

- Social Environment - Society's basic values, preference & behaviour.
- Cultural Environment - values, belief, morals, laws, custom, traditions etc.
- Economic Environment - economic policies, trade cycle, corporate profit, employment balance of payment, consumer income, interest rates.
- Technological - Better and faster, changes method, quality of goods, packaging.
- International - Managers face intense and constant challenge
- Legal - Set the formal rules, laws & regulation

- i) workers Compensation Act - 1923
- ii) factories Act - 1948
- iii) The Companies Act - 1956
- iv) Consumer Protection Act - 1986
- v) Environment Protection Act - 1986
- vi) FEEMA Act - 1999

Difference b/w Macro and Micro Environment

- ① The environment which is in immediate contact with the firm is Micro
- ② Micro effect the particular business only,
- ③ Micro are controllable by business
- ④ The study of micro is described as COSMIC analysis. Conversely
- ① The environment which is not specific to a particular firm but can influence the working of all the business group is known as Macro.
- ② Macro affect all the business entities
- ③ Macro economic variables are uncontrollable
- ④ PESTLE analysis is a study of macro environment

Conclusion

Both cover the overall environment of business. So, they are more complementary rather than contradictory. These environment will help to know the strength, weakness, opportunity and threat of business.

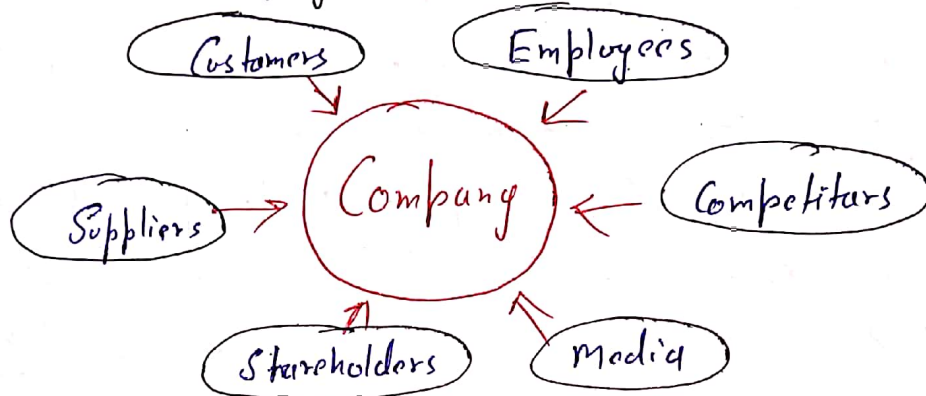
Introduction to Micro Environment

Micro environment factors are factors close to a business that have a direct impact on its business operation and success.

Before deciding corporate strategy business should carry out a full analysis of their micro environment.

The diagram below shows 6 stakeholders involved in the

— Customers, Employees, Competitors, Media, Shareholders & Suppliers



Customers ⇒ As all business need customers, "wants & needs"

Employees ⇒ Staff with relevant skills

Suppliers ⇒ provide business with the materials

Shareholders ⇒ As organisation require investment to grow

Media ⇒ Positive media attention can "make" an organisation
& Negative can "break"

Competitors ⇒ The name of the game in marketing is differentiation

Conclusion ⇒ Business can not always control micro environment factors but they should endeavour to manage them along with macro Environment & Internal Environment factors.

Macro Components ⇒ It consists the larger societal factors that affect the working of a firm. It's known as general environment. They are generally uncontrollable.

- Demographic Environment ⇒ size, education, sex ratio, age, occupation, income, status, etc.
- Natural Environment ⇒ soil, sea, river, rainfall etc.
- Political ⇒ Legislature
Executive
The Judiciary