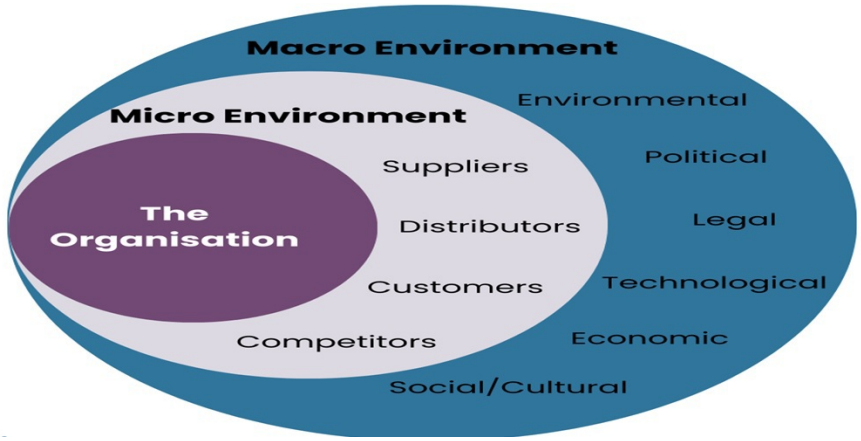
The International Marketing Environment (Macro Analysis)

II

1. PESTEL Analysis in the International Context

Before entering foreign markets, companies must analyze the macro-environment.

International markets are characterized by complexity, uncertainty, and diversity



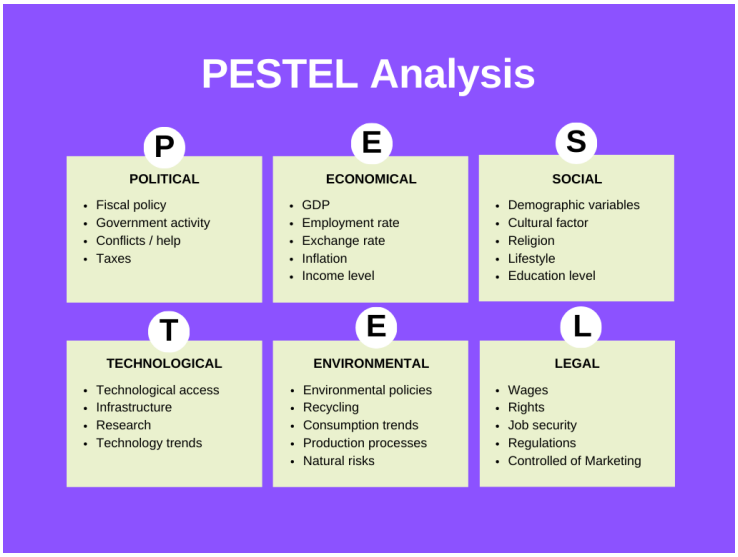
Definition

PESTEL analysis is a strategic framework used to **analyze the macro-environment of international markets**.

It helps firms identify opportunities and risks before entering or operating in a foreign country.

The framework includes six dimensions:

- Political
- Economic
- Social
- Technological
- Environmental
- Legal



PESTEL Analysis

Fundamental

In international marketing, macro-environmental factors vary significantly across countries.

This variation increases:

- complexity
- uncertainty
- risk

Companies must therefore conduct systematic environmental analysis before making strategic decisions

Method:How to apply PESTEL analysis

1. **Step 1**: Identify macro-environmental factors
2. **Step 2**: Analyze each PESTEL dimension
3. **Step 3**: Evaluate opportunities and risks
4. **Step 4**: Compare countries
5. **Step 5**: Support market entry decisions

2. Social and Cultural Forces

2.1. Culture

Definition

Culture refers to shared **values, beliefs, norms, traditions**, and **ways of life** within a society.

It strongly influences consumer behavior and marketing communication

Fundamental

Culture affects:

- perception of products
- response to advertising
- evaluation of brands

Key elements of culture:

- language
- religion
- traditions
- values

Example:McDonald's Cultural Adaptation

McDonald's adapts its products to local cultures:

No beef burgers in India

Halal food in Muslim countries

This demonstrates that cultural adaptation is essential for market acceptance

2.2. Social Forces

Definition

Social forces refer to **demographic** and **societal characteristics** of a population.

They are measurable and influence market structure

Fundamental

Social forces influence:

- market size
- consumption patterns
- product demand

Key social indicators:

- population growth
- age distribution

- education level
- urbanization
- lifestyle trends

Example

Aging population → demand for healthcare products

Young population → demand for technology and digital services

3. Political and Legal Forces

3.1. Political Forces

Definition

Political forces refer to the role of government in shaping business conditions.

They influence:

- market entry
- foreign investment
- trade policies

Fundamental

Political stability **reduces risk, while instability increases uncertainty**.

Example:Examples of political factors:

- government stability
- trade agreements
- tariffs and quotas
- nationalization

3.2. Legal Forces

Definition

Legal forces include laws and regulations governing business activities.

Fundamental

Legal systems differ across countries and affect:

- product standards
- advertising
- competition
- consumer protection

Example:Uber Legal Challenges

Uber faced restrictions in several countries due to non-compliance with local regulations.

This shows that legal adaptation is mandator

4. Economic Forces

Definition

Economic forces determine the purchasing power and profitability of a market.

Fundamental

Key indicators:

- GDP
- inflation
- exchange rate
- income distribution

Exchange rate volatility strongly affects pricing strategies

Example:Apple Pricing Strategy

Apple adjusts prices across countries due to:

- taxes
- exchange rates
- purchasing power

Economic conditions directly influence marketing decisions

Method

Economic analysis steps:

1. Analyze GDP
2. Evaluate purchasing power
3. Study inflation
4. Assess currency stability

5. Technological Forces

Definition

Technological forces refer to **innovations** that affect production, distribution, and marketing.

Fundamental

Key factors:

- internet penetration
- digital infrastructure
- mobile usage
- innovation capacity

Example:Netflix Strategy

Netflix uses technology to:

distribute content globally

personalize content locally

Technology enables global reach with local adaptation.

6. Environmental Forces

Definition

Environmental forces refer to ecological and sustainability-related factors.

Fundamental

They influence:

- product design
- packaging
- logistics
- corporate reputation

Example:Unilever Sustainability Strategy

Unilever integrates sustainability by:

reducing plastic

promoting eco-friendly products

Sustainability is now a competitive advantage

Unilever Sustainability Just Pink In South Afica

See "Unilever Sustainability Just Pink"

7. Activity PESTEL

Exercice

Compare Algeria with another country using PESTEL dimensions.

Conclusion

Prerequisites

Students should have basic knowledge of:

Principles of Marketing

Consumer Behavior

Basic Economics

Pre-test:

Students may take an online diagnostic test.

If performance is below 80%, they must review support materials before continuing.