Chamber Analysis

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*PEST Analysis*

There are certain external factors that affect the ability of any concern to make the profit out of the business activity. The chamber of commerce will also get affected by the factors outside the control of its managers. In the following lines, we will take a look on the political, economic, social and legal factors affecting the chamber of commerce in the area.

*Political*

The political atmosphere of the country will directly affect the chamber of commerce in any area. This is because the chamber works to promote the business activities within its community. It also provides the financial as well as other resources required for the working of businesses. Any change in the political system will directly affect the chamber as every now government has its own regulations and priorities. Some governments want that more business should take place and they strengthen the chamber of commerce. On the other hand, some government will be reluctant to promote the business and the role of chamber of commerce will be minimized[[1]](#footnote-1). Another aspect will be related to the political instability in the country, this situation will not allow the chamber to perform its duties in an appropriate manner. Thus, the political environment will have a considerable impact on the chamber of commerce.

*Economic*

The economic environment will be the most important one when the chamber of commerce is considered. This is because all the aspects of the economic environment will have a considerable impact on the chamber. A chamber is basically meant to facilitate the business and commerce activities in any community over a period of time. If the overall economic conditions are conducive to running the business in any community, the work of a chamber will become easier. The interest rate is an example which can affect the chamber directly by affecting its ability to forward any loan for the businesses. A higher interest rate will mean that the loans will be more expensive. Another similar aspect is the rate of inflation that is persisting in the economy[[2]](#footnote-2). A higher rate of inflation will mean that the overall price level will be higher in the country and the chamber will face problems in persuading people to start the businesses. The annual income of people in the society is also an important thing to consider because more income will mean more savings for the people and they can then invest these savings to start the businesses. Another aspect is whether the economy is facing a recession or a boom as a whole. The recession phase will be characterized by a lethargic attitude of people towards business and the chamber will have to work very hard to find people who are willing to do the business. In the boom phase, the work of chamber will be increased many folds as people will be willing to do many businesses. The last aspect is the rate and amount of the taxes that have to be paid by the people in general and businessmen in particular. This will determine the amount that is left with the businessmen as their incomes after paying the taxes.

*Social*

The chamber is a part of the society and any change in the attitudes towards businesses will affect the chamber. One aspect is the number of days required to start up a business in the country. If there is a small amount of time required to start up a business in a country, there will be more people who will start and run their businesses. If a society does not adopt to new products quickly, the chamber will have a tougher role to play because the society will not accept many of the startups. In this scenario, the society will not even appreciate the new products introduced by the existing businesses. The overall social attitudes towards change and other related business aspects will determine the role actually played by the chamber.

*Technological*

Technology plays a vital role in defining the success or failure of any product or service. It is necessary for the chamber to stay updated regarding the various technological aspects related to business. This is necessary because many businesses will seek advice from it regarding the technology and it will be able to guide them only if it has appropriate knowledge of the developments. In the recent times, businesses have identified the importance of using technology to reach their customers in a better way, chamber will have to help the businesses to convert the technological aspect to a competitive advantage. In essence, the chamber will be affected by any change in the technological field related to any industry.

*Product life cycle*

As per my understanding, the chamber is at the maturity stage of the life cycle. This is because the history of such organization is as old as the history of the business itself. This means that there has been sufficient evolution of the chamber over the period of time and this will also mean that there is little room for any improvement left in this scenario. However, there will be a little change in the traditional view of the product life cycle and the chamber will not go towards the decline phase of this process. The reason behind this claim is that the role of chamber is directly related to the business activity performed in the society and this activity can be reduced or increased over the passage of time but there will not be a decline in the chamber as a product. It will only go to the decline phase if there is an alternative found to it which can perform the activities in a better way[[3]](#footnote-3).

*Demographic*

The demographic characteristics of a society include the population broken down into groups according to age, sex, education level, income level, marital status, occupation, religion, average size of the family and average age at marriage. The chamber will be affected by most of these variables. There is a certain age in which people tend to take more risks and thus start their own businesses. If the society is ageing as a whole, there is a low probability that anyone will try and start the business of his own. Similarly, the level of education as well as the type of education will affect the extent to which people will go towards starting their businesses. These people will seldom have any technical degree in their hands. They will be less educated but their risk-taking ability and innovative ideas will take them apart of the other people from the society. The occupation in which a person is working will also determine whether he can come towards starting his own business or not. This aspect will mean that the people who are not satisfied with their current occupation are more likely to start their own business. Similarly, a person who gets a low pay and has some spare time at hand may think that he needs to start his own business. All these aspects are directly related to the chamber as it will have to see through the start of these businesses until they get stable and are able to run on their own.

# **References**

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1. (Bhuiyan & Latif, 2011) [↑](#footnote-ref-1)
2. (Popescu, 2016) [↑](#footnote-ref-2)
3. (Hu, et al., 2017) [↑](#footnote-ref-3)