

## Year 11/12 PESTLE Analysis

An external environment is composed of all the outside factors or influences that impact the operation of business. The business must act or react to keep up its flow of operations.

An effective way to analyse key features of the external environment is to use PESTLE analysis.

The acronym PESTLE stands for:

### POLITICAL

Competition policy  
Industry regulation  
Govt. spending & tax policies  
Business policy & incentives

### ECONOMIC

Interest rates  
Consumer spending & income  
Exchange rates  
Economic growth (GDP)

### SOCIAL

Demographic change  
Impact of pressure groups  
Consumer tastes & fashions  
Changing lifestyles

### TECHNOLOGICAL

Disruptive technologies  
Adoption of mobile technology  
New production processes  
Big data and dynamic pricing

### LEGAL

Employment Law  
Minimum / Living Wage  
Health & Safety Laws  
Environmental legislation

### ETHICAL / ENVIRONMENTAL

Sustainability  
Tax practices  
Ethical sourcing (supply chain)  
Pollution & carbon emissions



## Task

Using any textbooks/websites/newspapers available, create a PESTLE analysis for Coca-Cola. The information that you use should be relevant and published within the last two years.