

KNOW THE EXTERNAL FACTORS

PEST Analysis is used to assess the external factors to the current business situation. Conjunction with SWOT analysis and Porter's Five Forces allows gaining an even better picture.

Political

How can government regulations and legal factors influence the organization. Organizations need to be able to respond to the changes accordingly.

Tax policy, labor law, environmental law, trade restrictions, tariffs.

Economic

What impact can economic issues have on the organization. Included factors can be broken down into macroeconomic and microeconomic factors.

Economic growth, exchange rates, inflation rate, and interest rates.

Social

Outlook of the socio-economic environment of the market. Social factors have a direct effect on how marketers understand customers.

Cultural aspects, population growth rate, age distribution, career attitudes.

Technological

The impact of technology on the product being introduced into a marketplace. New ways related to production, distribution or communication.

R&D, automation, technology incentives and the rate of technological change.