PESTEL ANALYSIS FOR MAIZE PRODUCTION IN KENYA

A PESTEL analysis is a framework or a tool used by marketers to monitor and analyze macro-environmental that have an impact on an organization.

PESTEL stands for;

* P- Political
* E- Economic
* S- Social
* T- Technological
* E- Environment
* L- Legal

Political Factors

These are all about how and to what degree a government intervenes in the economy. This may include; government policy, political stability or instability in overseas markets, foreign trade policy, tax policy, labour law, environmental law and trade restriction. It is clear that political factors have a great impact on maize production in Kenya. The government decides to import maize instead of buying or purchasing maize from Kenyan farmers that will enable them earn money to run other businesses. This also discourages different farmers from majoring based on production of maize in Kenya thus issue of food insecurity

Economic Factors

Economic factors have a significant impact on how an organization does business and how profitable they are. These include the following; economic growth, interest rate, exchange rate, inflation, disposable income of consumers and businesses. They are also further divided into two that is micro-economic and macro-economic. Macro deals with management of demand of any economy. Micro deals with the way people spend their income.

In Kenya, during different season macro-economic brings different impact to maize production. For example, when it is drought season, the prices maize goes up and therefore the production comes higher. It enables farmers to sale their maize at price that will enable them earn more. Also, when the demand is high the level of production becomes higher thus food insecurity reduced. Taxation rate if higher then the demand of maize reduces thus reduction in production.

Social Factors

These are also known as social cultural factors, are the areas that involve the shared belief and attitude of the population. Population growth, age distribution, health consciousness and career attitude. These factors are of particular interest as they have direct effect on how marketers understand customers and what drives them.

For maize production in Kenya it is not majorly affected by social believes since it is used and needed by every one in the country. Therefore, its region of production is not specified thus can be grown anywhere provided the ecological condition favors it.

Technological Factors

We all know how fast the technological landscape changes and how it impacts the way we market our products. These technological factors affect marketing and management in different ways;

* New ways of producing goods and services
* New ways of distributing goods and services
* New ways of communicating targeted markets

In Kenya, technological development is still not developed fully that may help facilitating the marketing of maize posting a challenge on market access hence affecting the farmers.

Environmental Factors

These factors have only really come to the forefront in last fifteen years. They become important due to the increasing scarcity of raw materials, polution targets and doing business as an ethical and sustainable company. These are just some of the challenges faced by marketers within the factor. More and more consumers are demanding that the products they buy be sourced ethically, and if possible, from a sustainable source.

For instance, in Kenya maize is produced in large quantities to sustain the life of citizens, it is not sustainable.

Legal Factors

These factors include- health and safety, equal opportunities, advertising standards, consumer rights and laws, product labelling and product safety. It is therefore necessary for the companies to know what is and what is not legal to trade successfully. It becomes tricky area when the company or organization trades globally as each country has its own set of rules and regulations.

In our country Kenya the maize production is legal but importation is illegal, therefore farmers are encouraged to grow maize to no limit so as to supply Kenyans with enough food.