

### 1.1 Background of the Study

The information can change the holistic view of the individual, and this is required for every action, reaction, or decision making of a human. Earlier it was only in the hand of the privileged population. Digital era has shifted the power of knowledge from vertical to the horizontal framework, and now anybody can use, search, gather, and evaluate the immense amount of information (Geissler & Zinkhan, 1998). The information revolution has changed the world and people lives in it. The world is called a global village now where everybody is highly connected to each other and to every part of the world. An Ernst and Young LLP paper by Marcie Merriman 2015 says, "Politically, socially, technologically, and economically, we are moving at warp speed." Technology has integrated everything on one platform. We have the smart technology, smartphone, stylish laptop, 4G internet speed, wi-fi connection, specific application, and website for everything easily accessible anytime and to anybody. This revolution and globalization have drastically changed the way we are living and leading our life. The most significant example is the movement of the physical market to the virtual market (E-commerce). Virtual market means an intangible form of exchange, lacking any option for physical verification (Häubl & Trifts, 2000).

The number of Internet users has been increasing day by day, globally. As of April 2019, 56.1% of the world's population had internet access. According to the Internet & Mobile Association of India (IAMAI), with over 460 million internet users, India is the second-largest online market, and around 137.19 million internet users are using the internet daily. The inclination towards internet can be evaluated through the worth of e-commerce market, India E-commerce worth was Rs 1,07,800 crores by the year 2015 and registered an increase of Rs 1,03,205 crores by the end of December 2016 reaching Rs. 2,11,005 crores, according to IMAI. This growth rate is unprecedented, adding around 6 million new entrants every month. Smartphone and smart mobile apps are increasing the proclivity towards technology. It had driven internet ease of use in people.

Its characteristics, such as the accessibility of large amounts of information, lower search costs, and access to all competitors (Daniel & Klimis, 1999), have changed consumers' research and purchase activities. Technology has helped consumers enjoy a value-added shopping experience (Malbon, 2013), and it is commonly used for entertainment and communications through email and social media (Radbata, 2011). Further research indicates that the advent of new technology, specifically the Internet, computers, and smartphones has changed the world's economy has changed forever. As per the IMAI report, India is fast in adopting e-commerce, digital payments, online ticketing/cab booking, etc. that makes internet integral part of daily life. According to Global Web Index latest reports, it is not just the number of people using the internet that has increased this year, the amount of time that people spent on the internet has also gone up over the past 12 months. The average internet user now spends around 6 hours each day using internet powered device and service.

This shift toward e-commerce website has opened many opportunities for the market but at the same time raised many questions related to processes and factors influencing these processes in operation. Virtual reality shares certain qualities with the physical reality (uncertainty, ambiguity, availability, and the possibility of variations in options and information to suit individual demands) and even exemplifies these.

Rayport (2012) divided consumer from 1.0, 2.0 to 3.0 and in the same way Life Boat foundation (2007) summarizes the concepts of the internet or the web in the form of 1.0, 2.0 and web 3.0. Customer 1.0, existed in the 1950s, 60s, and 70s, in this era, no such technology was developed, and the market was unable to fulfill the basic consumer demands (Rayport & Rickards, 2012). Customer 2.0 followed in the 1980s and 90s when technology was started to showcase its importance in the form of a personal computer (PC Era). In between the 90s and 20s, there were internet connectivity and social networking site. At the same time, consumer market suppliers also come up with the new concept of mega-mart or supermarket where everything was available on one platform (Rayport, 2012).

(Swinyard & Smith, 2003) said online consumers are more educated, spend more time on the internet, are wealthier, and less fearful about online transactions. In the 21<sup>st</sup> Century, where technology development has in their booming stage, every corner of consumer (human life) life has been affected by the digitalization and availability of the internet. Now the internet is more connected, more open, more intelligent and easily accessible to everybody on any device like mobile, laptop or computers. That is the reason 21st-century web is called third-generation web or web 3.0 (Life Boat Foundation, 2007). The consumer has used this online web as a platform to purchase every product and service. Internet using consumer is highly connected, highly active in social networking, highly informed, and they control markets because they provide feedback and suggestion after making a purchase. They use the internet for every purpose, whether it is related to personal or business, and because of this reason, the term Consumer 3.0 was coined (Rayport, 2012). Consumers 3.0 are so much absorbance with the technology that they are showing attitude like highly impenitent, instant gratification and less tolerant because they are tracking their product and service 24/7 via the internet and social media and having the information overload.

Marc Resnick (2001) suggested that the online environment could be a perfect platform to explore naturalistic decision making (NDM) processes. NDM is an area of study which examines the decision making in a real-life scenario. The everyday choices from any small insignificant matter to any vital life-changing issue may get impacted due to the amount, variety, and mode of information available to us. The decision-making science studies how environmental factors, decision option characteristics, and individual characteristics influence and determine the process of decision making and the decision being made. It is a widely accepted fact that we still need to know a lot more about the processes and results of decision making. Starting from the decision-maker characteristics (personality, cognitive style, biases, and attitudes), situational characteristics (time pressure, insufficient information, stakes, risks, and competition), and decision options (tangible/intangible, value, demand, features and availability/affordability) to the interaction of all of these.

Keeping this background in mind present study is conceptualized with the following assumptions:

- Humans are becoming more impulsive with time.
- This behavioural change can be seen distinctly in a different cohort.
- Technological development is a significant contributor to this change.
- Technological development has increased the availability and accessibility of information and hence, the complexity in information processing.

- These changes in individual characteristics and information related characteristics interact differently to the contextual characteristics in the decision-making environment.

In light of the above background and the assumptions, the present study takes a consumer-centric and information processing approach and aims “*to examine the role of decision option (choice) characteristics, individual characteristics and their interaction in decision making.*”

## **1.2 Motivation of the Study**

This research is motivated by the impact of the revolution in information communication technology, the rapid growth of the internet, and e-commerce. The way nowadays, human see and handle the problems has changed completely. Earlier every problem was solved in the physical platform, means one can have the option to touch and feel as well as have the opportunity to interact with people in face to face communication option, but things have changed. With the information technology boom, many things are moving to online platforms, and the maximum movement is seen in e-commerce. Even with all the complexity, the interest and increase of users are evident. This remarkable change has raised many questions like who has control over the internet, why consumers are interested in buying on online platform etc. Researchers suggest that individual variability and complexity is significant; however researcher also indicates that online consumers from different countries have similarity in their behaviors (Breneman, Geuens, Weijters, Smith, & Swinyard, 2005).

According to the research e-commerce service provider are trying to evaluate every perspective of the individual difference in respect to information process. It is also evident that every activity is recorded and is used to building an efficient website. For example, sites remember items in the shopping cart, log-in name, preferences, etc. Website developer and marketer are focusing on the individual psychological and cognitive ability and trying to present information according to their need. There are four strategies which are used for the development of information presentation. The first strategy is to design information for one uniform user group, which focuses on the average user, and the differences between users are not taken into account. The second strategy is to design different information interfaces for different user groups, which can take individual differences into account by carefully studying user groups. The third strategy is to create information adaptive interface, which is an automatic adaptation of computer interfaces to the individual user's characteristics and needs. A potential fourth strategy, robust design, which plan to present information focusing on creating the information in such a way that the influence of external variability is minimized (Aykin & Aykin, 1991; Zhou, Heesom, & Georgakis, 2007).

Similarly, (Har Lee, Cyril Eze, & Oly Ndubisi, 2011) proposed that changes in consumer behavior as part of the current market trend are forcing businesses to move towards selling on the Internet. Further Consumer behavior evolution, forces researcher to understand demographics and other variables of online consumers about their online purchasing behavior (Hashim, Ghani, & Said, 2009; Swinyard & Smith, 2003). In other country Several studies on demographics variables have been done on online Chinese consumers (L. Wu, Cai, & Liu, 2011), Canadian online shopping behavior (Hashim et al.,2009), and U.S. online consumers (Swinyard & Smith, 2003). However, these studies remain inconclusive and have limitations such as small numbers of variables (Chang, Cheung, & Lai, 2005). For better, understanding the decision behavior of the Indian online consumers, this thesis studies the consumer-centric approach with information related specific personality/cognitive dimension and demographic dimension.

### **1.3 Overview of Chapters**

The organization of the thesis is as follow.

*Chapter 2:* In this chapter, according to the research question, the researcher defines the fundamental idea of how an individual decides in a real-life scenario. The concept from behavioral decision research, decision science, and information systems provide the background of the study. This chapter also explains the limitation of current knowledge of real-life decision making about individual factor, which is affected by information and product factor. It ends with emphasizing the need for such research.

*Chapter 3:* This chapter explains the quantitative research methodology which is developed according to the objective and research hypothesis of the study. The reason for choosing this specific method is justified. Data collection methods, the way experiments are conducted, and methods of analysis are described in detail.

*Chapter 4:* In this chapter, I explore the role of information, choice characteristic and individual difference, which is related to the information processing in context effect of decision-making behavior in an online platform as a real-life scenario. The specific idea which can explain the extreme decision behavior at the micro-level and their measurements are defined at the beginning. The chapter ends with a conclusion of the main findings and a comparison of the results with gender-wise and age-wise as this chapter provides a background understanding of actual extreme decision of consumers as an individual.

*Chapter 5:* It presents the analysis of role of increasing information on context effect and deferral decision by individual difference in the online platform as a real-life decision-making scenario. A conclusion of the essential findings and comparison on gender and age are provided in the last section of this chapter.

*Chapter 6:* The final chapter starts by providing a general discussion of the research. The results of the two levels of analysis are brought together and discussed, establishing a strong view of context effect of decision or deferral decision making in online. Theoretical and practical contributions are stated, limitations of the research are addressed, and directions for future work is proposed. A short conclusion brings this thesis to an end.

### **1.4 Contribution of the study**

Taking any real-life example where an individual need to decide multiple choices, we realize that the options always have some common and some unique qualities. Under these circumstances, how an individual chooses and what role their personality cognitive boundaries plays in this could be understood through this study. The present study provides some insight into these situations, and they provide inputs to marketers, product designers, and policymakers.