

# MACRO ENVIRONMENT

**SUBJECT : (ENTREPRENEURSHIP)**  
**CHAPTER NUMBER: 5**  
**CHAPTER NAME : CONCEPT OF MARKET**

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**CHANGING YOUR TOMORROW**

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# MACRO ENVIRONMENT

- It is also known as general and remote environment, and refers to factors which affect a business in general.
- The macro forces are uncontrollable factors and therefore, the success of a business depends on its adaptability to this environment with the help of micro environment forces. There are different forces working in this environment.

- **DEMOGRAPHIC FORCES:** These forces refer to human population in terms of size, density, location, age, gender, etc. The demand of a product or service depends on the people and their characteristics. Therefore, demographic forces are important factors of macro environment.
- **ECONOMIC FORCES:** These factors are important as they affect the purchasing power of the customers and the way in which they spend their income. These factors include the structure and nature of economy, the stage of development of the economy, economic resources, the level of income, the distribution of income and assets, economic policies of the government, etc.

- **TECHNOLOGICAL FORCES:** Technology is one of the important determinants of success of a firm as well as the factor affecting the economic and social development of a nation. These factors help a business to gain competitive edge over its competitors.
- **POLITICAL FORCES:** This factor is very important as the fate of the business and markets depend to a large extent upon the political conditions of areas where they are situated. As laws and regulation change often, this is very important aspect for a marketer to monitor.

- **NATURAL FACTORS:** These factors include the natural resources that a company uses as inputs and affects their marketing activities.
- **CULTURAL FACTORS:** The cultural environment consists of institutions and basic values and beliefs of a group of people. Market reflects the values of target audience, therefore a marketing manager must study the society in which he operates.

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