

PESTL Analysis

Factor Influence Strength

evaluated on a scale of 1 to 3, where:

- 1 - the influence of the factor is insignificant: any change in the factor practically does not affect the activities of the company
- 2 - the influence of the factor is moderate: only a significant change in the factor affects the sales and profits of the company
- 3 - the influence of the factor is critical (high): any fluctuations cause significant changes in the company's sales and profits

Political factors		Economical factors		Socio-cultural factors		Technological factors	
Factor Description	Factor Influence	Factor Description	Factor Influence	Factor Description	Factor Influence	Factor Description	Factor Influence
The stability of the political environment;	2	Volatility of stocks and cryptocurrencies;	2	Population, gender and age structure of the population;	2	The level of innovation and technological development of the industry;	3
Tax policy and tariffs;	1	Changes in the solvency of citizens of individual countries;	3	The level of health and education, social mobility;	2	Research and development costs;	2
Limitations of trading and betting at the legislative level;	3	Economic growth rates;	1	Attitude to work, career, leisure and retirement;	3	The degree of use, implementation and transfer of technology;	3
Trends in regulating or deregulating the industry;	2	Unemployment rate, size and conditions of remuneration;	3	Service Level Requirements;	3	Legislation in the field of technological equipment of the industry;	3
Degree of protection of intellectual property and copyright law;	2	The level of development of entrepreneurship and the business environment;	3	Lifestyle and consumption habits;	2	Internet development and accessibility, development of mobile devices;	3

Political factors		Economical factors		Socio-cultural factors		Technological factors	
Factor Description	Factor Influence	Factor Description	Factor Influence	Factor Description	Factor Influence	Factor Description	Factor Influence
Election of a new president in many countries	1	The level of available income of population	3	Public opinion, norms, restrictions	2	Access to the latest technology	3
Future and current legislation governing industry rules	3	Intervention by regulators and licensing practices	3	Level and style of life	3		
Probability of military action in countries	2			Socialization of the population.	3		
Legal factors							
Crypto currencies declared illegal;	2						
Payment gates used to process transactions are illegal;	1						
Freedom of speech is being affected;	1						
Savings account is exempt;	1						
Crypto currencies confiscation by the government;	2						
Privacy regulations change;	2						



Legal factors				
AMLD 5 influence impacts on the industry;	1			
IP clauses changed.	1			

Legal factors

AMLD 5 influence impacts on the industry;

1

IP clauses changed.

1

PESTL Analysis

Assessment of the probability of a change or occurrence of a factor

- 1 - probability from 0-20%;
- 2 - probability from 20-40%;
- 3 - probability from 40-60%;
- 4 - probability from 60-80%;
- 5 - probability from 80 to almost 100%.

Factor description	Factor impact to the company	Expert rating. Probability of change.				Average probability of factor change	Rating considering weight
		1	2	3	4		
Political factors							
The stability of the political environment.	2	4	3	4	5	4	0,06
Tax policy and tariffs.	1	3	3	3	4	3,25	0,02
Limitations of trading and betting at the legislative level.	3	3	3	4	2	3	0,07
Trends in regulating or deregulating the industry.	2	5	4	5	4	4,5	0,07
Degree of protection of intellectual property and copyright law.	2	2	4	2	4	3	0,05
Election of a new president in many countries.	1	5	3	5	3	4	0,03
Future and current legislation governing industry rules.	3	4	3	4	4	3,75	0,09

Factor description	Factor impact to the company	Expert rating. Probability of change.				Average probability of factor change	Rating considering weight
		1	2	3	4		
The probability of military actions in the country.	2	2	2	1	3	2	0,03
Economical factors							
Volatility of stocks and cryptocurrencies.	2	5	4	4	5	4,5	0,07
Changes in the solvency of citizens of individual countries;	3	3	3	1	2	2,25	0,05
Economy growth rates.	1	2	1	2	1	1,5	0,01
Unemployment rate, size and conditions of remuneration;	3	2	1	1	2	1,5	0,03
The level of development of entrepreneurship and the business environment;	3	4	2	2	2	2,5	0,06
The level of disposable income;	3	2	2	2	1	1,75	0,04
Intervention by regulators and licensing practices.	3	5	3	5	3	4	0,1
Socio-cultural factors							
Population, sex and age structure of the population;	2	2	1	4	2	2,75	0,04
The level of health and education, social mobility;	2	4	3	4	4	3,75	0,05

Factor description	Factor impact to the company	Expert rating. Probability of change.				Average probability of factor change	Rating considering weight
		1	2	3	4		
Attitude to work, career, leisure and retirement;	3	2	2	2	2	2	0,05
Service level requirements;	3	4	4	2	3	3,25	0,08
Lifestyle and consumption habits;	2	3	3	2	3	2,75	0,04
Public opinion, norms, restrictions;	2	2	4	2	2	2,5	0,04
Level and style of life	3	3	3	4	2	3	0,07
Socialization of the population.	3	4	4	4	3	3,75	0,09
Technological factors							
The level of innovation and technological development of the industry;	3	5	5	5	5	5	0,12
Research and development costs;	2	3	4	4	4	3,75	0,06
The degree of use, implementation and transfer of technology;	3	4	4	5	4	4,25	0,11
Legislation in the field of technological equipment of the industry;	3	5	3	4	4	4	0,1
Internet development and accessibility, development of mobile devices;	3	5	5	5	5	5	0,12

Factor description	factor impact to the company	Expert rating. Probability of change.				Average probability of factor change	Rating considering weight
		1	2	3	4		
Access to the newest technologies	3	5	4	4	4	4,25	0,11
Legal factors							
Crypto currencies declared illegal;	2	3	2	2	2	2,25	0,03
Payment gates used to process transactions are illegal;	1	1	2	1	3	1,75	0,01
Freedom of speech is being affected;	1	3	3	2	3	2,75	0,02
Savings account is exempt;	1	1	2	1	4	2	0,01
Crypto currencies confiscation by the government;	2	1	1	2	2	1,5	0,02
Privacy regulations change;	2	3	4	4	4	3,75	0,06
AMLD 5 influence impacts on the industry;	1	3	4	3	5	3,75	0,03
IP clauses changed.	1	2	2	3	2	2,25	0,01
Total:						115,5	

PESTL Analysis

Impact assessment based on measurement probability

For clarity, we systematized all the factors into categories in descending order of their importance.

Political factors		Economical factors		Socio-cultural factors		Technological factors	
Factor description	Weight	Factor description	Weight	Factor description	Weight	Factor description	Weight
Future and current legislation governing industry rules.	0,09	Intervention by regulators and licensing practices.	0,1	Socialization of the population.	0,09	The level of innovation and technological development of the industry.	0,12
Limitations of trading and betting at the legislative level.	0,07	Volatility of stocks and cryptocurrencies;	0,07	Service level requirements.	0,08	Internet development and accessibility, development of mobile devices.	0,12
Trends in regulating or deregulating the industry.	0,07	The level of development of entrepreneurship and the business environment;	0,06	Level and lifestyle.	0,07	The degree of use, implementation and transfer of technology.	0,11
The stability of the political environment.	0,06	Changes in the solvency of citizens of individual countries;	0,05	The level of health and education, social mobility.	0,05	Access to the newest technology.	0,11
Degree of protection of intellectual property and copyright law.	0,05	The level of disposable income of the population;	0,04	Attitude to work, career, leisure and retirement.	0,05	Legislation in the field of technological equipment of the industry.	0,1

Political factors		Economical factors		Socio-cultural factors		Technological factors	
Factor description	Weight	Factor description	Weight	Factor description	Weight	Factor description	Weight
Election of a new president in several countries.	0,03	Unemployment rate, size and conditions of remuneration;	0,03	Population, sex and age structure of the population.	0,04	Research and development costs.	0,06
The likelihood of military action in the country.	0,03	Economic growth rates;	0,01	Lifestyle and consumption habits.	0,04		
Tax policy and tariffs.	0,02			Public opinion, norms, restrictions.	0,04		
Legal factors							
Privacy regulations change;	0,06						
Crypto currencies declared illegal;	0,03						
AML5 influence impacts on the industry;	0,03						
Freedom of speech is being affected;	0,02						
Crypto currencies confiscation by the government;	0,02						
Payment gates used to process transactions are illegal;	0,01						



Legal factors				
Factor description	Weight			
Savings account is exempt;	0,01			
IP clauses changed.	0,01			

Legal factors

Factor description

Weight

Savings account is exempt;

0,01

IP clauses changed.

0,01

PESTL Analysis

Determining the possible consequences of the onset or change of each factor

In order of the importance of factors, we planned the programs that need to be implemented in order to reduce the negative impact of the factor and maximize the use of the positive influence of the factor on the company's activities. All factors in the table are arranged in order of importance.

Political factors	Changes in the industry	Changes in the company	Actions
Future and current legislation governing industry rules.	Legislation may be introduced in countries where it was absent.	The influx of new users, the emergence of regulation that protects the activities of the company.	Launching advertising campaigns on the territory of countries where they intend to introduce or have already introduced legislation governing the rules of work in the industry.
Limitations of trading and betting at the legislative level.	Refusal from services of platforms and bookmakers in countries where they will be banned, as well as to significant losses of users of trading providers and bookmakers.	CopyRage users will not feel the restrictions. Possible influx of new users from competitors who are subject to restrictions.	Since CopyRage is not a trading platform or a bookmaker, the company's activities in the regions with this restriction are not prohibited. Transactions that go through CopyRage are made in countries where there are no such restrictions.
Trends in regulating or deregulating the industry.	Changing industry positions.	CopyRage is not a trading platform or a bookmaker, regulation should not affect the company.	Keep track of industry regulatory trends.
The stability of the political environment.	Instability will lead to a fall in the shares of some companies, the refusal or prohibition of some trading providers to work on the territory of a particular country.	CopyRage users will not feel the restrictions. Possible influx of new users from competitors who are subject to restrictions.	Transactions that go through CopyRage are made in countries where there are no such restrictions.

Political factors	Changes in the industry	Changes in the company	Actions
Degree of protection of intellectual property and copyright law	Responsibility for content on trading and gaming platforms, sites will increase.	The company almost does not produce its own content, it is created by users. Transactions and bets do not fall under intellectual property.	Introduce intellectual property verification of user-uploaded materials. This is practiced on regular social networks.
Election of a new president in many countries;	Increased volatility of certain assets, there is the possibility of a change in the legislation governing the industry.	Hanging user activity in some countries.	Create content for your social networks, which will contain the latest news about the elections, which will lead to the activity of potential users and haters and increase the popularity of the company on social networks.
Election of a new president in a country.	Some trading providers may refuse or prohibit working on the territory of a particular country.	CopyRage users will not feel the restrictions.	Transactions that go through CopyRage are made in countries where there are no such restrictions.
Tax policy and tariffs.	Changes in tariffs and tax policies do not affect the industry.	Changes in tariffs and tax policies do not affect company's operations.	Keep track of tax policy changes and tariffs.
Economical factors	Changes in the industry	Changes in the company	Actions
Intervention by regulators and licensing practices.	The increase in the price of cryptocurrencies, the legalization of gambling in individual countries.	It is possible to increase the popularity of a single market, which will lead to an increase in the number of users an increase in the number of transactions in this market.	Ensure the availability of several reliable providers. Have a list of spare providers who can join the company in the shortest possible time.
Volatility of stocks and cryptocurrencies.	It affects the opinion of potential users without trading experience, repels them from interacting with trading platforms.	It has no direct impact on the company.	Develop a market sentiment tracking algorithm to provide users with recommendations.

Economical factors	Changes in the industry	Changes in the company	Actions
Changes in the solvency of citizens of individual countries.	A decreased income of the population will lead to a change in the services consumed in the industry, the abandonment of some services, and an increase in demand for cheaper services.	Increased sales of cheaper services.	Revise the assortment portfolio of services provided, introduce new economical offers (stocks). You should also refuse to raise prices.
Level of development of entrepreneurship and the business environment.	Emergence of niche startups, Development of market giants, Strengthening of the position of existing companies.	Increased competition, increased number of potential partners.	Keep track of the activities of direct and indirect competitors, new technologies and ideas. One of the first to introduce innovative functions is to connect a large number of partners.
Level of available income;	Change in trading volumes and rates, change in the purchase of additional services.	Change in trading volumes and bets that pass through CopyRage, which will lead to a change in income from connected platforms / bookmakers.	Develop a strategy that will preserve the company's revenue.
Unemployment rate, size and conditions of remuneration.	The decline in living standards leads to the search for alternative ways of earning. Increasing demand for trading and betting services, increasing the number of active users, the inflow of new users.	The volume of transactions and bets will increase, the number of active and new users will increase, the number of purchases of additional services will increase.	Connect a lot of trading platforms and bookmakers so that users have a wide choice, create conditions for comfortable trading, betting and analysis.
Economy growth rates;	Changes in trading volume and asset price. Change in the pace of development of companies and industry startups.	Change in trading volume and rates, change in the number of active users, change in the amount of profit from connected partners.	Monitor the economic situation in the countries of the target audience, develop a strategy for the company in a developed and undeveloped economy of the countries.

Socio-cultural factors	Changes in the industry	Changes in the company	Actions
Socialization of the population.	Increased interest in Social Trading.	Inflow of a large number of new and loyal users. Interest in the sociality of the company, the full interaction of users and the company.	Improve the system of user socialization in CopyRage. To achieve the loyalty of users who are wary of sharing their data with the public (information that the user himself indicates on his CopyRage profile).
Service level requirements.	Increased user requirements for trading platforms and bookmakers. Growing trends in service and user service.	Potential users will exceed expectations from the level of service of the company.	Follow trends, check competitors' service, develop mandatory service moments, and improve the skills of company employees.
Level and style of life	Massive changes will entail an increase in trading volumes and sports betting. Changing the lifestyle of potential industry users can affect transaction times, time spent on platforms, and user activity.	In the case of an increase and decrease in the standard of living of users, the company will increase the volume of transactions and income from connected platforms and bookmakers. In the first improvement due to the additional ability of users to trade in large amounts, in the second - due to the search for easy ways to earn money. Lifestyle changes affect the company as well as the industry as a whole.	In countries with a low standard of living, launch an advertising campaign that will talk about easy money without major investments and focus on money trading. In countries with a high standard of living, an advertising campaign will talk about the profitability of large deals and bets. In order to avoid loss of user activity and engage them in the platform's activities, we introduced gamification in all processes at the initial stages.

Socio-cultural factors	Changes in the industry	Changes in the company	Actions
The level of health and education, social mobility.	The reduction in the number of potential users due to the fact that the uneducated population is wary of what they do not understand.	Reducing the number of potential users in countries with low levels of education and health.	Engage in the development of social programs, increase the number of charity partner companies, create your own charity company. Blogging on financial literacy. After strengthening the company's position in the market, create online courses or trainings in financial education.
Attitude to work, career, leisure and retirement.	Affects the attitude of users to the industry as a whole.	User activity time, their profile, market choice and portfolio are based on these factors.	Segment the target audience based on these factors, write a detailed archetype of the user.
Population, sex and age structure of the population.	A change in demographic indicators in a particular country leads to a change in the number of potential users.	Change in the number of potential users, its interests and opportunities.	Follow demographic statistics of users, in case of change - change the strategy of promotion, attraction and retention of customers, based on statistics.
Lifestyle and consumption habits.	Changes in the volume of paid services provided.	Changes in the volume of paid services provided.	Develop a pricing strategy that will take into account all the changes and risks associated with them.
Public opinion, norms, restrictions.	Change in the number of active users, their relationship to the industry.	Depending on the countries and their religions, the personal profile of users and their social activity associated with the publication of personal data (publication on the user's wall) will differ.	Explore the target audience, which refers to different social and religious minorities, create conditions for comfortable use of the platform for each group of users.

Technological factors	Changes in the industry	Changes in the company	Actions
The level of innovation and technological development of the industry;	An increase in the level of innovation development in the industry will lead to the massive introduction of innovative functions in the trading ecosystem and betting. Increase the race for market leadership.	The development of innovation will lead to the emergence of strong competitors.	Keep track of the activities of both direct and potential competitors. Keep track of innovation and be one step ahead. Create trends for innovation ourselves.
Internet development and accessibility, development of mobile devices;	The increase in the number of users from mobile devices and users in general. The massive demand for mobile applications with unlimited functionality.	Competitors will begin to improve (develop) mobile applications. Users will increase requests for a mobile application.	Monitor the quality of the mobile application. Constantly improve it, develop gamification, add new and develop exclusive functionality.
The degree of use, implementation and transfer of technology;	In the case of increased use, implementation and transfer of technology, the industry will begin to develop very rapidly. Many new features that have not previously been applied to trading or betting will become available. Increase demand.	Technology will become more accessible to the company.	Be aware of all changes in the technology market. The introduction of new technologies and the presentation of this information in the wake of popularity.
Access to the latest technology;	There will be many startups with unique features. Market giants will begin to incorporate a lot of technology into their system.	Competition will increase.	Make content about the positive and negative aspects of a particular new technology. To be market experts. Introduce new technologies and review them.
Legislation in the field of technological equipment of the industry;	Increased control over the activities of companies in this industry. Perhaps restrictions on the use of certain technologies will appear or tariffs on their use will be introduced.	Actually will not affect the company.	The company does not require any equipment that could be subject to restrictions in the laws of individual countries.

Technological factors	Changes in the industry	Changes in the company	Actions
Research and development costs increase.	Higher costs mean more research and development opportunities in the industry. Along with this, many innovative startups with unique features will appear.	A new competitive environment will appear.	During the first year after the launch 100% net profit generated by CopyRage will go to research, development and improvement of the platform.
Legal factors	Changes in the industry	Changes in the company	Actions
Privacy regulations change;	Mass closure of unregulated platforms and bookmakers.	This will not affect the company.	Working fully according to the rules of confidentiality, development of new conditions and their publication for existing users, warning new users about changes to these rules.
Crypto currencies declared illegal;	Regulated crypto-exchanges are massively closed, illegal crypto-exchanges continue to work	Disabling the service of buying / selling / copying cryptocurrencies, loss of partnerships with connected crypto exchanges.	We begin to introduce other assets: tokens, digital assets.
AML 5 influence impacts on the industry;	Mass closure of unregulated platforms and bookmakers without returning funds to users, increasing the possibility of scam.	This will not affect the company as we work exclusively with proven platforms, do not conduct transactions and do not transfer funds from user to user.	Working fully according to the AML 5 and open reporting, which will prove the legality and legitimacy of the company.

Legal factors	Changes in the industry	Changes in the company	Actions
Freedom of speech is being affected;	Tighter rules and control over advertising related to cryptocurrencies / blockchain / trading.	Refusal from cryptocurrency topics, increasing user interest in other platform markets.	Creating rules prohibiting the use of cryptocurrency topics on the platform, developing alternative solutions.
Crypto currencies confiscation by the government;	A sharp decrease in the turnover of cryptocurrencies.	A sharp decrease in the turnover of cryptocurrencies, a decrease in the number of active users.	Search for a new market, attracting the attention of users to the stock market and betting.
Payment gates used to process transactions are illegal;	Great emphasis is placed on alternative payment providers.	This will not affect the company.	We connect more legal payment systems.
Savings account is exempt;	Inability to store cryptocurrency in savings accounts.	This will not affect the company.	Search for partners who will become an alternative repository of cryptocurrencies of CopyRage users.
IP clauses changed.	A massive change in the rules of intellectual property, which applies to all participants in the IT and Blockchain markets.	This will not affect the company.	Notification of existing and new company users about changes to the rules.

PESTL analysis is done 5 years in advance and takes into account annual data updates.

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