The marketing environment is made up of 2 dimensions:

**MACROENVIRONMENT**: impact on all actors, people and businesses that trade in the global environment – **PEEST** (political, economic, environmental, social, technological) The factors within the macroenvironment shapes the opportunities and threats which a company will face and are out of the business’s control.

Macroenvironment forces has been seen to change a firm’s international marketing strategy and the target market. (Jain, 1989).

**Political forces**:
- **GDPR**: personal privacy: for marketers, this means that they must demonstrate that they are only using consumers personal data for permitted purposes, and personal data must be anonymous.
- **EU wide laws**: Focuses on anti-competitive activities, by preventing the collusion by price fixing, and the abuse of market dominance. Failure to comply to the laws has led to fines, e.g. Microsoft due to their monopoly status.

**Economic forces**: Has a large impact on the levels of supply and demand, therefore contingency plans need to be set up.
- **Economic growth**: fluctuates depending on the business cycle (e.g. during periods of boom, demand will increase for products).
- **Unemployment**: figures can be misleading as it fails to take into account frictional unemployment for example
- **Interest rates**: Represent the price that borrowers have to pay lenders for use of their money over a period of time
- **Exchange rates**: Brexit = weaker pound. Imports = more expensive, exports = cheaper. This has a big impact on households, families and pensioners however positively impacts the tourism industry (e.g. The number of tourists visiting from China increased by a fifth in the summer of 2019)
- **EU**
- **Eurozone**
- **Brexit**: for example, the car industry is struggling and there is a threat that Brexit will cause cars to be more expensive as tariffs from cars imported from Germany for example, will make costs higher, and therefore the price, lowering demand. Also, the German owned car companies have 100 production sites in the UK and tariffs may cause them to relocate, threatening around 9000 jobs.
- **Growing economies**

Montgomery and Weinberg (1979) stated that marketing managers predict governmental policy responses to economic uncertainty in decision making and contingency planning.

**Legal/Environmental/physical environment forces**:
- **Climate change**: Due to the increased pressure of being environmentally friendly, businesses have had to adapt their manufacturing processes, which has meant heavy investment and costs but has also given them the opportunity to innovate and have a competitive advantage and charge higher prices due to the uniqueness