

SWOT/PESTLE

PEST Analysis

- ▶ Is a useful tool for understanding market growth or decline, and as such the position, potential and direction for a business
- ▶ PEST Analysis is a business measurement tool
- ▶ PEST is an acronym for **Political, Economic, Social and Technological** factors, which are used to assess the market for a business

PEST Analysis

- ▶ PEST analysis can be used for marketing and business development assessment and decision-making
- ▶ It encourages proactive thinking, rather than relying on habitual or instinctive reactions

Political Factors

1. How stable is the political environment?
2. Will government policy influence laws that regulate or tax your business?
3. What is the government's position on the economy?
4. Does the government have a view on culture and religion?
5. Is the government involved in trading agreements such as EU, NAFTA, ASEAN

Political Factors

Political Certainty
Government Tax Policy
Monetary policy
Employment Regulations
Environmental Specifications
International trade restrictions and tariffs

Economic Factors

- ▶ Inflation
- ▶ Interest rate
- ▶ Fiscal policy -the use of government spending and tax policies to influence economic conditions
- ▶ Employment rates
- ▶ Investment

Social Factors

- ▶ Dominant religion
- ▶ Attitudes to foreign products and services
- ▶ How much time do consumers have for leisure?
- ▶ How long are populations living?
- ▶ Green issues
- ▶ Language

Sociological

Wellbeing mind-set

Population rate of growth

Age distribution

Professional career thought patterns

Importance on safety measures

Technological Factors

- ▶ Does technology allow for automation?
- ▶ Allows products to be made more cheaply?
- ▶ Does technology allow consumers and businesses more innovative products and services (5G networks)?
- ▶ Does technology offer companies new ways to communicate?

Technological factors

Rate of technological change
Technology incentives
Research and development

PESTLE

Which factors will have an impact on the growth of the business?



The 6 Variables of PESTLE Analysis

POLITICS

- Government type and policy
- Funding, grants and initiatives

ECONOMY

- Inflation and interest rates
- Labour and energy costs

SOCIAL

- Population, education, media
- Lifestyle, fashion, culture

TECHNOLOGY

- Emerging technologies, Web
- Information & communication

LEGAL

- Regulations and standards
- Employment law

ENVIRONMENT

- Weather, green & ethical issues
- Pollution , waste, recycling

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Legal factors

Consumer laws

Employment laws

Health and safety regulations

Environmental factors

Weather conditions

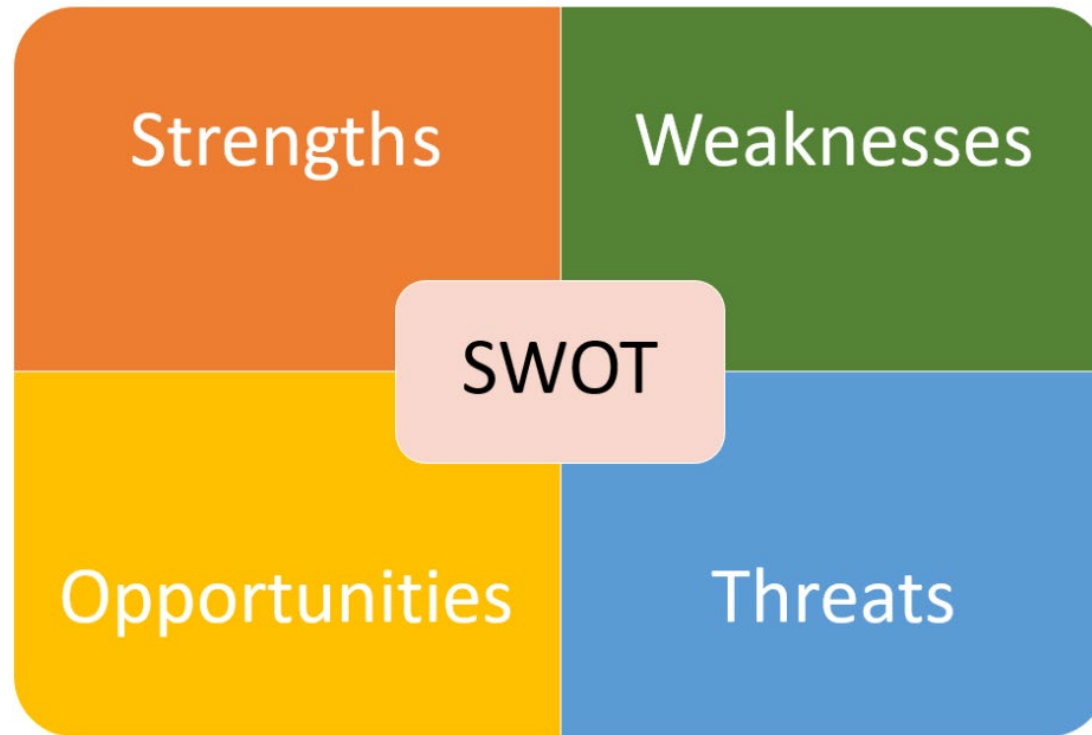
Geographical location

Global change in climate

<https://www.youtube.com/watch?v=bYn4CyL3r5w>

Pestle

SWOT Analysis



SWOT Analysis

	Helpful to achieving the objective	Harmful to achieving the objective
Internal Origin (attributes of you)	S Strengths	W Weaknesses
External Origin (attributes of your environment)	O Opportunities	T Threats

SWOT Analysis

- ▶ **SWOT analysis** is a tool for auditing an organization and its environment.
- ▶ It is the first stage of planning and helps businesses to focus on key issues.
- ▶ Strengths and weaknesses are internal factors.
- ▶ Opportunities and threats are external factors.

SWOT Analysis

- ▶ A strength is a positive internal factor.
- ▶ A weakness is a negative internal factor.
- ▶ An opportunity is a positive external factor.
- ▶ A threat is a negative external factor.

SWOT Analysis

- ▶ We should aim to turn our weaknesses into strengths, and our threats into opportunities.
- ▶ Then finally, SWOT will give managers options to match internal strengths with external opportunities.
- ▶ The outcome should be an increase in ‘value’ for customers - which hopefully will improve our competitive advantage.
- ▶ The main purpose of the analysis has to be to add value to our products and services so that we can recruit new customers, retain loyal customers, and extend products and services to customer segments over the long-term.

SWOT Analysis

- ▶ **Simple rules.**
- ▶ Be realistic about the strengths and weaknesses of your organization.
- ▶ It should distinguish between where your organization is today, and where it could be in the future.
- ▶ It should always be specific. Avoid grey areas.
- ▶ Always apply the tool in relation to your competition i.e. better than or worse than your competition.
- ▶ Keep your audit short and simple. Avoid complexity and over analysis
- ▶ It is subjective.

SWOT Analysis

- ▶ **A strength could be:**
- ▶ Your specialist marketing expertise.
- ▶ A new, innovative product or service.
- ▶ Location of your business.
- ▶ Quality processes and procedures.
- ▶ Any other aspect of your business that adds value to your product or service.

SWOT Analysis

- ▶ **A weakness could be:**
- ▶ Lack of marketing expertise.
- ▶ Undifferentiated products or services (i.e. in relation to your competitors).
- ▶ Location of your business.
- ▶ Poor quality goods or services.
- ▶ Damaged reputation.

SWOT Analysis

- ▶ **An opportunity could be:**
- ▶ A developing market such as the Internet.
- ▶ Mergers, joint ventures or strategic alliances.
- ▶ Moving into new market segments that offer improved profits.
- ▶ A new international market.
- ▶ A market vacated by an ineffective competitor.

SWOT Analysis

- ▶ **A threat could be:**
- ▶ A new competitor in your home market.
- ▶ Price wars with competitors.
- ▶ A competitor has a new, innovative product or service.
- ▶ Competitors have superior access to channels of distribution.
- ▶ Taxation is introduced on your product or service.

SWOT questions to ask

- What product/s are we selling?
- What is the process we have in place to sell the product?
- Who are the customers, who are the people interested in our product?
- What ways can we deliver the product to the customers?
- What are the finances needed to create and sell this product?
- Who will oversee all the stages from having an idea, to having enough finance to complete the task?

SWOT

<https://www.cii.co.uk/media/6158020/a-useful-guide-to-swot-analysis.pdf>

https://academicjournals.org/article/article1380639652_Ommani.pdf

<https://www.youtube.com/watch?v=mR9eICQJLXA> starbucks

https://www.youtube.com/watch?v=I_6AVRGLXGA