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A Study on Influence of External Environment Stimuli on Online buying behaviour among consumers with reference to Chennai

Mrs. Swetha V P¹, Dr. K. Amutha²

¹Research Scholar, Mother Theresa Women's University, Kodaikanal ²Associate Professor, MV Muthiah Government Arts College for women, Dindigul DOI: <u>https://doi.org/10.5281/zenodo.15735219</u>

ABSTRACT:

Consumer buying behavior is the behavior of final consumer. The consumer buying decision process is influenced by many internal and external factors. A purchase decision is the outcome of all these factors. The external environment plays a crucial role in shaping online consumer buying behavior by influencing decision-making processes through various stimuli. Factors such as digital marketing, social media influence, economic conditions, technological advancements, and cultural trends significantly impact consumer preferences and purchasing patterns. Online advertisements, product reviews, influencer endorsements, and peer recommendations create awareness and shape perceptions, while pricing strategies and economic factors determine affordability and willingness to purchase. Moreover, evolving technologies, including artificial intelligence, personalized recommendations, and seamless payment options, enhance convenience and trust in online shopping. Understanding these external environmental stimuli helps businesses develop effective strategies to attract and retain customers in the competitive digital marketplace.

Keywords: Consumer buying behaviour, External Environment, Stimuli

1. Introduction:

Online consumer buying behavior refers to the process and factors influencing how consumers make purchasing decisions in digital environments. It involves several stages, including problem recognition, information search, evaluation of alternatives, purchase decision, and postpurchase behavior. Various factors such as convenience, price comparison, product reviews, brand reputation, and personalized recommendations significantly impact consumer choices. Social media, digital marketing strategies, and online advertisements also play a crucial role in shaping buying behavior. Trust and security concerns, along with user-friendly website interfaces and seamless payment options, further influence the decision-making process. Additionally, psychological factors like motivation, perception, and attitudes affect consumer preferences in the online marketplace. With the rise of e-commerce platforms and mobile shopping, businesses continuously adapt their strategies to enhance customer experiences and influence purchasing decisions effectively.

The external environment plays a significant role in influencing consumer buying behavior by shaping preferences, attitudes, and decisions. Here's an analysis of key external environmental stimuli that impact consumer behavior:

1. Cultural Environment

• Culture and Subculture: Customs, values, and cultural norms have a big impact on the tastes and actions of consumers. For instance, buying decisions for particular products may be influenced by holidays or customs.

• Social Class: Depending on their income, level of education, and way of life, people in various social classes have distinctive spending habits.

2. Social Environment

• Reference Groups: By offering suggestions, viewpoints, or social proof, friends, family, and peer groups have an impact on decisions.

• Role and Status: A person's perceived social standing and their place in society or at work can influence their purchase decisions. Professionals, for example, could favor high-end brands in order to preserve their prestige.

• Social Media Influence: Consumers are exposed to trends and reviews through online platforms, which also magnify peer influence.

3. Economic Environment

Income Levels: A consumer's preferences for luxury or essential goods are influenced by their disposable money. Economic Conditions: General spending patterns are influenced by inflation, unemployment, and economic stability. Market Conditions: Pricing methods, competition, and the availability of alternatives influence consumer decisions.

4. Technological Environment

Digital Innovations: Technological developments like e-commerce, smartphone payments, and AI-powered suggestions have an impact on how customers shop.

Product Features: Products with cutting-edge features or technology tend to draw in customers.

5. Environmental and Ethical Factors

- Sustainability: Growing awareness of environmental issues has led consumers to prefer eco-friendly and sustainable products.
- Corporate Social Responsibility (CSR): Companies practicing ethical sourcing and fair trade attract socially conscious buyers.

6. Marketing Mix Elements

- Product: Features, quality, and packaging directly appeal to consumer preferences.
- Price: Competitive pricing, discounts, and offers can sway buying decisions.
- Place: Availability and ease of access through online or offline channels determine purchase convenience.
- Promotion: Advertising, social media campaigns, and personal selling stimulate consumer interest and demand.

7. Psychological Stimuli

- Perceived Risk: Concerns about financial, functional, or social risks can influence decisions.
- Trust: External cues, such as brand reputation and reviews, play a role in reducing uncertainty

1.2 Review of Literature:

Dr.C.Subramanian & M.Jayalakshmi(2020)¹, the study is to examine the customers' perceptions and awareness of internet purchasing in the Nagapattinam district. The researcher recommended that online retailers provide their customers with an e-wallet that allows them to move funds from their online bank accounts to the store's payment system. Additionally, the researcher recommended that online marketers fulfill client orders for products that are appropriate in terms of color, quality, and quantity. In order to boost online commerce, it will raise client satisfaction.

Muthupriya(2019)² The study came to the conclusion that, as the number of people using the World Wide Web, or www, increases, online shopping is growing in popularity. It is now difficult for marketers to understand why consumers need to buy products online. Gaining a competitive edge over competitors can be achieved by marketers by comprehending customer attitudes regarding online buying, improving the elements that encourage consumers to shop online, and focusing on these factors. Finally, having the ability to shop online has genuinely transformed and impacted our entire society.

Parveen Kumar Garg (2018)³The study assess a degree of customer awareness regarding online purchasing. Primary data was gathered from a range of respondents, including students, businesspeople, and service providers. The convenience sampling method was chosen by the researcher. The study has a total sample size of 500. The majority of Punjabi consumers, the researcher found, had a high level of awareness regarding online buying Syed et.al (2008)⁴, The Study examined four major elements that influenced young consumers' opinions about online shopping: website design, website dependability, customer service, and privacy. Trust and dependability, which are crucial to buyers, were the key elements influencing how consumers behaved when they shopped online.

1.3 Objective of the study:

To find out the Socio- economic status of online consumers

To analyse the Influence of External Environment Stimuli on Online consumer buying behaviour

1.4 Research Methodology:

Both primary and secondary data has been used for the study. The primary data have been collected from 504 respondents in Chennai. The sampling technique used for the study is proportionate stratified random sampling method. The secondary data are collected from journals, magazines and books.

1.5 Demographic Profile of the Consumers:

In order to understand the demographic profile of the consumers, percentage analysis was used to identify the personal information like gender, age, marital status, residential status, education, monthly income, monthly savings, and family members engaged. The Table 4.1 shows the demographic profile of the consumers.

Demographic Profile of the	Options	Frequency	Percent	
farmers				
	Male	158	31.3	
Gender	Female	346	68.7	
	Total	504	100	
	Up to 25 years	138	27.4	
	25 to 35 years	232	46.0	
Age	35 to 45 years	71	14.1	
	45 to 55 years	45	8.7	
	More than 55 years	18	3.5	
	Total	504	100	
	Married	408	81	
Marital status	Unmarried	92	19	
	Total	504	100	
	Professional Degree	85	16.9	
	Post Graduation	114	22.6	
Educational Qualification	Under Graduation	209	41.5	
	Diploma	67	13.3	
	Schooling	29	5.8	
	Total	504	100	
		140	27.8	
	Up to 2 members 3 – 4 members	327	64.9	
	3 – 4 members	18	3.6	
Members of family	5-6 members	-	5.0	
	7-8 members	8	1.6	
	More than 8 members	11	2.2	
	Total	504	100	
	Government Employee	21	5	
	Private Employee	237	47.0	
Occupation Level	Self-Employee	63	12.3	
-	Home maker	180	35.7	
	Total	504	100	
	Less than Rs.20,000	5	1	
	Rs.20,001 to Rs.30,000	90	17.8	

Table 1.1 Demographic profile of the consumers

Monthly Income	Rs.30,001 to Rs.40,000 Rs.40,001 to Rs.50,000	161	31.9
	Above Rs. 50,001	81	16.1
	Total	504	100
	Less than Rs.5000	5	1
Monthly Savings	Rs.5001 to Rs.10,000	90	17.8
	Rs.10001 to Rs.15000	161	31.9
	Rs.15001 to Rs.20,000	167	33.1
	Above Rs. 20,001	81	16.1
	Total	504	100

Source: Primary Data

- Gender: Among 504 respondents considered for the study, 158 respondents (31.3%) are males, and 346 respondents (68.7%) are females. It is observed that majority of the respondents are females.
- Age: One of the most significant aspects of a person's life is their age, which also acts as a criterion for entering or leaving any kind of work. Out of the 504 respondents that were taken into consideration for the study, 138 (27.4%) were under 25, 232 (46%) were between 25 and 35, 71 (14.1%) were between 35 and 45, 45 (8.7%) were between 45 and 55, and 18 (3.5%) were over 55. As a result, the most of the customers that are contacted are between their age group of 25 and 35. As a result, middle-aged individuals are using purchasing goods online.
- Marital status: Marital status gives a person social recognition. It increases the responsibility of a person in the society and in his family. Among 504 respondents considered for the study, 408 respondents (81%) are married and 92 respondents (19%) are not married.
- Educational Qualification: One of the most significant elements that has a significant impact on an individual in society is education. Thus, an analysis of the consumers' educational attainment is attempted. Of the 504 respondents that were taken into consideration for the study, 85 (16.9%) have a professional degree, 114 (22.6%) have finished their post-graduation, 209 (41.5%) have an undergraduate degree, 67 (13.3%) have a diploma, and 29 (5.8%) are classified as being in the schooling group.
- Members of Family: The role of family members' is significant in purchasing commodities for the usage of home or either personal usage. The researcher has classified the family members into different categories such as up to 2 members, 3-4 members, 5-6 members, 7-8 members and more than 8 members. Among 504 respondents considered for the study, 140 respondents (27.8%) have their family up to 2 members, 327 respondents (64.9%) have their family 3 4 members, 18 respondents (3.6%) have their family 5 6 members, 8 respondents (1.6%) are have their family 7-8 members and 11 respondents (22%) are have their family more than 8 members. Therefore, majority of them have family 3 4 members.
- Occupation of the Consumers: The role of occupation plays major role to earn income. Among 504 respondents, 21 respondents (5%) have occupied as government employee, 237 respondents (47%) have occupied as Private employee, 63 respondents (12.3%) have occupied as self-employee, 180 respondents (35.7%) occupied as home maker. Therefore, majority of them occupied as self-employee and they are using more online shopping.
- Monthly Income: Among 504 respondents considered for the study, 5 respondents' (10%) monthly income between Less than Rs.20,000, 90 respondents' (17.8%) monthly income between Rs.20,000 to Rs.30,000, 161 respondents' (31.9%) monthly income is between Rs.30,001 to Rs.40,001, 167 respondents' (33.1%) monthly income is between Rs.40,001 to Rs.50,000 and 81 respondents' (16%) monthly income is above Rs. 50,001. It shows that majority of the monthly income is Above Rs. 20,000.
- Monthly Savings: Among 504 respondents considered for the study, 5 respondents' (1%) monthly savings between Less than Rs.5000, 90 respondents' (17.8%) monthly savings between Rs.5001 to Rs.10,000, 161 respondents' (31.9%) monthly savings is between Rs.10,001 to Rs.15,000, 167 respondents' (33.1%) monthly savings is between Rs.15,001 to Rs.20,000 and 81 respondents' (16%) monthly savings is above Rs. 20,001. It shows that majority of the monthly savings is Above Rs. 20,001.

1.6 Association between the demographic profile of the consumers and their Monthly Income of the Respondents:

Chi- square analysis is generally used to find the association between two categorical variables. It tests whether or not a statistically significant association exists between a dependent and an independent variable.

H₀: There is no significant association between demographic profile of the consumers and the monthly income of the respondents.

Demographic Factor	Chi-Square Value	Sig.Value	
Gender	2.358	.142	
Age	1.542	.000	
Marital Status	1.451	.161	
Educational Qualification	2.546	.000	
Monthly Savings	1.842	.000	
Occupation	1.562	.030	
Members in a family	0.458	.062	

Table 1.2 Association between the demographic profile of the consumers and the monthly income of the consumers

Source: Primary Data

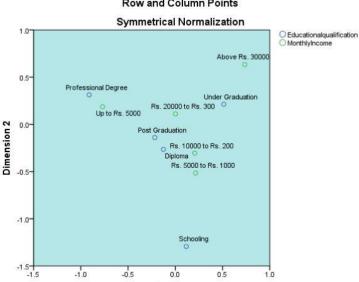
- It is observed from the above Table that, the chi square value for the variable Age is 1.542, Educational Qualification is 2.546 and Monthly savings is 1.842 the significant value for all the three variables is 0.000. It implies that there is a significant association between the Gender, Marital status, Monthly Savings and Monthly Income.
- On the other hand the significant value for all the other variables in the demographic profile is greater than 0.05. Therefore, it can be concluded that there is no significant association between demographic profile of the consumers and their monthly Income. The association is further explored using correspondence analysis. The figures below reveal the results of correspondence analysis.

Figure 1.1 Association between Age and Monthly Income of the consumers

Symmetrical Normalization 1.0 O Age O MonthlyIncome More than 55 years 0.5 25 to 35 years Rs. 10000 to Rs. 200 Rs. 20000 to Rs. **Dimension 2** 0.0 Rs. 5000 to Rs. 1000 Up to 25 years 35 to 45 years -0.5 Above Rs. 30000 to 55 years 45 -1.0 -1.5 -1.5 -0.5 -1.0 0.0 0.5 1.0 **Dimension** 1







Dimension 1

Row and Column Points

1.7 Type of products purchase through online frequently -Friedman Test:

Consumers can explore the company's assortment of goods and services, look at product photos and acquire details about the features, specifications, and costs of each item in a standard online store. Online retailers typically allow consumers to utilise search features to find particular models, brands, or products.

The Friedman test is a non-parametric alternative to the one-way ANOVA with repeated measures. It compares the mean ranks between the related groups and indicates how the groups differ.

H ₀ : There is no significant difference among Mean ranks towards type of products towards purchase through online frequently.
Table 1.3 Type of products purchase through online-Friedman Test

Type of Products	Mean Rank	Chi-Square	Sign
Garments	4.51		
Cosmetic/Jewels	4.87		
Shoes	4.21	258.14	.000*
Groceries	3.54		
Electronic Items	3.86	1	
Others specify	3.26		

Source: Primary data

It is inferred from the above Table that, 'Cosmetic/Jewels' secures the first rank with the mean value of 4.87 which tends to be the products purchase through online. 'Garments' secures the second rank with the mean value of 4.51. Shoes standards is at the third rank with the mean value of 4.21. Electronic items at the fourth rank with the mean value of 3.86, 'Groceries' items secures the fifth rank with the mean value of 3.54 and other items secures sixth rank with the mean value of 3.26. Therefore, it is concluded that there is a significant difference among the mean ranks for the type of products purchase through online.

1.8 Relationship between the Age and consumer opinion towards online purchase – ANOVA:

Analysis of Variance (ANOVA) is a statistical technique that is used to compare the means of more than two groups.

H₀: There is no significant relationship between the Age and consumer opinion towards online purchase. **Table 1.4 Relationship between Age and Consumer opinion towards online purchase – ANOVA**

ANOVA						
Consumer opinion towards online purchase		Sum of Squares	Df	Mean Square	F	Sig.
	Between Groups	26.751	2	19.133		
Publicity	Within Groups	466.483	502	.929	20.595	.432
	Total	493.234	504			
Product Update	Between Groups	30.284	2	3.422		
	Within Groups	865.969	502	.991	3.455	.000
	Total	896.253	504			
Promotion	Between Groups	5.621	2	3.956		
	Within Groups	1439.41	502	.988	4.002	.368
	Total	1445.03	504		1	
Quick service	Between Groups	13.319	2	.240	.240	.000

	Within Groups	1253.95	502	1.003]	
	Total	1267.27	504		1	
Transport charges	Between Groups	41.647	2	.394		
	Within Groups	1382.1	502	1.002	.393	.541
	Total	1423.75	504			
Price variation	Between Groups	45.229	2	1.048		
	Within Groups	1522.87	502	1.000	1.048	.000
	Total	1568.1	504		1	

Source: Primary Data

The Table 1.4 shows, the significant value is lower than 0.05 for product Update, Quick service and Price Variation. So, the null hypothesis is rejected and it is concluded that there is a significant relationship between the age and consumer opinion towards online purchase. On the other hand, the significant value is above .05 for Publicity (.432), Promotion (.368) and Transport Charges (.541). Hence, it is concluded that the null hypothesis is accepted and there is no significant relationship between age and consumer opinion towards online purchase.

Conclusion:

External environmental elements, including digital marketing, social influences, economic situations, and technology breakthroughs, have a substantial impact on online buyer behaviour. While pricing policies and the state of the economy have an impact on affordability and intention to buy, advertisements, promotions, peer reviews, and brand reputation all shape perceptions that influence consumer choices. Furthermore, technical advancements that improve convenience and trust—like AI-driven recommendations and easy payment methods increase online sales. In the digital world, firms must constantly adapt to shifting consumer expectations and market dynamics, as external stimuli are a significant factor in determining consumer choices.

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