

Pest analysis case study sample

[Business](#), [Marketing](#)



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The Indian advertising represents a wide field with new trends that continuously emerge on a daily basis. This paper aims at conducting a PEST analysis of target market for sachet shampoo.

Social

Indian rural population has higher income than before, even though they do not have much income to buy goods in larger quantities. This gives super shampoo a good opportunity to promote their product in the lower end market. This is an implication that less affluent consumers score high in brand loyalty. Globalization is taking a toll in the Indian rural population who aspire to associate themselves with English. Rural Indian consumer market comprises 12. 2% of the world's population making it the twelfth largest consumer market in the world. India is experiencing drastic changes in demographic structure with significant increase in middle-income earners among the rural population (Jethwaney & Shruti, 2006).

Economic

India's GDP is increasing yearly and is expected to match those of world's major economies. The higher GDP rate has resulted into increase in disposable income. The per capita income is growing enabling customers to have more disposable income (Country Intelligence Report, 2012). The FMCG sector is the fourth largest sector of Indian economy with a market size of more than 60, 000 Corer.

There is an increase in income among the Indian rural population because of increased agricultural production, which will provide a better growth potential for FMCG companies. The presence of low per capita consumption among the rural population for consumer products in India will translate into high growth potential for FMCG companies (Paul, 2010).

Political

The development of infrastructure in rural areas will help in the distribution of consumer goods. India has tax exemptions in sales and excise duty for small-scale industries (Varma, 2004). The country also has restrictions on imports into the country. Government's policies aimed at promoting agriculture sector will result into increased disposable income among the rural population to spend on consumer goods.

Education

According to India Consumer Report (2012), education level of the rural population in India has an influence how people perceive and decode the information received from advertisement. The Indian rural population is less educated and producing a brand that is to pronounce would appeal more to

their aspirations. Indian population has high regard for films and associate easily with brands that highlights the importance of film industry. Increasing awareness on the importance of shampoo for washing hair among the rural population is on the rise. In addition, school going girls are increasingly engaging in outdoor activities and prefer using shampoo to make their hair strong.

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