

PESTEL Analysis Dimensions

Below are some sample questions that could be explored during a PESTEL analysis. Beware as this list is not exhaustive. Depending on the organization, line of business, product, service, or program, other critical dimensions may be influential and must be explored. Often, existing industry, market, geographical, census, political, economic, cultural, technological, environmental, and legal reports will be valuable tools during this analysis.

POLITICAL

- How stable is the political environment?
- What are the local taxation policies and how do these impact the line of business and/or organization?
- Is the government involved in trading agreements such as EU, NAFTA, ASEAN, etc.?
- What are the foreign-trade regulations?
- What are the social-welfare policies?

ECONOMIC

- What are the current and projected interest rates?
- What is the level of inflation, what is it projected to be, and how does this projection reflect the growth of the market?
- What are the local employment levels per capita and how are they changing?
- What are the long-term prospects for gross domestic product (GDP) per capita, etc.?
- What are exchange rates between critical markets and how will they affect production and distribution of products, services, and programs?

SOCIOCULTURE

- What are local lifestyle trends?
- What are the current demographics and how are they changing?
- What is the level and distribution of education and income?
- What are the dominant local religions and what influence do they have on consumer attitudes and opinions?
- What is the level of consumerism and what are popular attitudes toward it?
- What pending legislation affects corporate social policies (e.g. domestic-partner benefits or maternity/paternity leave)?
- What are the attitudes toward work and leisure?

TECHNOLOGICAL

- What is the level of research funding in government and industry and are those levels changing?
- What is the government and industry's level of interest and focus on technology?
- How mature is the technology?
- What is the status of intellectual-property issues in the local environment?
- Are potentially disruptive technologies in adjacent industries creeping in at the edges of the focal industry?

ENVIRONMENTAL

- What are local environmental issues?
- Are there any pending ecological or environmental issues relevant to the line of business and/or organization?
- How do the activities of international pressure groups (e.g. Greenpeace, Earth First, PETA) affect the line of business and/or organization?
- Are there environmental-protection laws?
- What are the regulations regarding waste disposal and energy consumption?

LEGAL

- What are the regulations regarding monopolies and private property?
- Does intellectual-property have legal protections?
- Are there relevant consumer laws?
- What is the status of employment, health-and-safety, and product/service/program-safety laws?

ADAPTION SOURCE: Carpenter, Mason A. and Sanders, William Gerard. Strategic Management: a Dynamic Perspective Concepts and Cases, Second Edition. Upper Saddle River: Pearson Prentice Hall, 2009.