



The Researchers Hub

PESTLE

PESTLE analysis is considered to be most effective in knowing the real situation of country with respect to its external environment (Anton, 2015). Further, it undertakes the most crucial factors such as political, economical, social, technological, legal and environmental. All these factors have direct influence on the business operations and they need to be considered by the companies while expanding their operations in the new market.

In order to analyze the external environment PESTLE analysis has been carried out so as to know whether it is favorable for Ski Dubai to enter into the foreign market. Further, PESTLE analysis has been carried out for the selected nations that involve Singapore, Thailand and Indonesia.

Political: This is considered to be most significant factor that directly influences the long term performance of the business. Frequent change in the political directly affects the business practice where companies have to conduct their practices as per the political system.

Singapore

In case of country like Singapore the nation is considered to be single party state and it is mainly managed by The ruling people's action party. Further, peaceful environment exists in the entire nation and people have high standard of living (PESTLE Analysis of Singapore, 2015). The businesses have high growth opportunities as the country posses capability to attract investors from all over the globe.

Indonesia

In case of Indonesia the political system of the country is democratic and mainly the vice president is elected through the parliament. The level of corruption is very less in the country due to which businesses can easily conduct their overall practices. At present the country is struggling hard in order to accomplish the goal associated with the financial stability and due to this various reforms have been introduced yet 22% of the population is living under the poverty line.

Thailand

In case of Thailand the nation is industrialized and the key top performing industries involve manufacturing, tourism and the agriculture. No such stability of the government is present in case of Thailand and this is a sort of disadvantage for the business as new laws and regulations are introduced with change in political party. The politics within the nation is unstable situation and high risk is present for investors from the other nations due to loopholes in the political factor.

Economical: This factor is associated with the economic condition of the country and reflects the GDP growth, employment rate, purchasing power of people etc. In case if the economy condition of the nation increase then it brings favorable opportunities for the business and vice versa.

Singapore

Government of Singapore has invested a lot in diversifying the entire economy. Strategic geographic location is present that enhances the entrance to the straits of Malacca. Some major constraints are present in the nation that involves rising labor shortage, level of productivity etc. The electronic manufacturing industry contributes a lot in the entire economy.

Indonesia

Indonesia is developing nation and government has taken various corrective actions for enhancing GDP. At present the government spends only 23.5% of GDP and they have revenue of \$92.62 billion along with expenses \$98.88 billion. The nation has specific intention on FDI and different products lies in the import category such as equipments, fuels, chemicals etc.

Thailand

Thailand is considered to be 27th largest economy and second largest economy in the ASEAN. Overall growth in the economy of Thailand has been witnessed due to foreign direct investment and the overall growth has lead to low level of unemployment (Patro, Rohit, 2017).

Social: This factor is linked with determining the actual preferences of the individuals living in the society along with their liking, social patterns etc. Through this factor it becomes easy for the companies to know actual preferences of their target market.

Singapore

In country like Singapore mainly traditional values are followed and the younger generation holds ability to follow culture and the western values. Every individual living in Singapore prefers to work hard and the language that mainly people speak is English and Chinese.

Indonesia

In Indonesia majority of the people are living in urban areas and the government of the nation focuses on education. Government has its own colleges, public schools. Majority of the population is muslim.

Thailand

In Thailand Buddhism culture is mainly followed and more than 95% of the people follow the practice of Buddhism. Apart from this religious freedom is present in the nation and there is no such pressure to follow any belief system

Technological:

This factor highlights the level of technology used within the country and the technological advancement level. If any nation is economically sound then surely advanced technology is used in conducting different operations and it allows companies to work with latest tools.

Singapore

Within Singapore the level of technological advancement is high and this is contributing in enhancing living standard of the people. Efficient IT infrastructure is present and overall advanced technology is adopted everywhere.

Indonesia

In Indonesia the transport system is developed and the nation has 139 airports, water ways to go to other ports. Effective communication system is present and people like to use cell phones and landlines (Adamkasi, 2016).

Thailand

The level of technology in Thailand is prospering and the government of the nation mainly focuses on the four main areas such as digital innovation, digital content, digital commerce and digital entrepreneurship.

Legal:

This factor is linked with the government rules and regulations that companies have to comply with. In case if the legal environment is favorable such as regulations provides growth opportunity then it brings favorable results and vice versa.

Singapore

In Singapore the business and the industrial development is supported by the regulatory framework and the framework of the business environment. Apart from this, government has

introduced various programs like for e-commerce supportive laws and policies have been introduced for development.

Indonesia

In Indonesia new form of laws and regulations have been introduced such as labor laws to protect the rights of the labor. Along with this company law has also been introduced where every firm has legal entity.

Thailand

In Thailand the legal system combines western laws and the traditional Thai. Further the government holds liberal attitude towards international trade. Along with this the membership in World Trade Organization commit Thailand to the removal of tariffs, duties and non-tariff barriers.

Environmental:

This factor is linked with the environment protection measures and regulations present for protecting environment. In every nation some private and government bodies are working for protecting environment.

Singapore

In Singapore ministry of anti pollution unit and the environment holds responsibility to handle all the environment aspects. Further, different acts are mainly practiced that involves water pollution, drainage act etc.

Indonesia

In case of Indonesia the nation is comprised of thousand of islands and it is hot and humid. Many active volcanoes are present that can lead to natural disaster. Along with this some issues are present that involves soil erosion, massive fire, deforestation etc.

Thailand

In Thailand strong environmental policy and legislations are present. But on the other hand rising level of pollution, hazardous waste and rise in the level of industrial waste is acting as hurdle.

Singapore, Thailand and Indonesia

Conclusion

Applicability of PESTLE analysis on the three selected nations have supported in knowing the real situation of every country. Further, it has been identified that in country like Singapore every factor is favorable. Firstly the political factor where situation of peace, high living standard, growth opportunities to the businesses are highly favorable. In case of Ski Dubai this factor is feasible as the firm can easily expand its operations through joint venture. It is expected that residents will surely prefer to access the services of the business. On the other hand political factors of Thailand and Indonesia are somehow not favorable as financial instability is present in Indonesia which is not good for the company. In case of Thailand political instability is one of the loophole that can prevent Ski Dubai from conducting operations.

Apart from this analyzing the economic factor has supported in knowing that government of Singapore is investing a lot in diversifying economy. GDP growth rate along with employment rate is high. This will be feasible for Ski Dubai as Singapore is developed nation and the company will receive best possible support from the government. On the other hand economic condition of Indonesia is also sound but the nation focuses on importing products. In case of Thailand the economic condition is still improving and the main reason behind the same is FDI.

Social factors are favorable in case of Singapore as compared with Thailand and Indonesia as mainly within Singapore western culture and value is followed. People are hard working and this is a kind of opportunity for Ski Dubai as the company can hire hard workers.

Technological advancement level is high in Singapore as compared with Indonesia and Thailand and the government has contributed a lot in developing IT infrastructure. Therefore, it will be feasible for Ski Dubai to select Singapore market so that advanced tools can be used easily

Legal framework of Singapore is in favor of the Ski Dubai as compared with the other nations as government of Singapore has developed supportive laws so that different companies can operate efficiently. In case of Indonesia laws are mainly linked with protection of labor interest and in Thailand laws focuses on international trade

At last the condition of environmental factor is favorable in Singapore where strict environment regulations have been introduced by the anti pollution unit etc. Therefore, Ski Dubai has to comply with the environmental laws. Apart from this, within Thailand and Singapore no such bodies are working for protecting environment and legal framework is weak

PESTLE	Singapore	Thailand	Indonesia
Political	High political stability Peaceful environment	No such stability of the government is present The politics within the nation is unstable situation and high risk is present for investors	The level of corruption is very less in the country due to which businesses can easily conduct their overall practices

Economical	Government of Singapore has invested a lot in diversifying the entire economy	Thailand is considered to be 27 th largest economy and second largest economy in the ASEAN	At present the government spends only 23.5% of GDP and they have revenue of \$92.62 billion along with expenses \$98.88 billion
Social	In country like Singapore mainly traditional values are followed and the younger generation holds ability to follow culture and the western values	In Thailand Buddhism culture is mainly followed and more than 95% of the people follow the practice of Buddhism.	In Indonesia majority of the people are living in urban areas and the government of the nation focuses on education
Technological	Within Singapore the level of technological advancement is	The level of technology in Thailand is prospering and	In Indonesia the transport system is developed and the nation has

	high and this is contributing in enhancing living standard of the people	the government of the nation mainly focuses on the four main areas such as digital innovation	139 airports, water ways to go to other ports
Legal	In Singapore the business and the industrial development is supported by the regulatory framework and the framework of the business environment	In Thailand the legal system combines western laws and the traditional Thai	In Indonesia new form of laws and regulations have been introduced such as labor laws to protect the rights of the labor

BERI INDEX

On applicability of the BERI index ranking has been given to the various factors that are considered to be most important in analyzing the overall external environment.

Thailand

In country like Thailand political stability is the unfavorable factor and this is the sort of disadvantage for the business, the economy growth trend is favorable, labor cost productivity is up to the mark, level of monetary inflation is somehow unfavorable and this can affect the business performance as in case of inflation the purchasing power of individual in the country is affected (Rothaermel, 2015). The communication technology which is considered to be important for business such as fax, internet access etc are also not favorable and this can be one of the main hurdle if any company wants to operate in the market of Thailand. In Thailand Buddhism culture is mainly followed

Local management along with the trained manpower level is very low in Thailand and it is a well known fact that highly skilled manpower is mainly needed for conducting business operations and this is most crucial for the business. Further, in case if within Thailand skilled people is not present then in such case it is major loophole for the business as the company who is planning to expand its operations in the international market will not at all be able to work with skilled workforce and this will surely have negative impact on the overall business performance. No doubt within the nation attitude towards foreign brands and the investors is favorable where the nation encourages foreign investors to invest in the different areas so that the economic condition of the nation can be easily enhanced with the help of this. So, in this way majority of the factors are not at all favorable in the market of Thailand and on long term basis expansion in the market of Thailand cannot be regarded as feasible. Apart from this, one of the favorable factor identified

is professional services, suppliers and contractors where business can easily obtain suppliers as per their actual need and in turn it can bring favorable result for the company in the best possible manner. The level of technology in Thailand is prospering and the government of the nation mainly focuses on the four main areas such as digital innovation, digital content, digital commerce and digital entrepreneurship. It is a well known fact every company expects some sort of favorable factors in every market and considering the scenario of Thailand it is not at all favorable for every brand to expand operations in the market of Thailand.

Indonesia

In case of Indonesia the political stability is not very favorable and this can act as major hurdle for the company. Economic growth trends are somehow favorable. Level of short term credit availability and long term loan is up to the mark and they are not highly satisfactory. Further, it is a well known fact that businesses need finance and proper assistance from the banks in case of urgency. But in case if this factor is not highly favorable then it can adversely influence the long term performance of the companies in the market (Adamkasi, 2016). Communication technologies and the bureaucratic delays are somehow unfavorable and through this it can be stated that overall situation of Indonesia and Thailand is somehow same and there is no such big difference.

The factor associated with local management and the trained manpower is not highly favorable and it is quite clear that in the nation where highly skilled workforce is not present then in such case the firm has to face lot of difficulties in expanding its operations and sometime it can have adverse impact on the overall performance of the company.

The rating of professional service, suppliers and contractor is very low and through this it is quite clear that in near future the firm will face issue linked with supplier, contractor etc who can supply different form of goods to the company in the market. Attitude towards the foreign brand the investors is not highly favorable in case of Indonesia and through this it is quite clear that the nation does not attracts foreign investors and this can be one of the main reason behind limited growth of the nation. It is a well known fact that in every nation foreign investment plays most crucial role and in case of Indonesia and the relevance of foreign brands is very less. This is one of the valid reason due to which for Ski Dubai it is not at all feasible to enter into the market of

Indonesia. In Indonesia majority of the people are living in urban areas and the government of the nation focuses on education so business cannot expect high growth.

Singapore

Considering the case of Singapore one of the key attribute of the nation is political stability and through this it can be the company that is planning to expand operations in the Singapore market will get proper support from the government. Economic growth trends and the currency convertibility are somehow favorable (PESTLE Analysis of Singapore, 2015). Threat of nationalization within Singapore is high where government takes full control over the industry and the companies and they have right to seize assets. The factors such as communication technology, local management and professional services within Singapore are highly favorable and this will surely assist in conducting the business practices in the best possible manner. Government of Singapore has invested a lot in diversifying the entire economy

In country like Singapore mainly traditional values are followed and the younger generation holds ability to follow culture and the western values

Within Singapore the level of technological advancement is high and this is contributing in enhancing living standard of the people

The most crucial factor like professional service, supplier, contractor is highly favorable where in near future the business can easily expect good suppliers that can supply high quality raw materials and products on continuous basis. This will be a sort of benefit and high advantage for the new firm that wants to expand operations in the market of Singapore.

Attitude towards the foreign brands and the investors is high and through this it can be said that government provides high preferences to the foreign brands so that they can expand their operations in the market of Singapore and it can surely bring favorable results for the business in the market. In Singapore the business and the industrial development is supported by the

regulatory framework and this part is considered to be highly feasible for the businesses that plans to expand its operations. So, these will be the favorable factors for Ski Dubai.

Conclusion

Hence through the applicability of BERI index it is quite clear that external factors of Singapore are more favorable in case of Ski Dubai expansion as compared with the other nations such as Thailand and Indonesia. Factors such as political stability, economic growth trends, communication technology etc are favorable in Singapore and they plays most crucial role while conducting business practices in the foreign market.

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