

Impact of external influences

2017-18

PESTLE ANALYSIS

EXTERNAL FACTORS THAT AFFECT BUSINESSES

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- ▶ *interdependence* between producers in the case of an oligopoly

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 - ▶ competitive market → monopoly (i.e., supermarket industry, airline industry, mobile phone)

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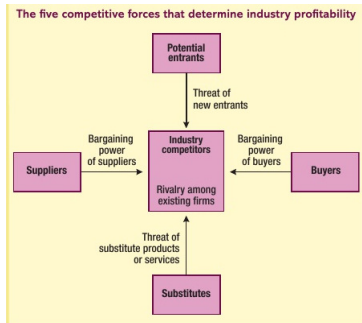
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- ▶ **Consolidation:** competitors leave market → some businesses get bigger

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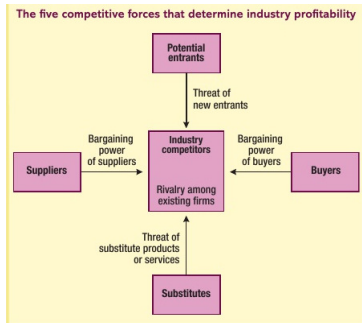
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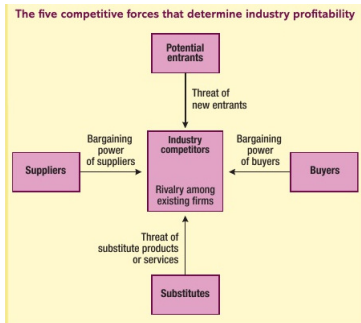
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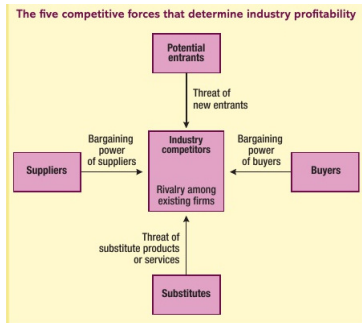
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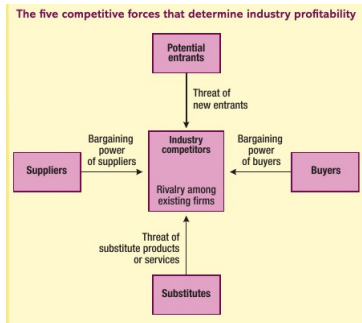
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- ▶ **PESTLE analysis:** analysis of the external political, economic, social, technological, legal and environmental factors affecting a business

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- ▶ **Price elasticity of demand:** the responsiveness of demand to a change in price
- ▶ **Price inelastic demand:** a change in price results in a proportionately smaller change in demand

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