

MODULE 2 OF 11 · FOUNDATIONS OF MARKETING

The Marketing Environment

LEARNING OBJECTIVE

Distinguish the internal, micro and macro environment, and apply PESTEL to scan the macro-environment.

KEY VOCABULARY

Internal environment

Microenvironment

Macroenvironment

PESTEL

Political

Economic

Social

Technological

Environmental

Legal

WHY THIS MATTERS

No marketing plan survives contact with the outside world unchanged. Understanding what a business can and can't control is the foundation for every strategic decision covered later in this course.

WARM-UP QUESTION

"Name one thing outside a business's control that could affect how it operates this year."

DISCUSSION QUESTION

Which single PESTEL category do you think has changed the most in the last five years, and why?

DISCUSSION QUESTION

Is a competitor opening nearby a microenvironment factor or a macroenvironment factor? Why does the distinction matter?

Core Concepts

Three layers, three levels of control

The internal environment (staff, resources, culture) is fully controllable; the microenvironment (suppliers, competitors, customers) is influenceable but not controllable; the macroenvironment is essentially uncontrollable.

Example: A restaurant can change its own menu (internal), negotiate with a supplier (micro), but can't stop a national minimum-wage rise (macro).

PESTEL scans the macro layer systematically

Political, Economic, Social, Technological, Environmental and Legal factors are checked one by one so nothing large gets missed.

Example: A rise in interest rates (Economic) can quietly shrink demand for anything bought on credit, from cars to sofas.

One factor rarely acts alone

A single macro change often ripples across several PESTEL categories and several parts of the business at once.

Example: A new environmental regulation (Environmental) can trigger new compliance costs (Economic) and require new labelling (Legal) in the same product line.

COMMON MISTAKE TO AVOID

Listing PESTEL factors without ever asking "so what does this mean for us?" — an audit is only useful once it's connected back to a business decision.

Running the Lesson

TEACHING OUTLINE

1. Layer the three environments from most to least controllable.
2. Introduce PESTEL as a tool for scanning the macro layer systematically.
3. Discuss how a single PESTEL factor can ripple into several parts of a business at once.

CLASSROOM ACTIVITY

Assign each small group one PESTEL letter; they find one real, current example affecting a local business.

MINI CASE STUDY

A seaside ice cream van business noticed three things in one summer: a hot spell (Social/weather), a card-payment app becoming standard (Technological), and new street-trading permits (Legal). Treating these separately would have missed how together they meant "invest in a card reader now, this season, before permits get harder to renew."

RECAP

- The environment has three layers, from fully controllable to essentially uncontrollable.
- PESTEL is a systematic way to scan the macro layer for political, economic, social, technological, environmental and legal change.
- A single macro factor often affects more than one part of a business at once.

HOMEWORK / EXTENSION

Pick a real local business. Identify one current example for three different PESTEL letters affecting it right now.

Full lesson & free auto-marked quiz: marketingteacher.com/courses/foundations-of-marketing/lessons/pestel-analysis-auditing-the-macro-environment/