PESTLE ANALYSIS

A PESTLE analysis helps a team to understand the organization's market and business position better, plan strategically, and conduct market research in new and existing markets.

1	POLITICAL

4	TECHNOLOGICAL

2	ECONOMIC

5	LEGAL

3	SOCIAL

6	ENVIRONMENTAL

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PESTLE ANALYSIS

A PESTLE analysis is useful in all industries at the strategic, departmental, and project level to assess current and future markets. Use it as a key input for planning, marketing, organisational change, business and product development, project management, and research reports.

1 POLITICAL

Political or politically motivated factors that could affect the business.

Examples include:
Government policy, political stability or instability, bureaucracy, corruption, foreign trade policy, tax policy, trade restrictions, labor/environmental/copyright/consumer protection laws, competition regulation, funding grants & initiatives, etc.

Questions to ask:
What government policies or political groups could be beneficial or detrimental to our success?
Is the political environment stable or likely to change?

4 TECHNOLOGICAL

Technology that can affect the way you make, distribute, and communicate your products and services.

Examples include:
Technology and communications infrastructure, consumer access to technology, emerging technologies, automation, legislation around technology, research and innovation, intellectual property regulation, competitor technology and development, technology incentives, etc.

Questions to ask:
What innovations and technological advancements are available or on the horizon?
How might they affect our operations?

2 ECONOMIC

Overall economic forces that could affect what you're trying to do.

Examples include:
Economic trends, growth rates, industry growth, seasonal factors, taxation, inflation, interest rates, international exchange rates, International trade, labor costs, consumer disposable income, unemployment rates, availability of credit, monetary policies, raw material costs, etc.

Questions to ask:
What economic factors will impact on us moving forward?
Does the current economic performance affect us?
How does each economic factor impact our pricing, revenues, and costs?

5 LEGAL

Current and future legal and regulatory requirements impacting on the business.

Examples include:
Laws regarding consumer protection, labor, health & safety, antitrust, intellectual property, data protection, tax and discrimination; international and domestic trade regulations/restrictions, advertising standards, product labeling and safety standards, etc.

Questions to ask:
What regulations and laws apply to our business?
Do they help or hinder our business?
Do we understand the laws across all our markets?

3 SOCIAL

Social aspects, attitudes, and trends that influence your business and target market.

Examples include:
Attitudes and shared beliefs about a range of factors including health, work, leisure, money, customer service, imports, religion, cultural taboos, the environment; demographics, family size/structure, immigration/emigration, lifestyle trends, etc.

Questions to ask
How do our consumer's values and beliefs impact on their buying habits?
How does human behavior or cultural trends play a role in our business?

6 ENVIRONMENTAL

Environmental forces impacting your businesses and/or customer's geographical location, the surrounding environment, and natural resources used by your organisation.

Examples include:
Weather, climate change, your carbon footprint, environmental regulations, pollution laws and targets, recycling and waste management policies, endangered species etc.

Questions to ask:
How does our physical environment affect us and vice versa?
What are the effects of climate, weather or geographical location?
Are we prepared for future environmental targets?

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