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PESTLE Analysis

(Professional Business Analyst Training organisation)

Center of Excellence for Professional Development



❖ What is PESTLE Analysis?

- ✓ There are many companies in the world who conducts **PESTLE analysis** on their brands in order to ascertain strategies for the future or to understand the market before launching their products.
- ✓ It is a fundamental tool used for market planning and strategizing that must be carried out to comprehend market trends and the systematic risks involved in the market.



➤ It is a macro environment which is used to understand the impact of the external factors on the organization.





❖ **PESTLE stands for:**

- 1) Political
- 2) Economical
- 3) Social
- 4) Technological
- 5) Legal
- 6) Environmental

❖ **Political:**

- 1) Political stability
- 2) Tax policy
- 3) Employment labor law
- 4) Environmental regulations
- 5) Trade restrictions
- 6) Tariffs etc.



❖ Economical

- It affects the decision making process of the organization.
- A global player must examine the economic issues in the world and find opportunities with such conditions for business growth.

□ Example:

- 1) Economic growth
- 2) Interest rates
- 3) Inflation rate



❖ Social

- It represents the culture of the society that an organization operates within.
- It includes demographics, age distribution, population growth rates etc.

□ Example:

- 1) Age distribution
- 2) Population growth rate
- 3) Emphasis on safety
- 4) Career attitudes



❖ Technological

- It is related to new inventions and development.
- Affect the cost and quality of the outputs.

□ Example:

- 1) Automation
- 2) Technology incentives
- 3) Rate of technological change
- 4) R&D activity



❖ Legal

➤ It consists of both external and internal sides. There are certain laws that affect both sides of the business environment.

□ Example:

- 1) Consumer law
- 2) Antitrust law
- 3) Employment law
- 4) Discrimination law
- 5) Health and safety law



❖ **Environmental:**

- It refers to ecological and environmental aspects such as climate, weather and climate change.
- Mostly it is useful for the certain industries like tourism, farming, agriculture etc.

Interesting.....?



Reach Our Help Desk

+918374676888

+919000155700

or

Helpdesk@coepd.com

