2. PEST Model (external)

- Political: Taxation (government subsidizes or has taxes on the product?)
  - Political stability
- Economic: GDP, GNP
  - Inflation
  - Exchange rate
  - Unemployment Rate
  - Standard of living + leisure time
- Socio-Cultural: Target social class characteristics
  - Lifestyle
  - Habits
- Technological: R&D used
  - Internet availability
  - Telecom infrastructure

3. Porter 5 Forces: (external of Micro) → analyze competition.

- Bargain Power of Suppliers: the presence of Cartel is against customer
  (cooperation of suppliers together) → causes high power of suppliers
- Bargain Power of Buyers: knowledgeable, lot of choices, demand low
- Threats of Substitute: presence of new advanced product (mobile, landline)
- Entry Barriers: new units (financial, legal, economies of scale, differentiation)
- Rivalry among competitors: government encourages competition to
  ensure product availability, inc. customer value, dec. price (no monopoly).
* After looking at each factor, define whether inc. or dec. market attractiveness & the majority determines overall market condition.

4. Value Chain Analysis: (internal)

Set of value added activities starting from raw material till reaching final end product to customers.

* Primary Activities:
  1. Inbound logistics: include raw material, people, equipment, finance sources
  2. Operations: process of transferring raw materials to end product
  3. Outbound logistics: deals with distribution, warehouse, waste product
  4. Marketing & Sales: activities done to help market & sell products
  5. Services: after-sales service provided (repair, insurance, customer service)