

The Demographic & Social Cultural Environments



The Demographic Environment

- *...focuses on the population and the characteristics of it*
- ...people are an important aspect of economy both as producers and consumers
- ...thus the quantity and quality of people available in an economy will have a considerable impact
- *Demography is the term used to mean the collection and analysis of population characteristics*
- *“Demography Environment is the study of human populations in terms of size, density, location, age, gender, race, occupation and other statistics”*

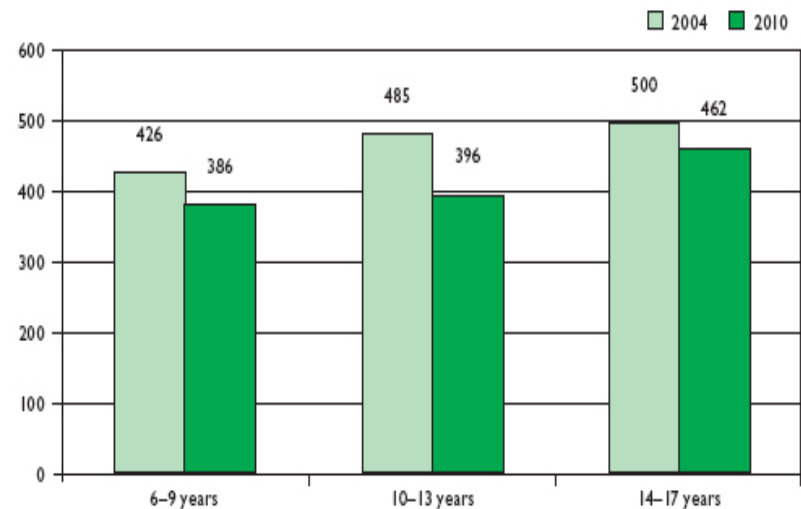
The Demographic Environment Issues

- The major issues of concern in this environment are:
- **Birth and death rates** - the ratio of births to deaths record per thousand of a population affects the size of the population and also the market
- **Rate of migration** – mobility of customers in (immigration) or out (emigration) fluctuates the population and the market

The Demographic Environment Issues

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- **Population age mix** - age profile of the population changes leads to changes in the consumption patterns
- **Labour** – as a factor of production and the proportion of the working population to the total population has a great influence
- **Household Changes** – the family size is cases reducing as people procrastinate marriage or marry less and decide to have less children. This reduces the population and the demand for goods / services



Social and Economic Implications

- **Population Growth** - leads to an increase in the size of markets which in turn leads to an increased demand for investment funds and also fewer natural resources per head of population
- **Population Decline** - means less demand for educational and hospital building programs and for food and other social services

The Social - Cultural Environment

- *...is a component of the environment consisting of the relationship between the organisation and society and its culture*
- *“Culture refers to the behaviour, attitude, way of living, belief, faith, law and custom of people in a country. It could be immediately understood that these aspects would differ from country to country and also in different regions of the same country”*

The Social - Cultural Environment

Characteristics

- *Core* – cultural values - people in society hold many core beliefs and values that tend to persist
- *Secondary cultural values* – are expressed in people's relationship
- *Sub cultures* – each society contains groups of people with shared values emerging out of their common life experiences or circumstances.

The Social - Cultural Environment Elements

- *Belief System* – this system includes religion, superstitions and their related power structures
- *Aesthetics* – this relates to the arts, music, folklore, drama and dance of a particular culture

The Social - Cultural Environment Elements

- *Language* – closely related to aesthetics is language as it has to do with how people interpret meaning from expressions
- *Social Institutions or structures* - refers to the way in which the social groups in a population are organized e.g. extend families, units etc

Questions ???

