## ② PEST Model (external)

- Political → Taxation (government subsidizes or has taxes on the product?)
  - ↳ political stability
- Economic → GDP, GNP
  - IR
  - Inflation
  - Exchange Rate
  - → Unemployment Rate
  - ↳ standard of living + leisure time
- Socio-Culture → 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: knowledgable customer ↑, lot of substitute, demand low
- Threats of Substitute: presence of more advanced product (mobile, landline)
- Entry Barriers: new entry (knowhow, patent, economies of scale, diffrentiation)
- Rivary 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 resources
② Operations: process of transfering raw material 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)