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PROGRAMME- BUSINESS MANAGEMENT UNIT- THE GLOBAL BUSINESS ENVIRONMENT

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ENVIRONMENTAL ANALYSIS OF AN INDUSTRY

TABLE OF CONTENTS

INTRODUCTION	1
1. PESTLE Analyses	1
2. Porter's Five Forces analysis	4
CONCLUSION	7
REFERENCES	8

INTRODUCTION

The environment factors mention to elements outside industry, which are essential to the gainfulness of auto-mobile commercial enterprise. It will depend on large infrastructure and existence of network of fuel station. This report will be based on auto-mobile sector, which is basically located in Surges in Eastern Europe (Chen and Wiedmann, T., 2017). Further, it will cover environment of global auto-mobile industry using Porter's Five Forces investigating to identify challenger in different markets.

1. PESTLE

Organisation needs to identify key drive to change in order to help them to achieve particular strategic planning. There are some changes in macro environmental condition forces and organisation uses some new strategies that can increase the market share. In order to meet customers' demands for technology improvement, organisation uses new technology in the market environment (Orford, 2017). Nowadays, recent demands for mobile connectivity and build level of technology for increasing market share. There is some improvement in auto-mobile industry like improved fuel efficiency and lighter car.

For example: China has set an extraordinary illustration by financing US\$14 billion in a market open-ended to utilize practical application to reduce collection alteration inflicted by fuel give out.

In addition, environment regulations and follow the safety. There are many organisations that enter into auto-mobile sector for improving profitability and market expansion.

The government department will help to improve current market share as well as future outcomes must be depending on needs of customer as well as profitability (Yang and You, 2017). On the other hand, general business environment is affecting the car sales, which has a direct impact on the rise of interest rate and economic conditions can reduce the level of sales. This add on currency fluctuation will also affect sales and cost. It is difficult to predict factors that might affect the industry. Moreover, PESTLE Analysis will help to predict future conditions of auto-mobile industry. Local government will focus on the local market environment.

There is a relationship with local government of particular industry is one of the most important factors for better future. On the other hand, knowledge of market should be improved, which help to improve growth level and market conditions also change for it. Organisation always focuses on competitive market strategies, which is beneficial for long term success in market plan. This is a method of reviewing micro environment and has an impact on organisation's ability and profitability.

- **Political factor:** Political factors highlight government rules and regulations, restriction and securities measurement that can be applied in the auto-mobile industry. This will help to give proper infrastructure structural facility. In addition, such kind of law is revolved around external environment. Car manufacturing organisations takes care of environmental issues, while creating from raw materials of new car model (Wallace, 2017). In this context, car Production Surges in Eastern Europe are giving proper safety while producing internal part of car equipment on it. There are some tax and government policies that are important for auto-mobile sector and improve overall market conditions. The production of hybrid vehicle is need of financial support from the local environment. The macro environment is friendly environment and the government provided big financial support to auto-mobile sectors.
- **Economical factor:** In this context, economic factor depends on price and different rates that must be followed. Increase the price of cars will be depending on the inflation rate and cries of economic conditions. On the other hand, auto-mobile industry will be focused on oil price. There are many factors such as supply, demand and price elasticity, local government. Price for different materials, population factors, buying capacity, economic activity and other factors. On the other hand, petrol price up as well as and change production of cars will affect profits and sales of auto-mobile industry (Nasir and Yamoah, F., 2017). Moreover, financial sector reduces the income level of customer as well as auto-mobile industry sales. There are regular changes in rates, customers are not buying car on time and not good for auto-mobile sectors. All such kind of changes must be improving overall department. On the other hand, economic factor is help at the time of diversification of other factors. Organisation focus on excess number of cars, which

helps to increase revenue and improve market structure. Moreover, decrease Euro Exchange Rate and other rate of different countries.

- **Social factor:** Social factor will be focused on change in the factor and level of demographic locally. There are some changes in capacity of consumer as well as profitability level must be change. Nowadays, different kinds of changes are available in auto-mobile sector. In addition, each and every customer needs and wants are different, so organisation focuses on needs of the customers in market place (Wallace, 2017). There are many issues is also faced by an organisation such as lifestyle issues, safety issue are effecting the time of the customer is to use different number of cars in the market place. The overall auto-mobile sector growth will be depending on customer reaction on products. It will be changed overall improvement as well as organisation conditions. Nowadays, an organisation must focus on the safety level of customers. So customers will be attracting more than once time and improve share rate. In addition, entrepreneur plays the most important role in the economic environment. With the help of new ideas and innovation will be change, economic conditions as well as profit must be changed for it.
- **Technological factor :** In this context, technological factor is played the most important role and reduces the level of competition through market. There are general market conditions that must be changed for overall profit and manage the future outcome in different level of conditions. There is to be focused on innovation techniques that must be used as compared to other auto-mobile sector. Moreover, improvement of technology will depend on future conditions, which must be changed for it (Brannen and Tietze, 2017). The automobile sector main aim is to reduce the level of fuel consumption and meet the required overall as well as some changes from production to distribution of goods in market. Technology is based on Research and Development of overall market share. It will be help to manage growth rate as well as improvement in external departmental.
- **Legal factor:** Legal factor is to be focused on the legal environment of industry and to be focused on measuring safety and other related factors of an organisation. On the other

hand, different countries give different rules and regulations or different kinds of facility is to be provided. So customer attract into the market and improving future changes on it. There are different countries got different legal rules and regulation, which is the most important part of the market price. In addition, laws and regulations help to set a new market place as well as future outcomes must be modified for it. There are different law must be used for improve overall market share will be change for it. Law and regulation are different form different countries and organisation must be followed rules on it.

- ***Environment factor:*** In this factor to be focused on increase the awareness of global warming and greenhouse effect. There is to be focused on taste of customers towards awareness about profitability and the market place. Customer is to be focused on new concept and take a new decision for buying cars. The global system is to be focused on network distribution as well as market improvement and increase share rate. The level of production is environmentally friendly and improvement in new technology for auto-mobile sector. This is the only sector focus on global factors of particular countries.

2. Porter's Five Forces Analysis

The auto-mobile sector is to be focused on increase the number of competitors in the market place. It will be depending on competitive market and helps at the time of expansion of markets. Each and every organisation should reduce levels of emission of products in auto-mobile sector. This is a tool to find out competitive market and analyse it. It is the most important as per the needs of current market share as well as future changes. To be focused on determining the competitive intensity. The most important goal of auto-mobile industry gives a clear description of industry. Moreover, different kinds of theories, strategies and other factors that must be used to solve any kind of market share (Charter, 2017).It will be managed for improvement as well as future outcomes that must be changed and compared to a competitive market. To be remove any such kind of changes and overcome any issue, so the market must be changed and make some new improvement. There are five most important factors, which helps to solve any kind of problems inside as well as outside organisation.

- ***Bargaining power of supplier:*** There are many suppliers in auto-mobile industry in market place; growth of supply will be focus on improve number of customers in market

and increase positive as well as negative factors for auto-mobile sector. With the help of technology to improve on different level of conditions and have opportunities to reject the delivery of material provide customers. Nowadays, customer is to be focus on best quality of services to be provide by customer in securities industry.

- ***Bargaining power of customers:*** The bargaining power of the suppliers is to focus on auto-mobile industry, which gives growth and supply chain of industry at work place. There are many factors such as product, price, quality of product for improving overall development of changes in work place. The customer focuses on all kinds of factors, then purchase product into market (Kirton and Trebilcock, 2017). Their car manufacturing sector is to be sell them an auto-mobile product in same price. So customers will buy products as per the quality. In addition, customer is more serious about quality and price at the time of purchasing new product. Most of the time, customers will change brand name because of poor services, quality of products in securities sector.
- ***Rivalry between existing player:*** There focus is on demand of the customers in terms of lower price in the market place. Moreover, demand will be depending on price of product of auto-mobile industry. Organisation to be focused on the most effective business strategies as per the need of market value and the demand number of customers in the work place. For example: Presently, the existing players in the auto-mobile manufacture are BMW, Ford, Audi, Honda, Mercedes Benz and many other organisations. Many competitors in the market are sale different kinds of products at low prices that will change the overall market share. On the other hand, many changes in play a most important role for future change on it. It makes to improve future improvement is based on current as well as future changes on it.
- ***Threats of substitution:*** The automobile industry will prepare some strategies for improved market and remove threats into different market (Laszlo and Cescou, 2017). Threats of substitution are moderate, product differentiation and select product, price and designs of the car, which is most important factors and attract a number of customers in the market place. With the help of product life cycle stages is helping to overcome any different kind of weakness in the market place or increase profit margin.
- ***Threats of new entry:*** It will be focus on attract number of customer in market, which is had more competition on it. To be attract new organisation and attract the overall profit

must be change for long period. New challenger entrance the activity can either endanger or lessening the marketplace share and profitableness of active rival and May outcome in modification to existing merchandise choice or terms flat. There are many changes is to be focus on all the market share must be improve for profit and increase more and more customer as well as improvement in market share. To be focus on customer preference and industry level of demand is help to identify new factor in to improve current environment. That is the only reasons, threats of new this market is low and give direct impact on profitability and market share. On the other hand, global cancellation made it easy for large firms to collect proper information about different factors. One of the most important factors like location, which helps to analyse the market and capture new market for improving market share (Cook, 2017). Customer is to be found various ways and issue customer ability and make the weaker position and ability must be improving on it.

Five Forces analyse, understand the different factors affecting the profitability and component touching profitableness in a circumstantial commercial enterprise and can assist to inform determination relating to: whether to enter a circumstantial business enterprise; whether to modify susceptibility in a specific diligence and developing a competing plan of action. To be focused on consider the impact of government factor, which is to give direct changes on profit and other factor (Langfield-Smith and Thorne, 2017). There are all such kinds of changes and remove any kinds of barrier in related to market share. The investigating high spot many other issues moving social event in rising economic system and compared them to those that are more than prevailing in more industrial social class.

CONCLUSION

The above report concluded that auto-mobile sector focused on global environmental conditions and increased new market share. As per the above report concluded that business environment played the most important factor and they directly impacted on overall conditions of the market. As per the above report focused on distribution of goods in the market. Technology is based on Research and Development of overall market share. It helped to manage growth rate as well as improvement in external department. As per the above report is focused on technology and the legal system are different forms each country. Descriptor the above report will be based on theories, strategies and other factor must be used solve any kind of market share. It managed improvement as well as future outcomes must be changed and compared competitive markets.

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