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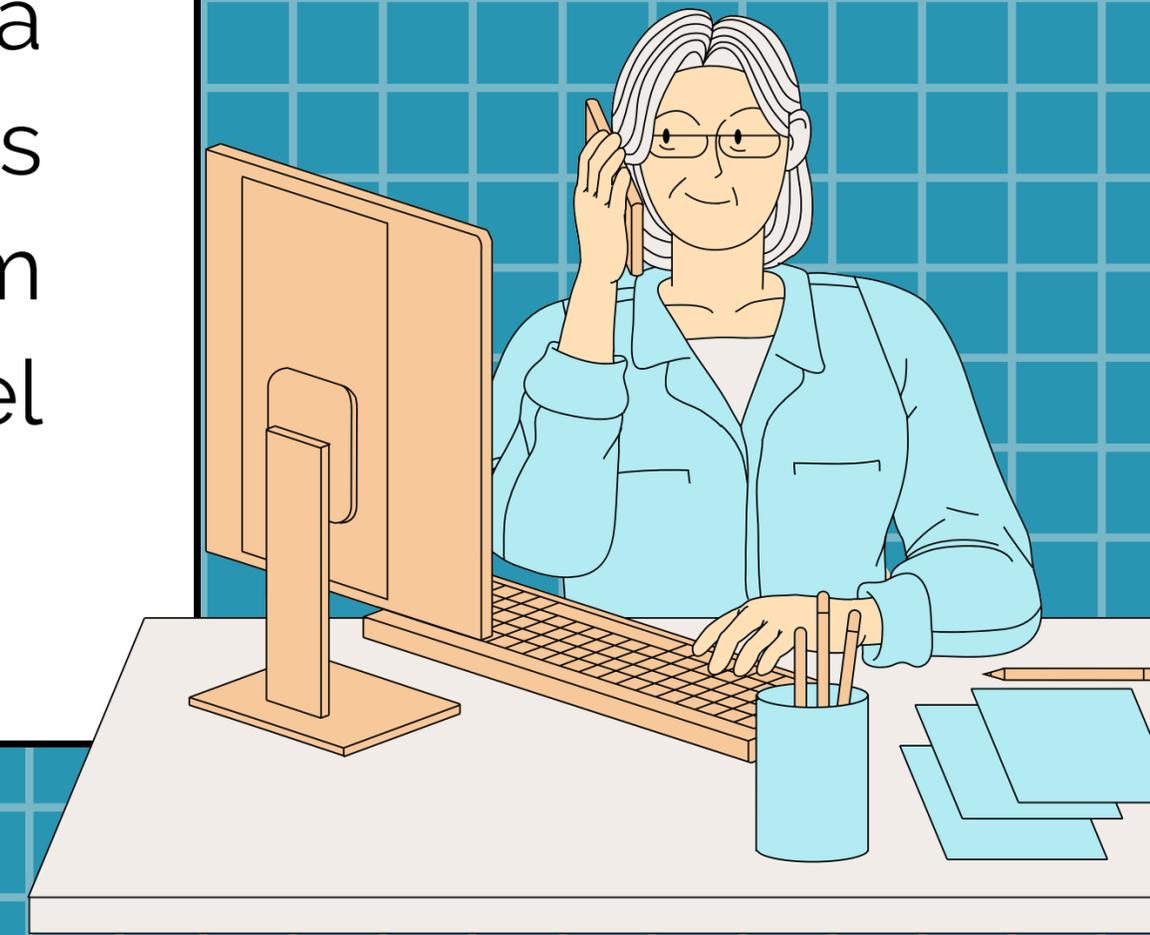


ENVIRONMENTAL INFLUENCES AND CONSUMER BEHAVIOR

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INTRODUCTION

Buying behavior results from a 'Stimulus' that influences the 'Black Box', or the buyer's mental process, which then manifests as a 'Response' through a purchase decision; this is considered a fundamental mechanism according to Philip Kotler's S-R Model concept.



TYPE OF STIMULI

"Stimuli affecting consumers are divided into 2 main groups:

1. **Marketing Stimuli (4Ps)**, which brands can control to directly motivate consumers.
2. **Other Stimuli**, which are environmental factors around consumers that brands cannot control but have a massive influence on decision-making.



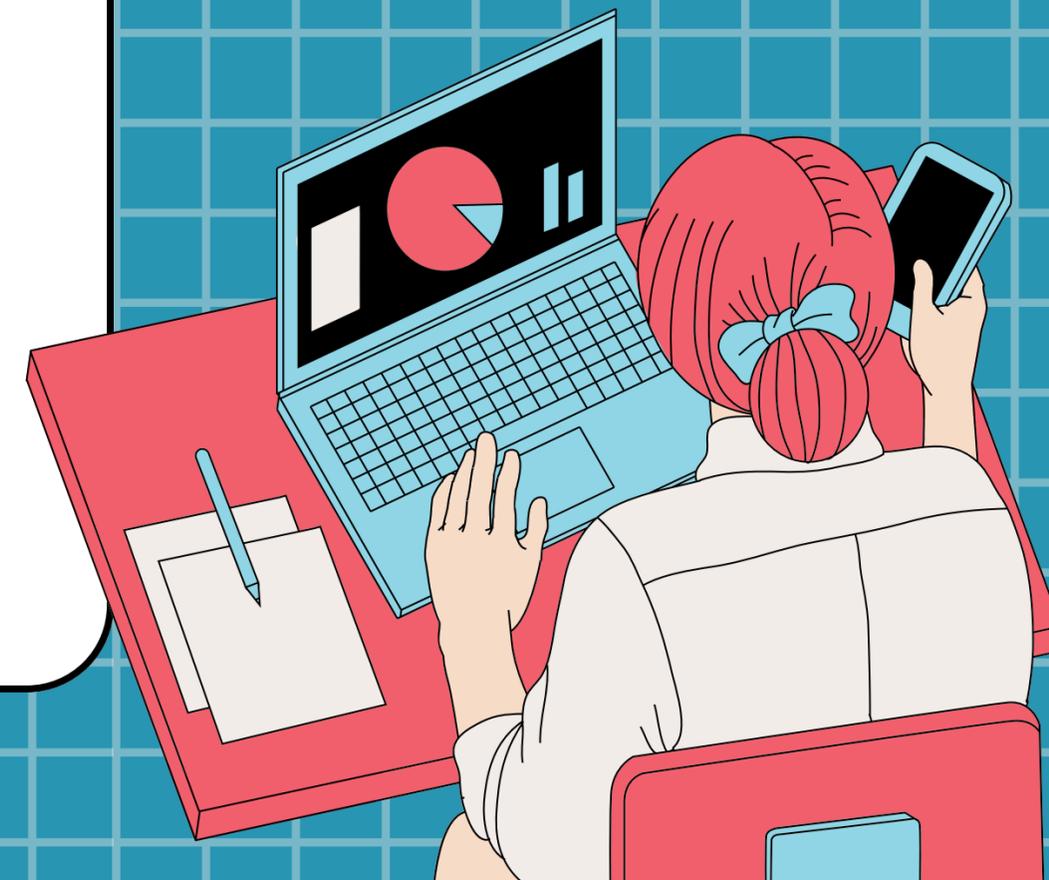
PESTLE Factor located?

PESTLE is the 'Other Stimuli' at the macro level that exerts pressure on the consumer's 'Black Box' along with marketing strategies; it is a factor determining purchase readiness and ability that brands cannot control but must understand, in order to formulate marketing strategies that align with the real-world situation.



What is PESTLE factor?

PESTEL or PESTLE is a framework for analyzing the macro-environment that brands cannot control, but which severely affects consumers' lifestyles and purchase decisions. It consists of 6 factors: Political (P), Economic (E), Social (S), Technological (T), Environmental (E), and Legal (L).

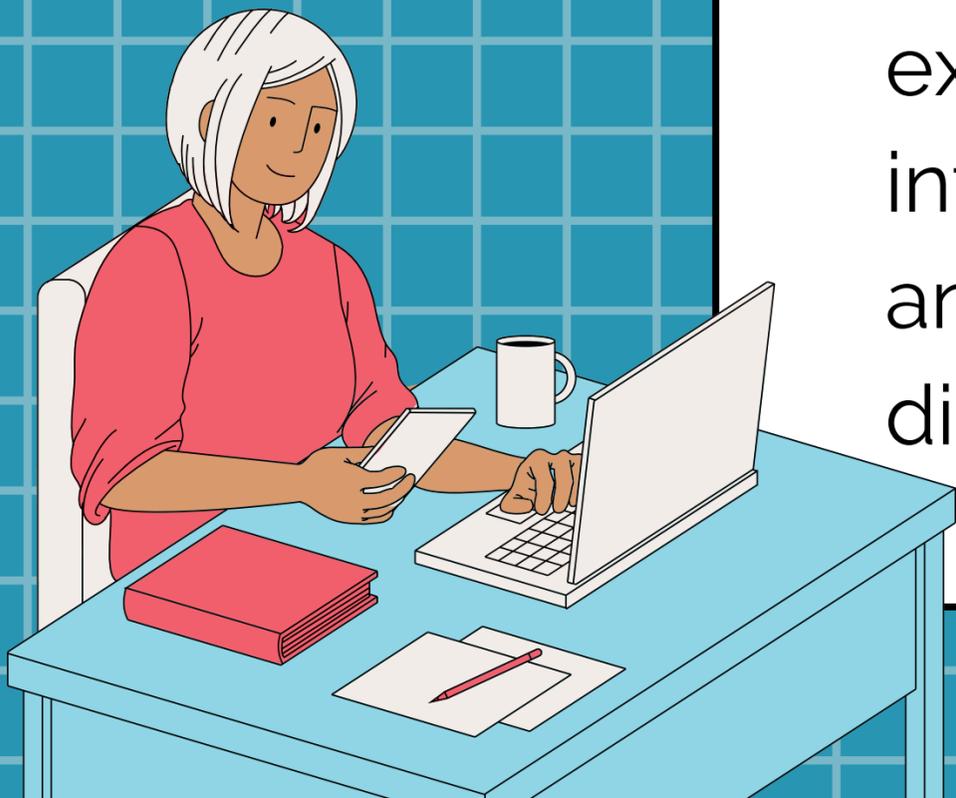


History of PESTLE factor

(In 1967), Francis J. Aguilar from Harvard University observed that successful leaders do not only look at internal organizational results, but must also know how to 'scan' and analyze the external environment to prepare for potential business opportunities and risks. This led to the creation of the ETPS model, which includes Economic (E), Technical or Technological (T), Political (P), and Social (S), to understand global trends before evolving into the modern-day PESTEL.

History of PESTLE factor

(In 1980), the ETPS model was rebranded as PEST to create a 'standard language' for strategic planning that is easy to remember and systematic. During this era, PEST began to become a popular tool, helping executives transform cluttered external information into an easy-to-understand structure, in order to analyze how these four factors affect business direction and consumer behavior.



History of PESTLE factor

(1990 - Present) In the era of globalization, the PEST model expanded its scope to PESTEL by adding Environmental (E) factors to address the trend of sustainability, and Legal (L) factors to accommodate more complex regulatory patterns. This has made PESTEL a comprehensive analytical tool that perfectly covers social and business dimensions in the 21st century.

POLITICAL FACTORS

Political Factors are the determiners of 'rules' and the direction of economic activities through government policies, political stability, and international cooperation frameworks; these directly affect the level of confidence and the purchase decision behavior of consumers as determiners of the living environment.

Political factors consist of several dimensions as follows:

- **Political Stability and Consumer Confidence**
- **Fiscal Policy and Economic Stimulus Measures**
- **International Relations and Trade Agreements**

POLITICAL STABILITY AND CONSUMER CONFIDENCE

Political stability is a key variable that determines the psychological state of consumers; stability helps build confidence in purchasing high-value goods. However, if politics are uncertain, consumers will change their behavior toward saving and delay purchase decisions to reduce future risks.



FISCAL POLICY AND ECONOMIC STIMULUS MEASURES

Fiscal policy involves taxation, which is a political mechanism that directly affects prices and buying behavior; for example, collecting excise taxes to reduce the consumption of specific product groups, while economic stimulus measures and income tax reductions help increase consumer purchasing power in the short term to alter spending behavior according to government objectives.



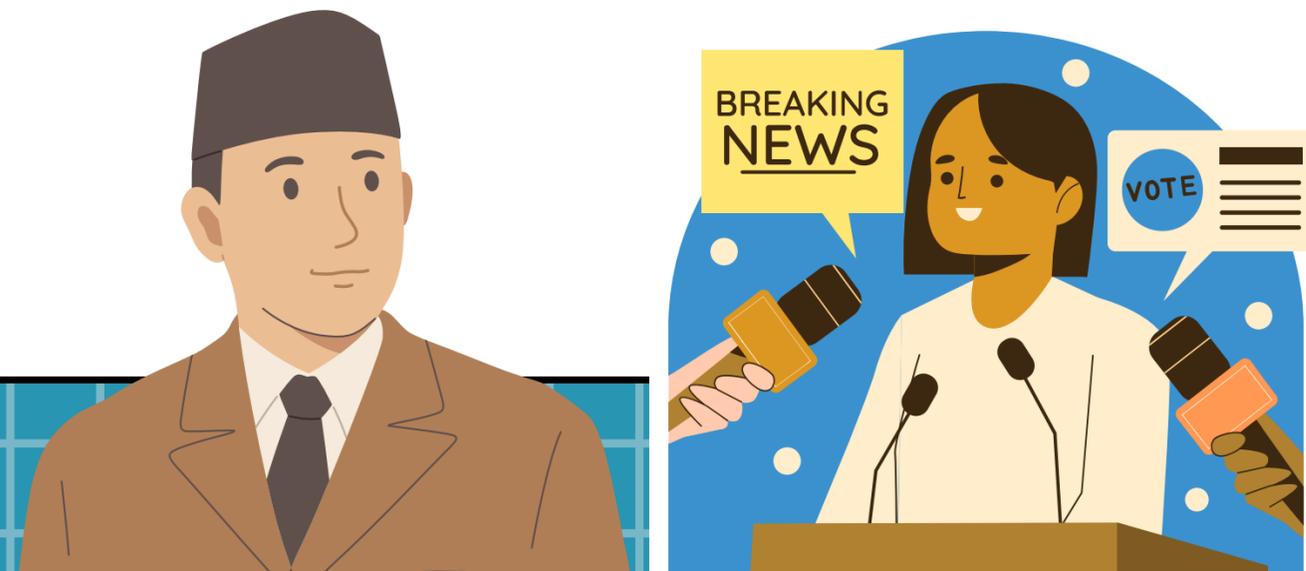
INTERNATIONAL RELATIONS AND TRADE AGREEMENTS

International relations and trade agreements determine price levels and consumer choices; reducing import taxes facilitates easier access to foreign goods, while conflicts or trade barrier measures may increase prices, forcing consumers to shift their behavior toward using domestic substitute products.



SUMMARY: POLITICAL FACTORS

Analyzing political factors in the context of consumer behavior is not merely about understanding the political situation, but rather about assessing how 'government requirements' at that time will affect the convenience, willingness, and ability to pay of consumers. This enables businesses to precisely formulate strategic plans that align with changing circumstances.



ECONOMIC FACTORS

Economic Factors have the most direct and severe relationship with consumer purchasing power, as they determine financial resources and spending capacity. Analyzing economic conditions, therefore, helps marketers understand how financial fluctuations affect lifestyles and purchase decisions, with the following key issues:

- **National Income and Employment Conditions**
- **Inflation and the Cost of Living**
- **Interest Rates and Household Debt**
- **Foreign Exchange Rates**

NATIONAL INCOME AND EMPLOYMENT CONDITIONS

Gross Domestic Product (GDP) and employment conditions are indices that measure income stability; during economic upturns, consumers expand their spending on luxury goods and recreation. However, if unemployment rises, behavior shifts to maximum caution, with consumers choosing to purchase only goods necessary for living.



INFLATION AND THE COST OF LIVING

Inflation results in a direct erosion of purchasing power, causing consumers to engage in intensive 'price comparison' behavior and shift toward purchasing cheaper generic brands instead of premium brands. This includes adjusting behavior to buying in smaller quantities but with increased frequency to manage cash flow in alignment with the soaring cost of living.



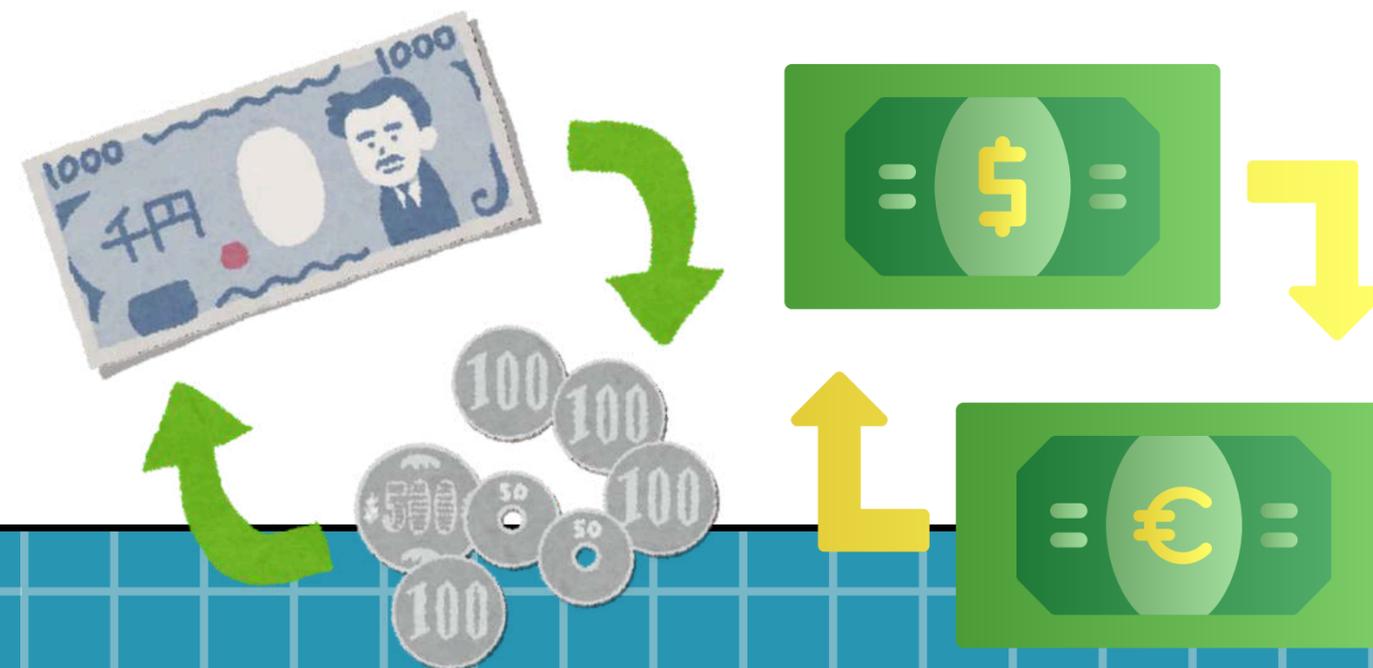
INTEREST RATES AND HOUSEHOLD DEBT

Adjustments in interest rates directly affect borrowing costs and debt burdens, especially for high-value goods that require financing. If interest rates rise, consumers will delay purchases and become more cautious with credit card usage. Meanwhile, high levels of household debt will force consumers to reduce their daily spending budgets in order to allocate funds toward debt repayment instead.



FOREIGN EXCHANGE RATES

Exchange rate fluctuations significantly impact purchase decisions for luxury brands and international travel. When the domestic currency weakens, the price of imported goods rises immediately, forcing consumers to shift their behavior toward supporting local brands that offer better value as substitutes.



SUMMARY: ECONOMIC FACTORS

Analyzing economic factors enables marketers to forecast whether, in a given situation, consumers will primarily prioritize 'emotional value' or 'value for money'. This allows for the presentation of product and pricing strategies that align with the actual financial strength of consumers in each circumstance.



SOCIAL FACTORS

Social and Cultural Factors shape 'tastes' and 'consumption patterns' through values, beliefs, and lifestyles, which often hold more influence than numerical value for money. Therefore, analyzing this dimension focuses on shifts in demographic structures and cultural trends that define the actual needs of consumers in each era. The main issues to consider are as follows:

- **Demographic Shifts**
- **Social Values and Attitudes**
- **Subcultures and Lifestyle Changes**

DEMOGRAPHIC SHIFTS

Changes in demographic proportions, such as entering an aging society, cause product demand to shift primarily toward health and convenience. Meanwhile, a declining birth rate results in the behavior of raising pets as family members (Pet Humanization), which has become a key driver creating new opportunities in the consumer goods market.



SOCIAL VALUES AND ATTITUDES

Social attitudes nowadays have become the determiner for supporting brands; modern consumers often choose brands that reflect values of equality and diversity. Furthermore, the sustainable lifestyle trend drives buyers to prioritize corporate ethics and the origin of raw materials more than just the product or price alone.



SUBCULTURES AND LIFESTYLE CHANGES

The fast-paced lifestyle in urban society drives buying behavior to focus on 'convenience and speed,' such as ready-to-eat meals and online shopping that provide instant gratification. At the same time, the growth of subcultures, such as outdoor enthusiasts or collectors, creates demand for niche products that are highly unique and can clearly reflect a specific group's identity.



SUMMARY: SOCIAL AND CULTURAL FACTORS

Analyzing social and cultural factors provides access to the 'secret code' or the motivations behind purchasing, which are often not just about functional use, but involve emotional connection, social acceptance, and using products as a tool to communicate one's identity in daily life.



TECHNOLOGICAL FACTORS

Technological Factors are the key drivers that cause abrupt changes in consumer behavior. They are not merely convenience tools but also reshape lifestyle structures and purchase decision journeys to be more complex and personalized. Analyzing this dimension, therefore, focuses on innovations that affect information access and the interaction between consumers and brands in the digital age, with the following key issues:

- **The Expansion of Artificial Intelligence and Hyper-Personalization**
- **The Transition to the Digital Economy and Cashless Society**
- **Advances in Communication and Access Channels**

THE EXPANSION OF ARTIFICIAL INTELLIGENCE AND HYPER-PERSONALIZATION

The expansion of AI and Data Analytics has shifted the consumer's role from being a 'searcher' to a 'chooser' of items curated by the system. This behavior creates a new standard where buyers expect brands to understand their needs and provide personalized solutions immediately. Consequently, traditional marketing communications are becoming less popular and are increasingly being rejected.



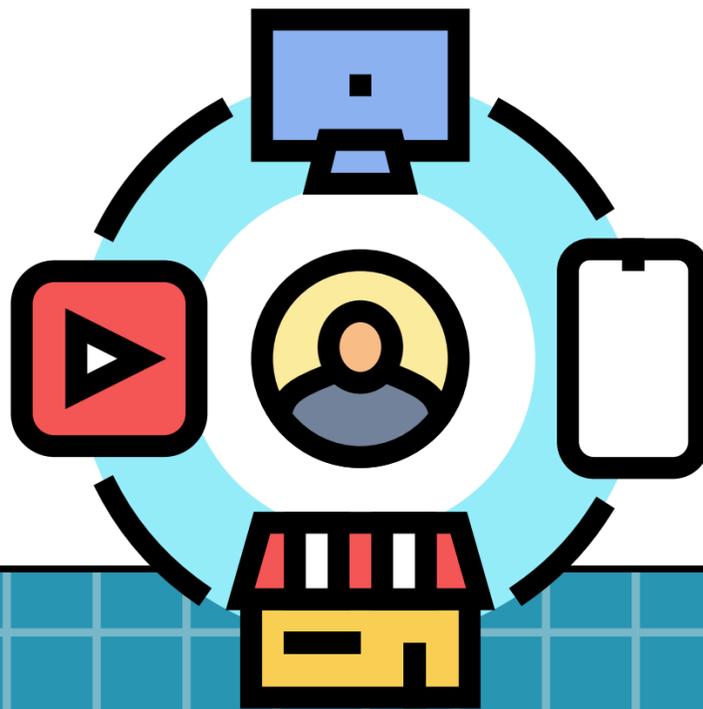
THE TRANSITION TO THE DIGITAL ECONOMY AND CASHLESS SOCIETY

Payment systems and Blockchain technology enable seamless transactions; the convenience of facial and fingerprint scanning reduces decision-making barriers, resulting in consumers purchasing faster and having less price hesitation compared to using cash.



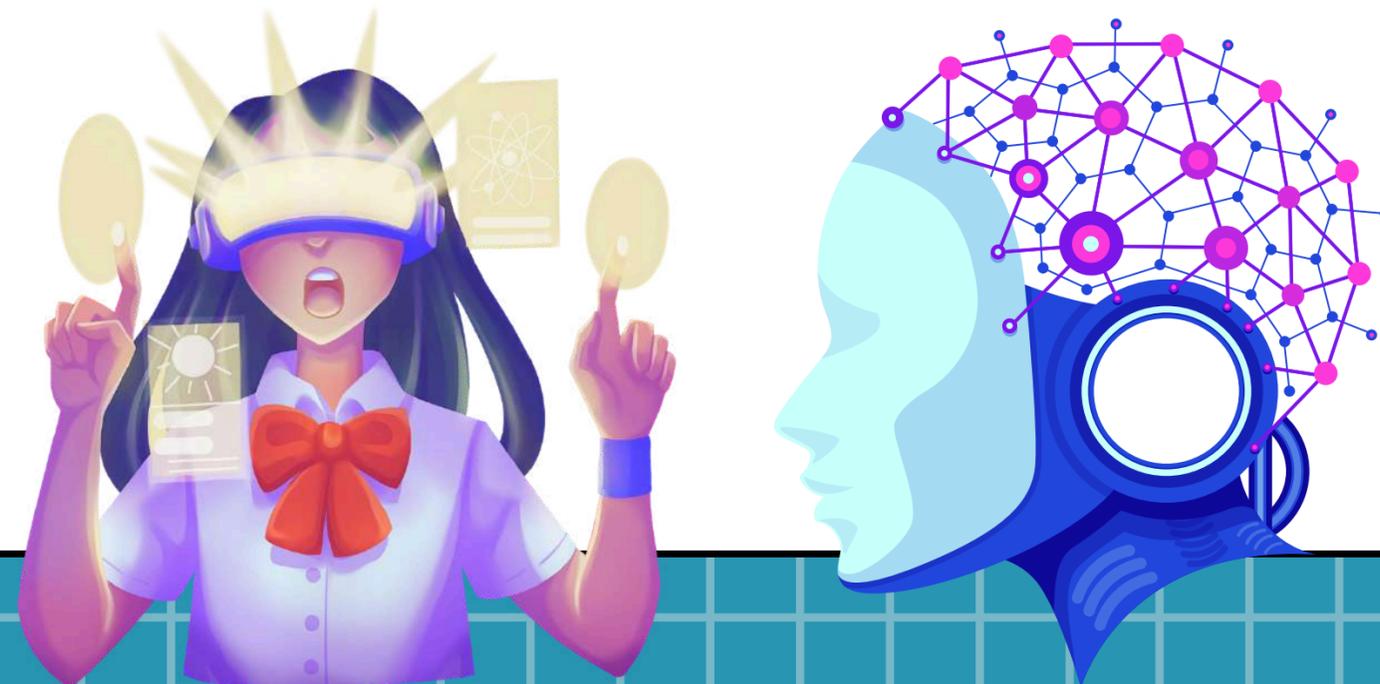
ADVANCES IN COMMUNICATION AND ACCESS CHANNELS

High-speed communication networks allow access to information and reviews anytime and anywhere, resulting in 'Omnichannel' behavior that seamlessly connects offline and online experiences; for example, trying products at a physical store but placing the order through online channels to get a better price.



SUMMARY: TECHNOLOGICAL FACTORS

Studying technological factors helps marketers understand how new tools have changed consumer 'habits'. Currently, behavior focuses on speed, accurate information, and maximum convenience, which businesses must keep up with to maintain their competitive advantage.



ENVIRONMENTAL FACTORS

Environmental Factors have become a key variable determining buying behavior in the 21st century, shifting from a niche choice to a new social norm due to global warming issues. Analyzing this dimension focuses on the impact of climate conditions and sustainability policies that shape the eco-conscious mindsets and values of modern consumers, with the following key issues:

- **Carbon Footprint Awareness and Sustainability**
- **Circular Consumption Behavior**
- **Impact of Natural Disasters and Climate Volatility**
- **Brand Ethics and Transparency**

CARBON FOOTPRINT AWARENESS AND SUSTAINABILITY

Modern consumers consider products throughout their entire life cycle, from sourcing and production processes to disposal, rather than just appearance or price. Consequently, products with eco-friendly certifications or those that display greenhouse gas emission levels receive higher confidence and acceptance than conventional products.



ECO 
FRIENDLY

CIRCULAR CONSUMPTION BEHAVIOR

The Zero Waste trend leads to Reuse and Recycle behaviors, where consumers reduce the use of single-use products and shift toward supporting brands with sustainable packaging systems, such as refill services or biodegradable packaging. This includes the popularity of the second-hand market to extend the lifespan of resources.



IMPACT OF NATURAL DISASTERS AND CLIMATE VOLATILITY

Extreme weather conditions drive consumers to prioritize purchasing products that assist in adaptation and safety, such as energy-saving appliances, water management systems, and innovative food products aimed at reducing the environmental impact of livestock farming on global warming. This also includes shifts in buying behavior based on seasonal volatility and diminishing resources.



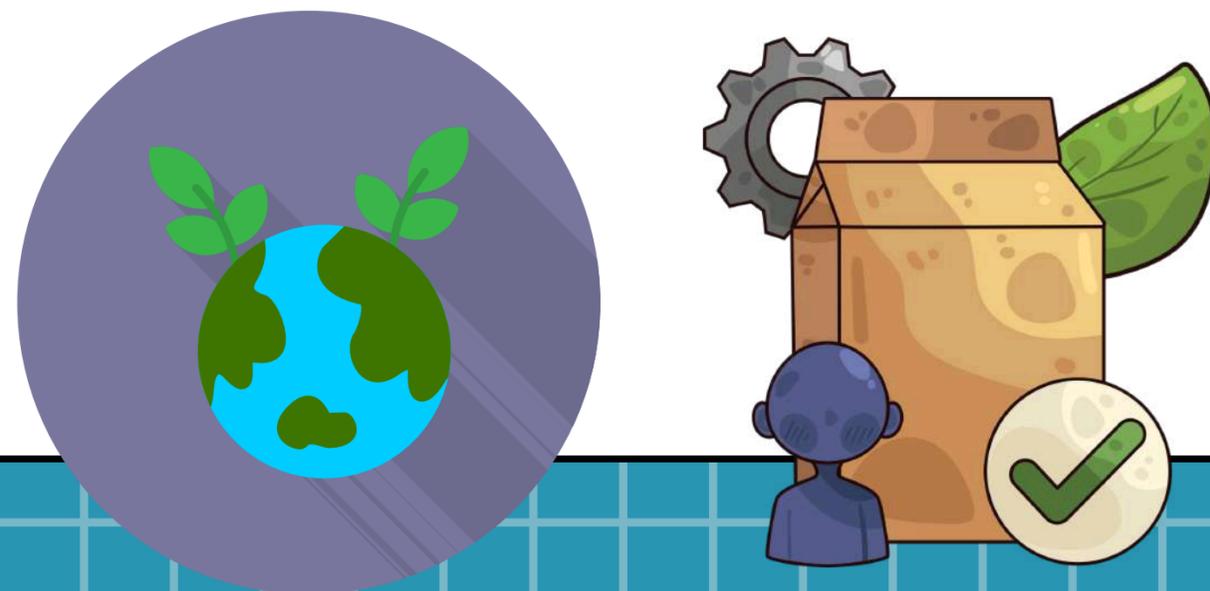
BRAND ETHICS AND TRANSPARENCY

In an era of interconnected information, consumers can verify an organization's environmental sincerity. 'Greenwashing'—the practice of falsely claiming environmental responsibility for advertising purposes—has become unacceptable and leads to brand boycotts. Therefore, transparency in information disclosure is a key factor in building long-term brand loyalty.



SUMMARY: ENVIRONMENTAL FACTORS

Studying environmental factors highlights that the survival of the planet and the survival of business are one and the same. Current consumer behavior is no longer just about looking for what is best for oneself, but also searching for what is best for the world. Only businesses that truly integrate environmental responsibility with product value will be able to win the hearts of consumers in this era of sustainability.



LEGAL FACTORS

Legal Factors act as the boundaries that define safety and fairness standards between businesses and consumers, serving to build 'confidence' and 'new norms' in consumption. Analyzing this dimension focuses on various regulations that impact consumer freedom, confidence, and expectations in the trading process, with the following key issues:

- **Personal Data Protection Laws**
- **Consumer Protection Laws and Advertising Regulations**
- **Labor Laws and Ethical Standards**
- **Product Health and Safety Laws**

PERSONAL DATA PROTECTION LAWS

The enactment of modern laws, such as PDPA, has made consumers more aware of and protective of their privacy; they tend to choose services from businesses that demonstrate transparency and are more cautious about providing personal information. Consequently, businesses must transition from unauthorized data usage to obtaining explicit consent to build confidence in security and retain their customer base in the digital age.



CONSUMER PROTECTION LAWS AND ADVERTISING REGULATIONS

Consumer protection laws help ensure fairness by regulating exaggerated advertising, leading consumers to have higher expectations regarding information accuracy and after-sales responsibility. If their rights are violated, modern consumers are more prepared to protect themselves, both through formal complaints to government agencies and through pressure via social media.



LABOR LAWS AND ETHICAL STANDARDS

Even though labor laws are internal matters, modern consumers place great importance on business ethics. If a brand violates human rights or uses illegal labor, consumers will respond with an immediate boycott. International labor standards have, therefore, become an unavoidable factor affecting brand image and consumer confidence.



PRODUCT HEALTH AND SAFETY LAWS

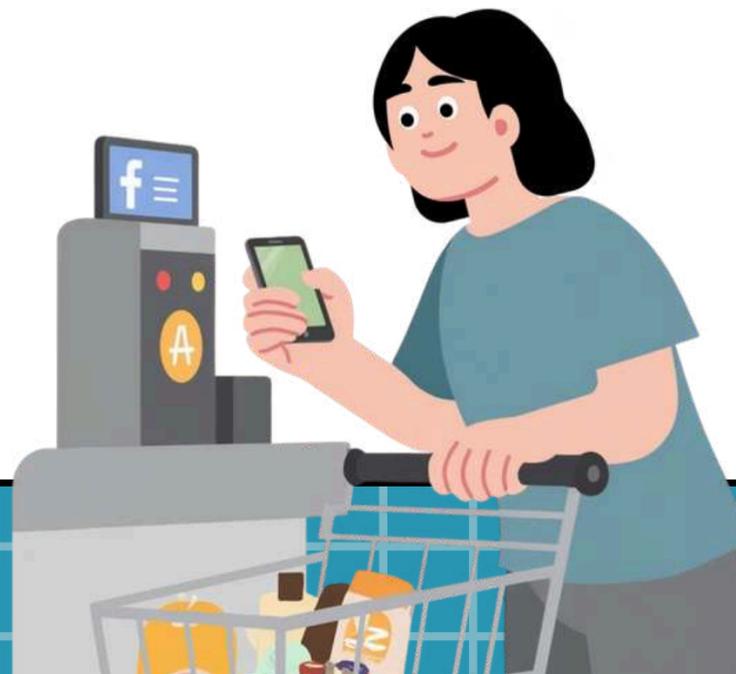
Legal standards, such as FDA (อย.) or TIS (มอก.), are fundamental factors that consumers use to screen products. Buyers are increasingly paying attention to complex ingredient details and manufacturing standards. Having the correct certification marks is, therefore, not just a matter of documentation but a determiner of the 'willingness to buy' to ensure maximum safety for life and property.



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SUMMARY: LEGAL FACTORS

Studying legal factors helps marketers understand the 'safe zone' of consumers. Behavior under the influence of law focuses on correctness, transparency, and the protection of rights. Businesses that perform better than the legal requirements will gain a competitive advantage through 'trust,' which is the most vital asset in the relationship between a brand and its consumers.



PESTEL AND PROBLEM RECOGNITION STIMULI

The purchase decision process begins when a consumer perceives a 'gap' between their actual state and their 'ideal state.' PESTEL factors act as key catalysts that trigger the feeling of deprivation or the necessity to seek new products and services to fill this gap. The influences of these various factors can be analyzed as follows:

- **Influence from Social and Technological Factors (S & T)**
- **Influence from Economic and Political Factors (E & P)**
- **Influence from Environmental and Legal Factors (E & L)**

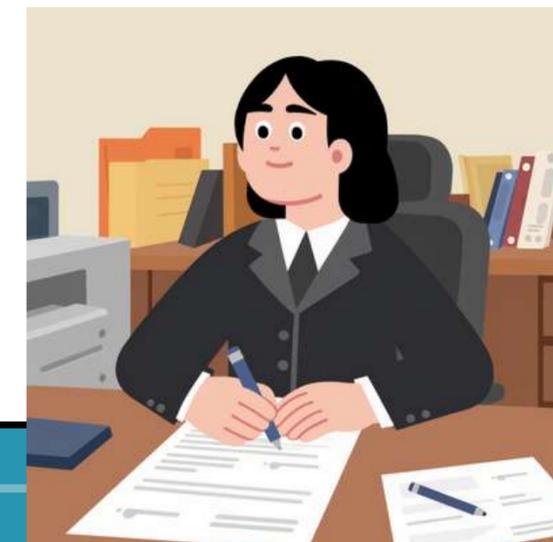
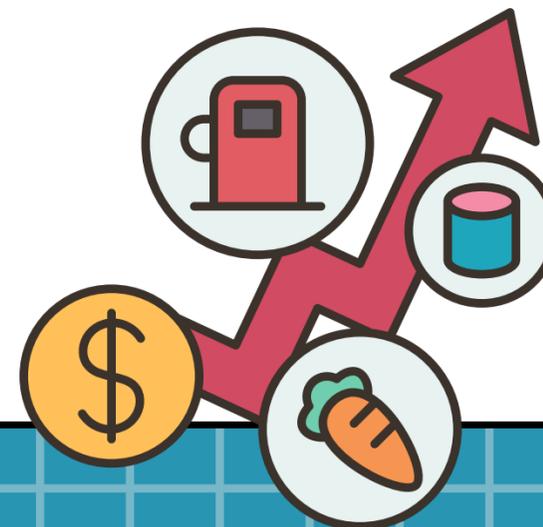
INFLUENCE FROM SOCIAL AND TECHNOLOGICAL FACTORS (S & T)

Social and Technological factors are the primary mechanisms that trigger problem recognition by creating 'new needs.' For instance, social trends (Social) that emphasize wellness make consumers realize that their current lifestyle is no longer sufficient. Meanwhile, new technological innovations (Technological) often make existing tools feel 'obsolete,' turning them into a problem that must be resolved by purchasing a newer version.



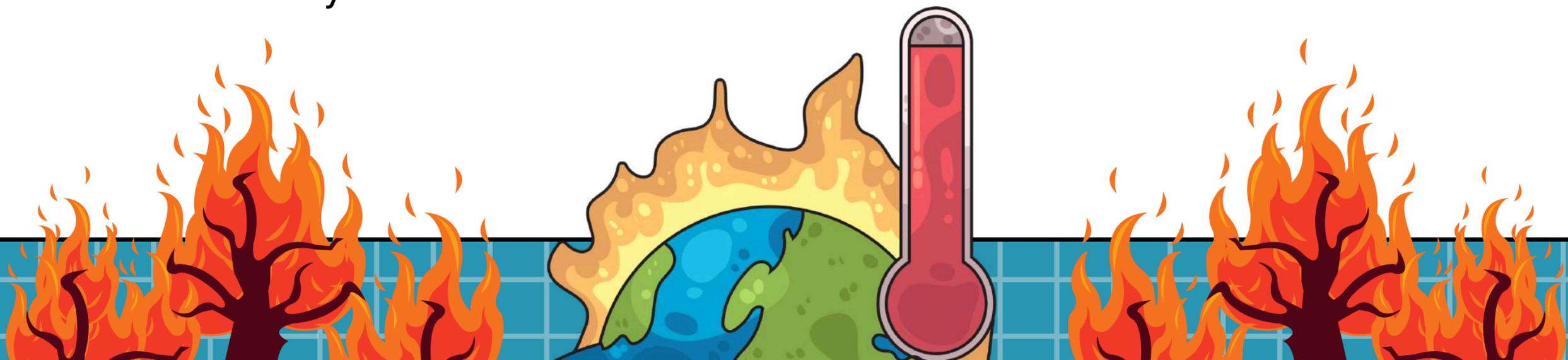
INFLUENCE FROM ECONOMIC AND POLITICAL FACTORS (E & P)

Economic and Political factors often trigger problem recognition in terms of 'necessity.' For example, inflation or soaring energy prices (Economic) make consumers realize that their current expenses are imbalanced with their income. Similarly, when government policies (Political) change—such as stricter emission standards—it forces consumers to recognize that their existing products are becoming a burden or are on the verge of being non-compliant with the law.



INFLUENCE FROM ENVIRONMENTAL AND LEGAL FACTORS (E & L)

Environmental factors, such as pollution or extreme weather conditions, drive consumers to demand products for protection or mitigation, such as air purifiers. Meanwhile, legal factors, such as waste management laws or personal data protection acts, create a perceived gap in safety or privacy, leading consumers to seek products that meet the standards mandated by law.



PESTEL AND THE FORMULATION OF EVALUATION CRITERIA

Upon entering the evaluation of alternatives stage, consumers create a 'consideration set' to compare different brands. PESTEL factors act as the determiners for the 'weight' or 'priority' of product attributes, shifting the focus from mere functional benefits to suitability within the context of a changing world. The influences of these factors can be analyzed as follows:

- **Prioritization Shifts Based on Economic and Political Factors (E & P)**
- **Ethical and Environmental Criteria (S & E)**
- **Technology and the Elevation of Expectation Standards (T)**
- **Legal Regulations as Minimum Benchmark Criteria (L)**

PRIORITIZATION SHIFTS BASED ON ECONOMIC AND POLITICAL FACTORS (E & P)

Economic conditions are the primary factor determining the weight of 'price' and 'value for money' criteria. During an economic slowdown, consumers prioritize products with durability or low maintenance costs. Meanwhile, political factors, such as policies supporting domestic products, may lead consumers to use 'country of origin' as a decisive criterion to support government initiatives or to ensure confidence in manufacturing standards.



ETHICAL AND ENVIRONMENTAL CRITERIA (S & E)

Social and Environmental factors elevate decision-making criteria to an 'ethical' dimension, where consumers evaluate which products are 'best for society and the planet.' This includes choosing brands that avoid child labor or considering energy efficiency and recycled materials. These criteria have become decisive factors that differentiate a brand in the eyes of modern consumers.



TECHNOLOGY AND THE ELEVATION OF EXPECTATION STANDARDS (T)

Technological factors serve to add 'modernity' and 'ease of use' to the evaluation criteria. Connectivity or app-based control are often used as key criteria for product selection. Furthermore, technology enables the comparison of vast amounts of information in a short period, making decision-making criteria more detailed and complex than in the past.



LEGAL REGULATIONS AS MINIMUM BENCHMARK CRITERIA (L)

Legal factors function to establish criteria for 'confidence and safety.' Consumers use legal certifications as a preliminary screening tool—such as FDA standards or personal data protection policies. If a brand fails to meet these fundamental criteria, it will be immediately excluded from consideration, regardless of price or aesthetic appeal.



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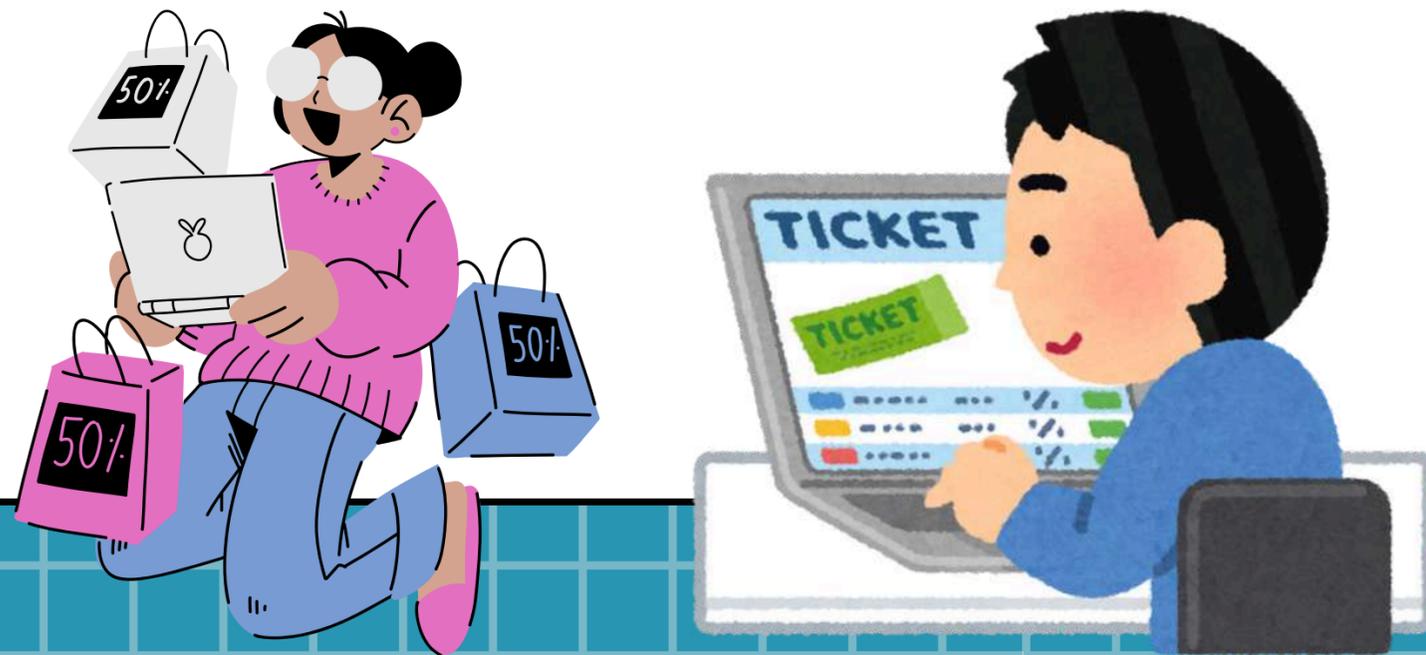
PESTEL AND PURCHASE DECISION & CONSUMPTION

The purchase decision and post-purchase behavior stages are periods when PESTEL factors act to either 'facilitate' or 'create barriers' to closing a sale. These factors also influence the level of satisfaction and long-term brand loyalty within the context of a changing world. The influences of these various factors can be analyzed as follows:

- **Technological and Economic Factors at the Point of Purchase (T & E)**
- **Legal and Social Factors and Confidence During Purchase (L & S)**
- **Environmental Factors and Post-Purchase Evaluation and Consumption (E)**

TECHNOLOGICAL AND ECONOMIC FACTORS AT THE POINT OF PURCHASE (T & E)

Technological factors play a vital role in reducing hesitation and preventing last-minute changes of mind through fast payment systems or Omnichannel platforms. Simultaneously, economic factors, such as interest rates or installment promotions, act as decisive factors in whether a consumer decides to purchase immediately or delay the purchase to wait for more suitable financial conditions.



LEGAL AND SOCIAL FACTORS AND CONFIDENCE DURING PURCHASE

(L & S)

Purchase decisions in the modern era often come with risk assessment. Legal factors, such as warranty policies or the right to return goods under consumer protection laws, help validate the safety of the decision. Meanwhile, social factors, such as peer acceptance or social media reviews, serve as psychological support that builds confidence that the purchase is correct and socially acceptable.



ENVIRONMENTAL FACTORS AND POST-PURCHASE EVALUATION AND CONSUMPTION (E)

After the purchase, environmental factors play a role in consumer sentiment, specifically regarding whether the packaging creates a waste burden or how sustainable the post-use management process is. If the product meets their expectations for global responsibility, consumers will experience a sense of pride and a reduction in 'post-purchase dissonance,' leading to positive word-of-mouth and future repeat purchases.



CONCLUSION

Analyzing the environment through the PESTEL framework provides a glimpse into the global structure that influences consumer attitudes and their capacity to consume. Human behavior is shaped by 'opportunities' and 'constraints' from external factors at every stage of the decision-making process. Understanding PESTEL is akin to reading a 'macro-map' to forecast trends and prepare strategies to precisely navigate the volatility of the global market.

**ARE THERE ANY
QUESTIONS?**