

Global Business Environment

Assessment 1

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TABLE OF CONTENT

- Introduction
- Brief introduction into selected developing country – Bulgaria
- Application of theories of business environment on selected county
- Critical evaluation of opportunities and challenges
 - Opportunities
 - Challenges
- Discussions and analyses of the different barriers experience by foreign businesses in Bulgaria
- Strategies and recommendations to succeed in selected developing country – Bulgaria
 - Strategies
 - Recommendations
- Conclusions

INTRODUCTION

- British Airways a travel agency since 1975, who is now thinking to extend to Bulgaria.

1. The microenvironment of British Airway impacts

- customers
- competitors
- demographics.

2. The macroenvironment impacts

- Economy
- Socio-culture
- political situation

SWOT and Pestle analysis will be used to make strategies for the extension process.

BRIEF INTRODUCTION INTO BULGARIA

- The official name is the Republic of Bulgaria
- It is the part of Southeastern Europe and thus has a hub of the target audience
- The economy of Bulgaria is developing and there is a constant increase in GDP since 2010.
- The purchasing power of people is also increasing since 2010.
- The policy of Bulgaria is to focus on new institutions by guidance.
- This country undoubtedly offers one of the most affordable and business-friendly environments among other EU members (Rossitza et al, 2010).

COMPANY'S OVERVIEW

- British Airways is one of the top airlines since 1975 in London.
- Mr. Sean Doyle the CEO gained a TYPE A operating license for the company.
- It is operating in more than 23 countries.
- It has 30,000 employees, who are trained via conferences.
- This airline offers many services such as executive clubs, hotels, traveling cars, perfect destinations for vacations, and discounted packages for premium customers.
- It is now making its way to extend in Bulgaria.

MARKET AUDIT-SWOT ANALYSIS

- **Strengths:**

- Bulgaria has a large hub of customers.
- British Airways has 260 aircrafts so it requires fewer resources for an extension.
- Excellent global marketing and history in extension.

- **Weaknesses**

- Competitors operating in Bulgaria i.e. EasyJet, Emirates, Virgin Atlantic, and Qantas.
- Company few percentages ahead in the competition.

- **Opportunitys**

- Presence at the Heathrow Terminal gives a strong brand presence.
- Bulgaria's economy is booming.
- Adding Bulgaria will increase revenue.
- Alliance country of the company, with welcoming people.

- **Threats**

- Bulgarian Fuel rose 2% Labor costs increased.
- The Bulgarian market may create tension for the company.

PESTLE ANAYSIS

Political Factor

- Bulgaria's new policy is Green labor will reduce the company's shifting of employees.
- The government is focusing on renewable sources thus it will be easy for companies to extend

Socio-culture factor:

- St. Lazar and Nestinarstvo-fire dancing rituals bring the highest customers.
- Employees from Bulgaria need training.

Economic factor:

- Positive development in Bulgaria since 2010.
- Bulgaria has made 2 years of VAT exemptions for imports for investments and equipment which are €5 million thus giving a benefit to the company.
- The company introduced gasoline to reduce fuel costs.

Technological factor:

- British Airway and Bulgaria have advanced technology to collect data.
- An online presence allows targeting a large audience.
- British Airway has its internet service thus providing the fastest service to customers.

Legal factor:

- British Airway has developed a new security system
- Bulgaria focuses on policies, however, the company's mishap in dealing with canceled flights in covid can raise a big question for the Bulgarian government.
- British Airways always hires law suite firms in times of need.

Environmental factor:

- The company and Bulgaria take Global warming seriously, thus bringing both of them on the same page.
- The company started the use of sustainable fuel which is reducing 80% carbon emissions.
- The company and IAG are working to reduce carbon emissions by 2050.

CONCLUSION

- British Airway is a company that has been satisfying its customers since 1975, on the other hand, Bulgaria needs an airline that can target their large audience and satisfies them by fulfilling their traveling needs.
- The facts stated above confirm that extending to Bulgaria will be beneficial for the company till 2023.

RECOMMENDATION

- British Airways must hire employees from Bulgaria to reduce their costs and follow the country's policy
- The company must set up a separate team to plan the extension accordingly.
- The company must set up a committee that ensures that all rules of Bulgaria are abided by the company.
- The company must hire a separate law suite firm, in contrast to hiring it time to time.



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Any Questions...?

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