

How to brainstorm, research, and write a pest analysis from scratch

[Business](#)



If you want to know how to write your PEST analysis from scratch, read on. I've written dozens of PEST analyses over the last couple of years. And this article documents my process on how, even when you've never written one before.

But first, let's begin by explaining what a PEST analysis is and what it's used for.

What is a PEST analysis?

A PEST analysis is a study of four macro-environmental influences affecting businesses, products, and industries (topic). These four factors are always present, whether you realize it or not. And changing their current state isn't possible with just one person. That's why people need this analysis — to understand how political, economic, social, and technological factors are impacting their topic.

Why do people use PEST analysis?

PEST analysis helps people become aware.

Aware of how political parties and regulations can impact business. And how the economy (past, present, and future) affects an industry. It allows people to understand consumers — who they are, what they buy and why they don't buy. And finally, it identifies what technology is necessary for the development and success of a product, business, or industry.

It's almost like an outline. It shows people what influences impact the quality, success, or devastation of businesses and industries. You can't stop

the four influences, but if you're aware of them and their impact, you can plan around, against, or with them.

PEST analysis is often used by business analysts, marketers, students, and business owners, since it's super important for every business!

Where to find information for your PEST analysis

It'll be easier to find and segment information if you break your analysis down into four sections.

- Political
- Economic
- Social
- Technological

Each section will require its own information. However, some of this information will overlap. For instance, the economy is often closely tied to political (in)stability. And the state of the economy always affects consumers (social). You don't need to look for these patterns specifically— it'll become apparent as you discover new information.

Since I've written countless PEST analysis' over the years, I'll explain my process of how I research and write a PEST analysis from scratch.

You should have a topic in mind. Most PEST analyses are about a specific business, industry, or product. However, they can also be applied to countries too. You can't start without a topic though, so have it ready.

Start with the history

You should be familiar with your topic. If you're not, read about its history.

Learn how it was established, how long it has been around, and who founded it. Read about any major achievements about the topic over the last few years. Jot down notes whenever something that seems relevant or important pops up.

After this informational primer, it's time to start on the four sections. I do my PEST analysis in order of the acronym because the information often bleeds into the next section.

Finding Political Information

Political information is easier to find than other sections of the analysis (social and technological, specifically). Here, you'll want to look into the current political climate where your topic originates and/or does business.

For instance, if your topic originates from America, you'll research into the current political parties. Who is in charge? Has this affected your topic in any way?

If your topic (business, product, industry) was established years ago, what was the political climate like then? Are different parties in power now? If this is the case, then you'll want to compare how things have changed for your topic from then to now.

This is also the section where you'll look into laws and regulations affecting business. Common political regulations include:

- Tariffs
- Employment laws
- Health and safety
- Tax policies
- Trade control
- Consumer production.

We have a whole list in this article right here.

Searching for political information

I find this information with a simple Google search.

Such as “ tariff laws America” (plug in the country you’re searching if it’s not America/the United States). It’s best to get this information from a government site. These sites end in . gov. You may also find information from organizations (websites ending in . org) but not all of these sites are legitimate organizations. Be wary while you research.

Honestly, most of the information you’ll find is dense. But it’s easier if you have a goal. Look for signs of...

- Possible political corruption
- Government (in)stability
- New bills/regulations that may impact your topic
- Any issues your topic has had with current/former regulations or political parties

If your topic is a company, finding the right information may be easier. Search for “ company name + political issues” or “ company name + policies” and see what comes up. Avoid any information from untrustworthy sites like the DailyMail and Wikipedia (unless there’s a legitimate source at the bottom).

Finding Economic Information

While you’re researching political information, you may come across connections to the current economy. For instance, political instability often leads to economic instability. This causes unemployment rates to rise and employee strikes. This affects how much disposable income people have.

The specific economic issues to keep in mind are:

- Taxes
- Interest rates
- Demand/supply
- Recessions

You may have already found information during your political section that confirms problems. But if you haven’t, search government sites for current tax rates, interest rates (if your topic involves international business), and the current state of the economy. Is it good? Thriving? Or bad and declining?

Again, use government websites. Search for economic statistics over the last few years. If your topic is an industry, see how many companies (startups) have started within the last few years.

If your topic is a business that has international stores, look into the relationship between the country of origin and each country the company does business. If the relationship is good, it's often a good outlook for the company. But if it's bad, it may lead to problems. What problems? Do a bit of digging online.

Also, if your PEST analysis is for a company, you may look into stocks. Have they been declining? On the rise? Because if it's the former, then the business may not be looking good. And you'll want to find out why.

In some cases, I check out the competition if my topic is a business. I'll look into how that other company has been fairing, economically. Specifically, how their sales have risen or fallen over the last couple of years. If they've dropped products, shifted marketing efforts, etc. And I want to know why. A competitor analysis isn't always necessary, but it can shed light on possible problems your topic may face.

Finding Social Information

This section is a bit trickier. Political and economic sectors rely heavily on data and evidence. You can find this information on government websites. News sites too, even. And although you can find databases about demographics and population growth for this section — all applicable in a PEST analysis — I wouldn't stop there.

Connections between economic and political influences

In the social section, I often examine how consumers are impacted by political and economic factors. You can draw conclusions based on the

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information you've already gathered from your political and economic segments.

Such as, if there is political instability, and the economy is on the fritz, then consumers may feel uneasy. They may have fewer job options. And that means they're less likely to spend frivolously. If your topic is a luxury product, it may mean the company that makes it may have lower sales this year.

But you also want to learn about how consumers feel about your topic. If it's a company, do consumers generally like it? Or is public opinion souring? There should be a reason for why.

Consider Facebook. The company's CEO, Mark Zuckerberg, has consistently been in hot water over the past year. If not for data breaches affecting millions of users, but for their shady involvement with fake news and political tampering. This has led many consumers to shy away from using Facebook. And this affects businesses who use Facebook to reach new customers.

In this section, I'm more likely to search for my topic on news sites and publications. The more popular the topic, the easier it'll be to find articles written about it. But if the topic has ever been in the news, you'll likely find it online.

Websites to search include...

- The New York Times
- Forbes

- Local news websites
- Consumer Reports
- Reddit

If you know your topic has been in the news for something bad (like Facebook and data breaches) you can search the topic + the problem (i. e Facebook + data breach). When I do this right now, the top results are from respectable websites:

- Wired
- Forbes
- Consumer Reports
- The Guardian
- CBC
- New York Times

Each of these sites is known for being reliable. Although the information may overlap, take keynotes here. See how the problem is affecting consumer opinion. You may even want to take a look at the comments (if there are any) and see what people are saying. It's coming straight from the lion's mouth (consumers).

I think many PEST analysis favor numbers too much. We live in a world where anyone with an opinion can be heard, thanks to the internet. And enough of those voices can cause a business to change their policies and products. It can even cause the company to collapse. So it's important to search for how consumers feel about your topic too.

Finding Technological Information

This section is a bit abstract as well. You're looking into how new technological advancements how affected your topic positively or negatively. You should also look into what technology your topic uses (currently). And what technology they may want to incorporate.

You may want to look at competitors if your topic is a product or business. See what others are using. And think about why they are.

Press releases

It may be beneficial to search for press releases involving your topic, if possible. If your company is using new technology, they may have announced it through a press release. You can search “ company name + press release” or search through these press release websites:

- NewsWire
- Backlinkfy
- NPR: National Public Radio
- PR NewsWire

You may also find other information here for the other sections of the PEST analysis. Which is just an overall bonus. If all else fails, check if your topic has a website (unless it's an industry or country). Discuss how they use social media (if they don't then... discuss that too!). In this section, you're assessing what your topic uses, what it doesn't, and why.

Putting it all together

You'll likely have heaps of information at hand. Many it'll feel like too much — but that's never the case for a PEST analysis. As you begin to read through each section's notes, incorporate the most interesting, pressing, or surprising information. If anything overlaps with other sections, include that too.

I write each section at a time. I take my notes and create coherent sentences. Sometimes I make a list of the most important points and include them that way. If the section is long, I'll use subheadings to break up the information.

Work on each section separately. And then if there are overlapping themes, incorporate those in. You may want to use those at the end of each section to connect to the next.

Once you've done this, you've completed your PEST analysis! Most of the work is in finding the information and making it coherent. The last 10-20 percent is putting it all together. So, once the research phase is done, you're basically done too!

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