

Q.4 What is the nature of Economic environment?

Ans The economic environment refers to all the economic factors that affect commercial and consumer behavior. The economic environment consists of all the external factors in the immediate marketplace and the broader economy. These factors can influence a business, i.e., how it operates and how successful it might become.

The economic environment consists of different things for different people. for eg: For a farmer, the weather and price of fertilizers are important factors.

For a TV channel on the other hand, the growth in internet advertising matters a great deal, but not the weather.