about offers made by companies. Here consumers become aware, how prompt decision can be taken. There is a chance that consumers can purchase best products and services. He/she is becoming aware about various decision making skills. Moreover different alternatives of products/services and their prices can be searched. All these information will make the consumer aware and informed consumers can take a good decision. These findings are consistent with the findings of Tsai and Chuang (2011), Chen et al. (2009) and Paru and Raiz (2009) that information plays a key role in consumer decision making.

Another role of e-commerce in consumer decision making is knowledge enhancement. Consumers learn how to use latest technology, different schemes offered by companies, helpful in offline purchase decision, mode of payment and placing purchase order. The knowledge about all these issues will boost up the confidence of consumers. E-commerce is not only making the consumers aware and increasing the knowledge but also play a significant role in purchase. The consumer can purchase the products online easily with these plethoras of information. Effective offline purchase can also be done with such information. It becomes easy to search the alternatives and making comparison among them to decide final purchase online or offline.

This finding of purchase decision is supported by Rustam and Fei (2005) who found that divergence/convergence principle of problem solving, for supporting consumer buying decisions in e-commerce. With the help of above discussion it can be inferred that e-commerce plays key role in making consumers aware, knowledge enhancement and final purchase. This role of e-commerce in consumer decision making can help the companies to frame their policies/strategies accordingly.

ANOVA and t-test was applied to see whether statistically there is any significant difference in the role of e-commerce in consumer decision making across various demographics. Occupation, marital status and educational qualification made a significant difference among consumers in terms of awareness and knowledge enhancement. There is also a significant difference in terms of purchase decision on the basis of educational qualification.

However, income, age, and gender wise there is no significant difference with regard to all these three factors. Therefore it can be inferred that occupation, marital status and education can play a significant role in using e-commerce for consumer decision making whereas income, age and gender do not play any role in this regard.

## CONCLUSIONS

Today, to a greater extent consumers depends on e-commerce for good and effective decision making as plethora of information are provided by companies for consumers through e-commerce. Therefore role of e-commerce has become significant for consumers and companies. E-commerce makes the consumer aware about products/services, enhance their knowledge and facilitate the final purchase. Thus, there seems to be is a huge scope in near future that traditional commerce will be replaced by e-commerce at least in the service sector and bring more transparency in the system.

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