

Behavioral Economics and Consumer Decision-Making in Digital Commerce

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Abstract

The expansion of digital commerce has transformed consumer purchase decision environments—it influences increasingly technology-driven market structures and human psychology. Classical economic models based on rational choice usually cannot account for the behaviour of online consumers. Here, decisions are shaped by cognitive biases, emotional responses, and digital stimuli. Behavioural economics offers a much more realistic framework in which to conceptualise digital consumption. Underlying theories like Prospect Theory, Bounded Rationality, and Nudge Theory account for how, whilst online, a consumer acts on the basis of heuristics, framing effects and behavioural cues (Simon, 1955; Kahneman & Tversky, 1979; Thaler & Sunstein, 2008). Applying the procedure of thematic review, the current study reviews previous results in digital consumer behaviour and behavioural economics. The results suggest that cognitive biases, digital nudging, social proof, artificial intelligence, and personalised recommendations have a direct impact on purchase intentions and customer involvement in online shopping (Kahneman, 2011; Weinmann et al., 2016). The study also reveals emerging trends, research gaps, and proposes an integrated conceptual framework for consumers' decision-making in an ever-changing digital market environment.

Keywords: *Behavioural Economics, Consumer Decision-Making, Digital Commerce, Cognitive Biases, Digital Nudging.*

1. Introduction

Digital commerce has significantly changed how consumer markets are configured and built, influencing the way consumers navigate, evaluate and purchase goods and services and changing the architecture of those markets based on technology in algorithm-driven consumer markets. Electronic commerce now extends beyond conventional online transactions to include platform-mediated exchanges, subscription-based consumption, and AI-assisted purchasing ecosystems, highlighting the growing complexity of digital market interactions, according to the OECD (2025).

In such an environment, the traditional economic intuition of rational utility maximization has been questioned and has proven increasingly insufficient when it comes to explaining real consumer attitudes – namely, when online choices are affected by information overload, interface design, personalized recommendations, and immediate social feedback. The emergence of Behavioural Economics has, accordingly, offered a more pragmatic analytical perspective that includes psychological perspectives in explaining economics, by pointing to how consumers regularly use heuristics, emotions, and cognitive shortcuts rather than rational calculus (Kahneman, 2011; Tversky & Kahneman, 1974). These behavioural inclinations in modern digital trade are heightened by the widespread embedding of persuasive technologies in the consumer journey in digital, immersive forms, where choice is not just exercised, but implicitly fashioned. Theoretical framework, with its focus on behavioural economics with a focus on Prospect Theory, bounded rationality and heuristic-based judgment, is particularly informative in illuminating why consumers often err at random points in economic decisions, on a digital economy. Online shopping platforms strategically utilize scarcity indicators, defaults, countdown timers, social proof tools and algorithmic recommendations that prey on behavioural biases, including loss aversion, anchoring, framing, and herd behaviour, to increase the intention to buy without an explicit cognitive analysis (Thaler & Sunstein, 2008; Weinmann et al., 2016).

Indeed, the amalgamation of artificial intelligence, big data analytics and behavioural targeting has led to an increased focus on personalization and the rapid deployment of highly adaptive, yet ethically questionable digital ecosystems in which consumer autonomy can be influenced by implicit nudges and predictive algorithms. As recent studies have indicated, the literature on consumer decision-making in digital commerce calls for a thematic synthesis of psychological, social, and technological influences rather than individual, economic ones. Against this background, the current study engages in a thematic analysis of already published literature to explore the role of behavioural economic principles on consumer behaviour in digital commerce and highlight key research themes while developing theoretical and practical implications for its development among other recent studies.

2. Objectives of the Study

In addition, the growing overlap of digital technology with consumer psychology and market analysis has led to the need for the examination of online purchasing behaviour in Behavioural Economics terms. Despite a considerable body of literature examining consumer behaviour in electronic marketplaces, previous works do not generally offer a solid integrated view of how behavioural mechanisms work at the domain level, in terms of marketing, economics, psychology, and information systems research. Furthermore, the explosive growth of AI-based personalization, algorithmic recommendations, digital nudges, and platform-mediated social influence has created new aspects of consumer decision-making that need systematic academic synthesis (Thaler & Sunstein, 2008; Kahneman, 2011).

In light of this development in the research environment, the current thematic review aims to include and assess the existing research towards the most prominent behavioural constructs, theoretical perspectives, and digital determinants of decision making in consumers within online commerce. 4.1: The purpose: This article seeks to address the application of behavioural economic concepts to help understand consumer decision-making in online commerce, as well as to identify influential behavior biases and mental

triggers (such as heuristics, loss aversion, social proof, and framing effects) that shape online consumption behavior (Tversky & Kahneman, 1974), categorize prior scholarship across themes based on the trends emerging in the literature, and propose areas of conceptual, geographical and methodological research that may inform future academic research. By meeting these objectives this research seeks not just to consolidate empirical and theoretical research, but also to generate a coherent framework by which to consider in what ways digital environments increasingly shape, influence, and in some cases architect consumer decision-making, often inform or even condition it, in recent electronic markets.

3. Research Questions

The theoretical framework of behavioural economics and the aims of the current thematic review, we aim to establish research questions for empirically investigating the influence of digital commerce in the process of consumer decision-making. The digital marketplace has transformed into a highly interactive ecosystem and purchasing behaviour is affected not just by product characteristics and cost, but by cognitive biases, algorithmic interventions, social validation mechanisms, and emotionally framed digital stimuli. Conventional consumer studies are often constructed in the light of demographic and transactional variables when examining online behaviour, whereas behavioural researchers suggest that choice is often a function of bounded rationality, heuristic consideration, and choice architecture in surrounding settings as opposed to optimized decision-making (Simon, 1955; Kahneman, 2011). In digitally mediated environments, these behavioural tendencies intensify as consumers encounter personalized interfaces, real-time recommendations, scarcity messages, and peer-generated content, making it essential for more research papers to be completed, investigating the mechanisms of these phenomena.

Against this backdrop, three interrelated questions underlay this study:

- How do behavioural biases and heuristic-driven cognitive processes affect the purchase behaviour of consumers operating in digital commerce environments?

- What impact do platform-based interventions (e.g. digital nudges, personalized recommendations, social proof, and scarcity cues) have on consumers' engagement and purchase intentions (Thaler & Sunstein, 2008)?
- What thematic areas such as theoretical perspectives and new research directions are prominent among the current literature on behavioural economics and online consumer decision-making?

Overall, these research questions form an organised analytic approach for reviewing earlier studies, highlighting major behavioural issues, and locating neglected segments within an ever-growing research field of digital consumer behaviour.

4. Theoretical Foundation

If we are to understand consumer decision-making in digital commerce in the depth that we now need, we will therefore have to ground ourselves in Behavioural Economics — the discipline is the legacy of what neoclassical economics was after, where the belief we need to be perfect with our rationality and maximize our utility was clearly not a feasible stance to hold. Traditionally, classical economic models have assumed consumers with complete information, stable preferences and the cognitive capacity to make optimal decisions. But real life consumer behaviour (and especially online interaction) usually falls short of our expectations, given cognitive, affective, situational and social constraints. In Bounded Rationality is offered by Herbert Simon who posits that humans make “satisficing” rather than optimizing choices because of limited information-processing capabilities (Simon, 1955). This shift in perspective was substantiated through the work of Daniel Kahneman and Amos Tversky in Prospect Theory, which revealed that people treat gains and losses in an asymmetric manner and generally exhibit loss aversion, framing effects, and risk-sensitive preferences with the important impact on purchasing (Kahneman & Tversky, 1979).

Table 1:Major Theoretical Foundations Applied in Digital Consumer Behaviour Studies

Theory	Key Contributors	Core Concept	Application in Digital Commerce
Prospect Theory	Daniel Kahneman, Amos Tversky	Loss aversion	Discount framing, pricing decisions
Bounded Rationality	Herbert Simon	Limited cognition	Information overload
Nudge Theory	Richard Thaler, Cass Sunstein	Choice architecture	Personalized recommendations
Dual Process Theory	Daniel Kahneman	Intuitive vs analytical thinking	Impulse buying

Source.-Adapted from Simon (1955), Kahneman and Tversky (1979), Thaler and Sunstein (2008), and Kahneman (2011).

These behavioural constructs have strong contemporary applications in digital commerce, which is the area in which design choices, such as in interface construction, pricing cues, and promotion framing, continue to control consumer perceptions and decisions. Enriching this theoretical base is Richard Thaler’s Nudge Theory, which describes a situation in which incremental changes in the architecture of choice can affect how consumers make choices without curtailed freedom of choice (Thaler & Sunstein, 2008). In the world of digital marketplaces, those nudges take the form of personalized recommendations, default subscription options, urgency notifications, and social proof indicators that drive consumer behavior generally in subconscious ways. In parallel to these positions, two perspectives - intuitive, speed-based and automatic thinking and reasoned deliberation and analysis are emphasized by Dual Process Theory, which are useful in explaining impulse buying as an impulse based process, click-based purchase decisions, or the emotionally driven consumption (Kahneman, 2011).

These theoretical models combined form a unified lens within which to view digital consumer behaviour and can be used by the present thematic review to investigate how

psychological influences or digital consumer behavioural triggers, interventions, and platform architecture, work in concert to form purchasing choices in the present electronic commerce environment.

5. Methodology of the Review

The present study employs the thematic literature review, which is known for its thematic research, to systematically explore the connections between behavioural economics and consumer decision-making in digital commerce, providing opportunities to identify, categorize, and synthesize themes throughout existing scholarly literature. Unlike narrative review, thematic reviews provide a systematic platform for synthesizing widely divergent knowledge into coherent analytic clusters, which fosters theorizing depth and research synthesis (Braun & Clarke, 2006). Considering the multidisciplinary nature of the research subject, covering economics, psychology, marketing, information systems, and digital technology, a targeted systematic search strategy was used for comprehensive coverage of the pertinent academic literature. Academic article searches were conducted at major databases, namely Scopus, Web of Science, Google Scholar, and ScienceDirect in combination with the keywords “behavioural economics,” “consumer behaviour,” “digital commerce,” “online purchasing,” “cognitive bias,” and “digital nudging.” In order to stay academically viable and topical, peer-reviewed articles, conference papers, and high-impact academic publications produced primarily between 2010 and 2025 were included.

The inclusion and exclusion criteria were clearly defined in the selection process which are designed to ensure methodological rigor and conceptual consistency. Articles concerned directly with behavioural biases, psychological decision-making, digital consumer engagement, online retail environments, and technology-mediated purchasing behaviour were included and articles that had no empirical or theoretical relevance were excluded from inclusion. The selected studies passed after screening and content evaluation were subjected to thematic analysis and interpretative synthesis, using a theme-based coding based on a thematic framework (Braun & Clarke, 2006), the patterned behaviours, theories, and digital factors to be used also were combined with the emerging digital influences to extract a meaningful thematic domain.

Table 2: Summary of Review Methodology

Search Component	Description
Review Type	Thematic Literature Review
Time Period Covered	2010–2025
Language	English
Data Sources	Scopus, Web of Science, Google Scholar, ScienceDirect
Keywords Used	Behavioural Economics, Consumer Behaviour, Digital Commerce, Online Purchasing, Cognitive Bias
Inclusion Criteria	Peer-reviewed articles, conference papers, conceptual and empirical studies
Exclusion Criteria	Duplicate studies, non-English publications, irrelevant technical papers
Analysis Technique	Thematic Analysis

Source: Developed by the author based on the review protocol adapted from Braun and Clarke (2006) and Webster and Watson (2002).

This method offers a robust structure for isolating dominant research themes, exploring conceptual connections, and producing results based on evidence of how consumer decisions across the literature on the basis of behavioural economic principles are driven by modern digital marketplaces from which evidence can be derived.

6.Descriptive Analysis of Literature

Upon the methodological screening and thematic coding of selected studies, a descriptive literature analysis was conducted, identifying trends in publication, contributions made by discipline, geographical distribution, and methodological orientations for previous studies on behavioural economics and consumer decision-making in digital commerce. The analysis finds that scholarly interest in this area has intensified drastically in the last decade – particularly since 2015 – thanks to the exponential growth of platform-based

retailing, mobile commerce, artificial intelligence, and data-driven personalization. Research outputs have been particularly well-developed in publications in consumer behaviour, digital marketing, behavioural finance, and information systems in an indication of this interdisciplinary aspect to this area of research. Seminal contributions by authors such as Daniel Kahneman, Richard Thaler, and subsequent digital consumer researchers are still the seminal intellectual touchstones, and modern writings are still looking at behavioural interventions in technologically mediated purchasing experiences (Kahneman, 2011; Thaler, 2017).

Moreover, the patterns of publication reflect that more empirical and conceptual work has been published primarily in developed countries (e.g., United States, United Kingdom, Germany, and China) while the research has remained relatively scarce in emerging countries (e.g., India and other developing digital markets), evidencing a clear geographical disparity regarding the sources of literature. Methodologically, this literature reviewed reflects a wide range of research designs; most dominant is quantitative-based types of works—such as survey-based studies, experimental designs, structural equation modelling, and behavioural analytics. Qualitative research, mixed-method studies, and longitudinal studies are underexploited that may have the ability to capture more subtle behavioural dynamics across changing digital environments.

Table 3: Publication Trend in Behavioural Economics and Digital Commerce Research

Period	Number of Studies	Research Trend
2010–2013	12	Emerging interest
2014–2017	28	Moderate growth
2018–2021	47	Rapid expansion
2022–2025	63	High research intensity

Source:-Author’s compilation based on indexed publications retrieved from Scopus and Web of Science.

There is increasing movement from conventional e-commerce studies to more niche topics, such as mobile commerce, social commerce, AI-driven personalization, digital nudging, and platform trust, according to the descriptive analysis, indicating emerging areas of research. Citation patterns also reveal that the theoretical literature on Prospect Theory, Nudge Theory, and Bounded Rationality maintains a dominant position, underpinning the continued relevance of behavioural economic models to explain digital consumer behaviour. This descriptive synthesis thus acts as an empirical and intellectual background to the thematic analysis in the following sections of the study.

7. Thematic Analysis of Literature

The thematic analysis of the literature selected indicates that the consumer decision-making process in digital commerce is shaped by the complex relationships among consumer psychological biases, technological mediation, and socially defined digital experiences. Among the major recurring themes between the reviewed studies is the influence of cognitive biases in influencing behaviours between online purchasing. Prospect Theory research indicates that consumers tend to consider what they perceive to be positive and negative effects of a digital purchase versus an objective utility assessment, and are more susceptible to price framing, discounting schemes, and the use of scarcity messages in promotion (Kahneman & Tversky, 1979). Related to this is the impact of Bounded Rationality, where information overload, multiple product options and continual digital reminders often force the consumers to follow heuristics instead of analytical reasoning (Simon, 1955).

Anchoring effect, loss aversion, default bias and confirmation bias are also found to be the main drivers of online product evaluation and purchase intention. Another important motif is that of digital choice architecture in which the platforms interface directly utilizes Nudge Theory, such as personal recommendations, pre-selected choices, countdown timers, & “limited stock” notifications, which can subtly nudge consumers' choices without directly cutting them off (Thaler & Sunstein, 2008). The other most important thematic clustering that can be identified from literature is concerning social influence, trust of users and technology driven personalization on digital marketplace.

The reviewed research shows that online ratings, peer review feedback, influencer recommendation, user-generated content can play a major role in consumer trust, diminish perceived risk of purchase, resulting in herd behaviour and social proof effects on purchases (Cialdini, 2009).

Table 4: Thematic Classification of Reviewed Literature

Theme	Focus Area	Representative Findings
Cognitive Biases	Anchoring, framing, loss aversion	Consumers deviate from rational choice
Social Influence	Reviews, ratings, influencers	Social proof enhances purchase intention
Digital Nudging	Default options, urgency cues	Increases conversion behaviour
AI Personalization	Recommendation algorithms	Improves engagement
Payment Psychology	BNPL, wallets, one-click payment	Encourages impulsive spending
Ethical Concerns	Privacy, dark patterns	Influences trust and autonomy

Source: Author's thematic synthesis based on reviewed literature.

At the same time, the infusion of AI and predictive analytics has allowed e-commerce companies to create sophisticated individualized customer experiences using recommendation engines, behavioural targeting engines, and dynamic pricing models, leading to a further level of customer activation and also leading to dilemmas over how to approach autonomy, privacy and ethical persuasion. Recent research also highlights mobile commerce, 'one-click' payment systems, buy-now-pay-later models, and social commerce ecosystem as reasons for impulsively and emotionally driven consumption, especially amongst digitally active younger consumers. Together, these themes imply that consumer behaviour in digital commerce is defined not only by economic value or product utility but also by behavioural triggers, algorithmic design and digitally mediated social validation. Consequently, the thematic synthesis lays under an overall analytical backbone towards recognizing both developing trends and research gaps for the following next century of theorising around the behavioural economics within digital consumption.

8. Emerging Trends

The development of digital commerce is increasingly redefining patterns as well as technology to create new market structures, behaviours and behaviours that reshape consumer behavior across digital ecosystems worldwide. One major trend emerging in the recent literature is the increasing use of artificial intelligence and machine learning in consumer-facing applications, which will enable consumer-centric shopping experiences to be achieved through predictive analytics, recommendation engines and real-time behavioural targeting. Contrary to traditional marketing channels, AI-based solutions comb through browsing history, purchase history, social interactions and contextual preferences in order to propose customized product recommendations to encourage consumer engagement and conversion probability and to affect implicit decision-making pathways.

Recent research has argued that algorithmic personalization serves as an advanced type of digital nudging, where consumer decisions are less overtly promotional and more influenced by invisible computational architectures (e.g. Agarwal et al., 2023; Thaler & Sunstein, 2008). Concurrently, the rapid growth of mobile commerce, voice-assisted purchasing and conversational AI platforms has enabled easy consumption and transactions that do not require significant cognition by consumers. The increasing implementation of intelligent assistants like Google Assistant, Amazon Alexa, and AI-empowered chatbot interfaces demonstrates the growing intertwining of decision-making with automated digital environments. A new and important trend that appears contemporary through literature is the emergence of integrated and immersive commerce models, that combine behavioural persuasion and interactive digital experiences. Social media marketing on platforms including Instagram, TikTok, and YouTube has now turned consumers from passive consumers into networked participants whose purchase intentions are formed by influencers, peer communities or real-time digital interactions.

At the same time, emerging technology and the new virtual and augmented reality and metaverse-based retail environments are allowing consumers to touch products live in simulated environments reducing perceived uncertainty and strengthening emotional

attachment to brands. Recent literature has also suggested the growth of behavioural fintech technologies like digital wallets, one-click payments, subscription commerce, and buy-now-pay-later systems that lower transaction friction and, at the same time, may be provoking impulsiveness of spending patterns (Arora et al., 2024).

9. Research Gaps Identified

Although the literature on behavioural economics and digital consumer behaviour is growing, there are some substantial conceptual, methodological and geographical gaps in the literature that need to be investigated further. First, despite the widely used nature of early research to explain online purchasing behaviour, many of the existing theories, particularly Prospect Theory, Bounded Rationality and Nudge Theory, are predominantly used to investigate the conceptual aspects of online buying behaviour; most of the studies that have been conducted today concern the individual constructs of behaviour for instance price sensitivity, impulse purchase or trust formation and relatively little is known to elaborate the implementation of an inter-diverse and multidimensional theories to address cognitive, emotional, social, and technological elements of consumer decisions (Kahneman & Tversky, 1979; Thaler & Sunstein, 2008). Also, a large number of the empirical studies available are cross-sectional and present only the static perspective on the behavioural responses, rather than capturing how the consumer preference, bias, and digital adaptation of consumer evolve over time.

Longitudinal analyses, behavioural experiments and real-time digital analytics to observe dynamic decision processes are limited, rendering the current research not very predictive/explaining and hence not very useful. The second significant limitation is the geographical and contextual focus of some of these previous studies. This is well-documented empirically, as most of the studies were carried out in high technology economies such as the United States, United Kingdom, China and Western European digital markets, and emerging economies such as India, Southeast Asia, Africa and Latin America which are witnessing the high pace of digital consumption are sorely lacking in this field. It creates a context gap if socio-cultural values, payment patterns or trust

perceptions and digital literacy and behavioural responses can vary significantly in evolving markets.

Table 5: Research Gaps Identified in Existing Literature

Research Dimension	Current Limitation	Future Opportunity
Geography	Dominance of Western studies	Emerging economies such as India
Methodology	Cross-sectional dominance	Longitudinal studies
Technology	Limited work on immersive commerce	AR/VR and metaverse
Ethics	Insufficient focus	Algorithmic transparency
Consumer Segments	Youth-centric studies	Multi-generational analysis

Source: _Developed by the author from thematic review findings.

Meanwhile, there have been few studies concerned with the behavioural consequences of next-gen digital ecosystems including AI-enhanced hyper-personalization, algorithmic persuasion, voice commerce, immersive retail or metaverse shopping. Further, ethical dimensions such as consumer manipulation, dark patterns, privacy issues, and algorithmic transparency are under-researched in behavioural economic discussions. Closing these gaps provides enormous opportunities for future research in constructing more culturally inclusive, technologically specific, and ethically rooted contexts through which to comprehend consumer decision-making in the changing environment of digital commerce.

10. Proposed Thematic Framework / Conceptual Model

Following this synthesized literature, the current review attempts to offer a thematic integrated framework through which to explain consumer decision-making in a digital commerce model by examining the interaction of four major constructs: behavioural determinants, technological interventions, social influences, and purchase outcomes. At

the most basic level, behavioural determinants derive from the tenets behind Behavioural Economics, specifically, cognitive biases like loss aversion, anchoring, framing, mental accounting and heuristic-driven judgment. These behavioral biases determine consumers' price and alternative evaluations, message processing, and uncertainty response to digital buying opportunities (Kahneman & Tversky, 1979; Simon, 1955). But this psychological predisposition does not run free in a digital market; rather, it is constantly changing as a result of technology and systems such as artificial intelligence–injected recommendations, predictive analysis, algorithmic personalization, dynamic pricing and digital nudging tools. Digital platforms by the virtue of strategically orchestrated choice architectures affect consumer attention, decrease cognitive load, and direct decision pathways, frequently stimulating more intuitive or non-analytical cognition (Thaler & Sunstein, 2008; Kahneman, 2011).

Table 6: Proposed Conceptual Framework of Consumer Decision-Making in Digital Commerce

Construct	Variables
Behavioural Determinants	Heuristics, loss aversion, framing
Technological Drivers	AI, recommendation systems, digital nudges
Social Influences	Ratings, peer reviews, influencers
Moderating Variables	Age, culture, digital literacy
Consumer Outcomes	Purchase intention, loyalty, impulsive buying

Source: Proposed by the author based on thematic synthesis

Therefore, the presented framework highlights behavioural biases as the key internal influences to decision-making, while technologies play the role of external behavioural enablers in digital commerce systems. They are further refined by the framework to capture social and contextual factors as mediating variables who may reinforce or attenuate consumer responses in digitally connected settings. Peer reviews, online ratings,

influencers, social proof, community involvement, and platform trust play a key role in influencing perceived credibility, risk reduction, purchase confidence, which in turn determine final consumer choices (Cialdini, 2009). At an outcome level the interaction across behavioral, technological and social constructs elicits perceptible consumer responses to goods bought (e.g. purchase intention, impulse purchase, brand loyalty, subscription adoption, repurchase behaviour and post-purchase advocacy).

Conversely, moderators of context such as demographic characteristics, digital literacy, cultural orientation, ease of payment and privacy perception might determine the strength and direction of these relationships. Thus, the thematic framework presented here views consumer decision-making processes involving digital commerce as a multidimensional and emergent process, where psychological predispositions are influenced continuously by algorithmic design and socially mediated digital experiences. This conceptual model serves to bring together the main themes identified this present review in addition to providing a theory to underpin future empirical investigation and cross-cultural behavioural research in emerging digital markets.

11. Implications of the Study

Themes that emerge from the present thematic review carry considerable theoretical, managerial and policy implications for consumer decision-making in digital marketplaces. From a theoretical perspective, the results of the study lend support to the emerging significance of Behavioural Economics for justifying digital consumer action on digital consumption behaviour, particularly in scenarios where classical rational option theory have no grasp on the intricacies of digital consumer choices mediated by technology. The synthesis of various behavioural constructs, e.g., cognitive biases, heuristic processing, loss aversion, social proof and digital nudging, the present study adds to this literature by providing some evidence for developing an integrated conceptual framework for online consumer behavior (Kahneman & Tversky, 1979; Simon, 1955).

Table 7: Managerial and Policy Implications

Stakeholder	Implication
Marketers	Behaviour-based personalization
Platform Designers	Ethical interface design
Policymakers	Consumer protection regulation
Researchers	Interdisciplinary modelling

Source:-Author's interpretation based on review findings

The conceptual framework therefore builds on previous literature on the subject by showing that consumers' decisions in digital commerce are not only concerned with economic utility or product traits, but now are also more driven by algorithmic personalization, interface architecture, and contextually embedded digital engagements, as increasingly determining factors that drive their choices. Therefore, this review is an interdisciplinary foundation for future empirical frameworks that integrate behavioural psychology with marketing analytics and theory on digital platforms. From a managerial point of view, this article also brings valuable knowledge to online marketers, platform designers and e-commerce consultants on how to improve the customer engagement and long-term loyalty. By learning about behavioral triggers like framing effects, scarcity cues, default options, and trust cues, it is possible for companies to design more effective and consumer-focused digital experiences. Artificial Intelligence, predictive analytics and behavioural segmentation can help companies to offer tailored product recommendations, enhance interface design, and deliver better conversions while maintaining consumer relevance on their platforms (Thaler & Sunstein, 2008).

On a policy and regulatory level, the findings show the immediacy of the need for transparency in digital governance, ethical algorithm construction, and enhanced consumer protection in an increasingly data-centric marketplace landscape. Concerns of

manipulation in behaviour, invasion of privacy, dark patterns, and algorithmic opacity in this regard warrant higher academic attention on academic and institutional level to keep the future of technological innovation within the realm of consumer autonomy and fair play in market dynamics. Accordingly, the implications of this study go beyond the realm of academia with tangible value for business policy and decision-making to digital ethics and evidence based policies in an emerging electronic commerce world.

12. Future Research Directions

The review outlines some key initiatives for future work in the domains of behavioural economics and digital consumer behaviour. First, past work is mostly cross-sectional and limited to specific behavioural constructs and therefore there is the pressing need of studying consumer preferences, cognitive biases, and purchase behaviours over time within the context of dynamic digital environments in a longitudinal and experimental way. Subsequent research may blend classical models such as Prospect Theory, Bounded Rationality, and Nudge Theory with newer fields such as artificial intelligence, consumer analytics, and human-computer interaction to develop more comprehensive behavioural models (Kahneman & Tversky, 1979; Simon, 1955; Thaler & Sunstein, 2008).

Similarly, research should expand beyond developed economies and consider consumer behaviour in emerging markets including India, where aspects of cultural values, digital literacy, and payment behaviours may play an important role in online decision-making. There is also a need for scholars in emerging domains (e.g., AI-driven personalization, voice commerce, immersive retail) with the consideration of ethical concerns over data privacy, algorithmic transparency, and digital manipulation. These discussions could contribute to theoretical development but also support building e-commerce ecosystems that are more inclusive, ethical and consumer-centric.

13. Conclusion

The current thematic analysis suggests that consumer decision-making in digital commerce is now dominated by psychological biases, technological interventions, and socially influenced digital experiences. Based on the theory of Behavioural Economics,

this perspective, as presented in the study, can be adopted to show that online customers frequently deviate from purely rational decision-making and are greatly affected by cognitive biases, heuristic processing, digital nudges, personalized recommendations, as well as by social proof mechanisms (Kahneman & Tversky, 1979; Thaler & Sunstein, 2008). The thematic synthesis also demonstrates that advances in technology, like artificial intelligence, mobile commerce, and data-driven personalization, have altered the architecture of consumer choice in digital markets. In conclusion, the review demonstrates that consumers' behaviours in the context of digital commerce are multilayered, dynamic, and increasingly driven by behavioural design rather than economic utility alone. In this research the main findings, main themes, research deficiencies, emerging ideas, and an integrated conceptual framework are important for academics and management practice and their practical applications. The results highlight the importance of further investigations that build upon, inclusively, ethically grounded, and technologically relevant models for understanding consumer actions in quickly changing digital ecosystem.

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