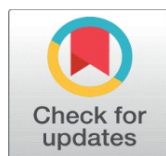


A STUDY ON THE INFLUENCE OF EXTERNAL FACTORS ON CONSUMER DECISION MAKING FACTORS IN DIGITAL ERA WITH REFERENCE TO MACRO ENVIRONMENT

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ABSTRACT

The way consumers make choices has experienced considerable changes in the quickly expanding digital age, greatly impacted by macro environmental variables. In the context of the digital era, the purpose of this research is to look at how macro environmental elements affect consumer decision-making behaviors. The study uses a quantitative research approach and uses structured questionnaires to gather information from a wide range of customers from different demographic groups. The four primary macroenvironmental elements that are the focus of the research are technical breakthroughs, sociocultural shifts, economic situations, and regulatory regulations. In the digital environment, these elements are recognized to have a significant impact on customer attitudes, preferences, and purchase behaviors. The study examines how each macro environmental factor affects various stages of the consumer decision-making process, such as problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. This is done through demanding data analysis and statistical techniques. The study also investigates possible linkages and dependencies among the macro environmental elements, demonstrating their combined influence on consumer decisions.

Keywords: Consumer Decision Making, Macro Environmental Factor, Digital Era

1. INTRODUCTION

The consumer behavior and decision-making processes have undergone a significant alteration in the digital age. When making purchases, customers must navigate an environment that is becoming more and more complicated due to the fast improvements in technology, shifting sociocultural norms, varying economic situations, and altering regulatory laws. For firms, marketers, and legislators alike, it is essential in this dynamic climate to comprehend how macroenvironmental elements affect consumer decision-making.

The purpose of the current research is to examine how large-scale environmental variables affect consumer decision-making practices in the digital age. The introduction of digital technology and the interaction of more general social

forces have upset the old model of consumer decision-making, which formerly depended on relatively stable and predictable elements.

As a result, understanding the complex interaction between macro environmental elements and consumer decision-making has emerged as a critical task for academics and industry professionals looking to improve marketing tactics and customer experiences. By using a quantitative research approach, the study will gather information from a varied sample of customers across different demographic categories using structured questionnaires. An understanding of the intricate interaction between macro environmental elements and consumer decision-making factors in the digital age will be possible with the help of meticulous data analysis and statistical tools.

2. OBJECTIVES OF THE STUDY

- 1) To analyses the demographic variables of the respondents
- 2) To examine the impact of macro environment on consumer decision making process

3. REVIEW OF LITERATURE

This article offers a thorough analysis of how social factors affect how consumers make decisions. It looks at how social media, kinship networks, reference groups, and other factors influence how customers choose brands and make purchases. The study summarizes research from several studies, emphasizing the value of recommendations and social ties in influencing customers' purchasing decisions. The writers also cover how marketers may successfully use social influence into their marketing plans [Singh and Basu \(2023\)](#).

This systematic review explores how culture affects users' perceptions, attitudes, and tastes with a focus on cultural elements that impact consumer decision-making. The purpose of this article is to explain how standards, values, language, and symbols influence consumer behavior using research from various cultural settings. The writers stress the value of cultural adaptability in marketing efforts and emphasize how crucial it is for companies to take cultural nuances into account when deciding how to position their products and communicate with their target audiences [Yates and de \(2016\)](#).

This thorough literature analysis investigates how economic considerations affect consumer choice. The authors review research on how consumer purchasing habits, brand loyalty, and purchase intentions are affected by income levels, job status, inflation, and economic situations. The analysis presents implications for firms to plan pricing and promotional tactics in accordance with how customers modify their purchasing behavior in response to economic volatility [Visnja et al. \(2016\)](#).

This comprehensive assessment, which focuses on the impact of technological advancements on consumer decision-making, looks at the effects of internet shopping, mobile apps, and artificial intelligence. The article examines research looking at how customers' information search, product appraisal, and buying behavior is impacted by technology. The writers talk about how technology developments affect companies, highlighting how crucial it is to provide streamlined, user-friendly electronic experiences in order to keep up with shifting customer expectations [Plekhanov et al. \(2022\)](#).

3.1. SCOPE OF THE STUDY

- 1) The respondents for his study only from Kancheepuram District
- 2) This study focusses on macro environmental factors and decision-making process of consumer alone.
- 3) Online platforms only had been focused in this research study

3.2. LIMITATION OF THE STUDY

- 1) This research is focused only on residents of the Kancheepuram. As a result, generalizing to a large population is challenging.
- 2) The main restriction on this investigation is time.
- 3) Limited number of respondents only the base for this research.

3.3. STATEMENT OF PROBLEM

Consumer processes for making choices have experienced major changes in the quickly expanding digital age as a result of the widespread use of electronic devices and the internet. This research intends to look into how macro environmental elements, especially in the context of the digital age, affect consumer decision-making considerations. Understanding how various aspects of consumer decision-making when buying goods and services through digital platforms are influenced by external macro environmental factors, such as advances in technology, economic conditions, sociocultural shifts, and regulatory changes, is the main issue that needs to be resolved.

- 1) How have technical developments in the digital age changed how people behave and make decisions?
- 2) What impact do economic factors like inflation, unemployment rates, and consumer expenditure have on how consumers choose products in the online market?
- 3) What effects do sociocultural changes, such altered ways of living, values, and attitudes, have on how consumers make decisions in the digital age?

4. RESEARCH METHODOLOGY

A purposeful sampling technique was used to get 100 samples for this investigation. Primary as well as secondary information are included in this study work. However, this study work mostly relies on primary data that was gathered via questionnaires from different customers who lived in the Chennai area. The tools utilized for data analysis were IBM SPSS 2020 and AMOS. As research tools, SEM and percentage analysis techniques have been used in this work.

Table 1

Table 1 Demographic variables		
Demographics	Options	Percent
Gender	Male	80.8
	Female	19.2
Age	13 – 20	30.4
	21 – 25	37.8
	26 – 36	18.6

	37 and above	13.2
Educational Qualification	SSLC / HSC	22.6
	UG	22.4
	PG	31.6
	Professional Degree	23.4
Income	Below 20000	19.4
	20000 – 40000	58.8
	40000 and above	21.8

Primary Source

Table 1 reveals that the majority of respondents (80.8%) were male, 37.8% of the respondents are between the ages of 13 and 20, and had an undergraduate degree (22.4%). 58.8% of responders, the majority, fell in the 20 000–40 000 range.

Table 2

Table 2 Reliability Test				
Scale Reliability Statistics				
	Mean	SD	Cronbach's α	McDonald's ω
scale	4.54	0.561	0.826	0.876

5. INTRODUCTION

The questionnaire's validity and the items' internal consistency are assessed using the reliability test. The criteria are that if it is more than 0.05, the Cronbach's alpha should be good. The validity and accuracy of this survey are shown by the Cronbach's alpha score of 0.911. Further examination of the collected data is therefore feasible. Moreover, the McDonald's Coefficient is more than 0.70 which shows that the strong internal validity of the questionnaire.

Table 3 Descriptive Statistics of Data

Descriptives						
	Satisfaction	Decision Making	Political	Economic	Technology	Cultural
N	80	80	80	80	80	80
Mean	4.69	4.83	4.79	4.83	4.40	4.69
Median	5.00	5.00	5.00	5.00	5.00	5.00
Mode	5.00	5.00	5.00	5.00	5.00	5.00
Sum	375	386	383	386	352	375
Standard deviation	0.686	0.471	0.589	0.471	1.05	0.628
Variance	0.471	0.222	0.347	0.222	1.10	0.395
Range	3	2	3	2	4	2
Minimum	2	3	2	3	1	3
Maximum	5	5	5	5	5	5
Skewness	-2.16	-2.77	-2.97	-2.77	-1.41	-1.85
Std. error skewness	0.269	0.269	0.269	0.269	0.269	0.269
Kurtosis	3.74	7.14	8.66	7.14	0.643	2.12
Std. error kurtosis	0.532	0.532	0.532	0.532	0.532	0.532
Shapiro-Wilk W	0.514	0.416	0.414	0.416	0.599	0.541
Shapiro-Wilk p	< .001	< .001	< .001	< .001	< .001	< .001

6. INTERPRETATION

As calculated Shapiro – Wilk probability value of all factors is less than 0.001, the data are not normally distributed [Table 3](#). Based on the mean ranking, Economic factors are playing most important in consumer decision making process.

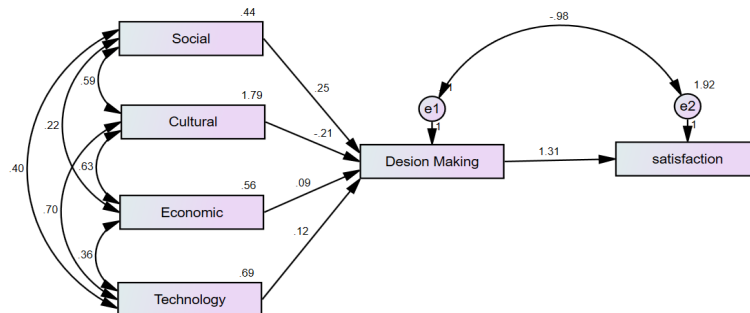
7. HYPOTHESIS TESTING

Hypothesis

H0= There is no impact of Macro factors affecting consumer decision and satisfaction

H1= There is an impact of Macro factors affecting consumer decision and satisfaction

Variable classification		
Observed - Exogenous Variables	Observed - Endogenous Variables	Observed Variables
1. Social	1. Decision Making	e1
2. Cultural	2. Satisfaction	e2
3. Economic		
4. Technology		



Model Fit Measures

Measure	Estimate	Threshold	Interpretation
CMIN	0.347	--	--
DF	3	--	--
CMIN/DF	0.116	Between 1 and 3	Excellent
CFI	1.000	>0.95	Excellent
SRMR	0.011	<0.08	Excellent
RMSEA	0.000	<0.06	Excellent
PClose	0.965	>0.05	Excellent

Regression Weights: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P
DesionMaking <--- Social	.247	.180	1.368	.171
DesionMaking <--- Cultural	-.213	.106	-2.010	.044
DesionMaking <--- Economic	.090	.122	.738	.461
DesionMaking <--- Technology	.116	.133	.867	.386
satisfaction <--- DesionMaking	1.306	.689	1.896	.058

8. INTERPRETATION

- The probability of getting a critical ratio as large as 5.882 in absolute value is less than 0.001. In other words, the covariance between Social and Cultural, Economic, Technology is significantly different from zero at the 0.001 level (two-tailed). Moreover, the covariance between Cultural and Economic, Technology is significantly different from zero at the 0.001 level (two-tailed). The probability of getting a critical ratio as large as 5.315 in absolute value is less than 0.001. In other words, the regression weight for Cultural in the prediction of Decision making is significantly different from zero at the 0.05 level (two-tailed).
- The probability of getting a critical ratio as large as 1.368 in absolute value is .171. In other words, the regression weight for Social in the prediction of Decision Making is not significantly different from zero at the 0.05 level (two-tailed).
- The probability of getting a critical ratio as large as 2.01 in absolute value is .044. In other words, the regression weight for Cultural in the prediction of Decision Making is significantly different from zero at the 0.05 level (two-tailed).
- The probability of getting a critical ratio as large as 0.738 in absolute value is .461. In other words, the regression weight for Economic in the prediction of Decision Making is not significantly different from zero at the 0.05 level (two-tailed).
- The probability of getting a critical ratio as large as 0.867 in absolute value is .386. In other words, the regression weight for Technology in the prediction of Decision Making is not significantly different from zero at the 0.05 level (two-tailed).
- The probability of getting a critical ratio as large as 1.896 in absolute value is .058. In other words, the regression weight for Decision Making in the prediction of satisfaction is not significantly different from zero at the 0.05 level (two-tailed).

9. CONCLUSION

In summary, the research conducted on the effects of macro environmental elements on consumer decision-making in the digital age highlights the significant influence of external influences on contemporary consumer behaviour. This study aims to provide a comprehensive analysis of the complex

relationship between macro environmental elements, including technology breakthroughs, socio-cultural transformations, economic situations, and regulatory frameworks, and their influence on consumer decision-making processes. The ongoing process of digitization is significantly altering the company environment and redefining conventional marketing frameworks. Consequently, it is crucial for firms aiming to succeed in a progressively dynamic and linked worldwide market to comprehend and adapt to these affects. Organizations may enhance their strategies, innovate their methods, and get a better understanding of customer preferences and behaviours by acknowledging the complex nature of consumer decision-making and the many external elements that influence it. This research highlights the need of companies maintaining a state of alertness and adaptability towards macro environmental developments. By seeing these trends as strategic possibilities, firms can effectively connect with, influence, and satisfy the changing demands and expectations of customers who are knowledgeable about digital technology.

CONFLICT OF INTERESTS

None.

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