



Prifysgol Cymru

Y Drindod Dewi Sant

University of Wales

Trinity Saint David

Kristina Kushlova 1909417

THE GLOBAL BUSINESS ENVIRONMENT

DR. KENNY TANG

ELECTRIC VEHICLES IN EUROPE:

GEARING UP FOR A NEW PHASE

ENVIRONMENTAL ANALYSIS OF

INDUSTRY



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Table of Contents

INTRODUCTION	3
MAIN BODY	3
a. Description on the forces that shapes the business environment of car manufacturing.	3
b. Critical assessment of the organisational and other changes in future and reason for such changes.....	6
CONCLUSION.....	7
REFERENCES	8



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

INTRODUCTION

Environment business analysis termed out as systematic process that aids to investigate the all external and internal elements that affects the performance of organisation (Oleynik, 2020 Yuhui, Tian and Xinxiong, 2020). This analysis also aids to evaluate the level of threat and opportunities exist in the environment. In addition to this, the purpose of the strategy development is to keep decision makes informed about the external environment. It is inclusive of changing political parties, enhancement in regulation to reduce the pollution and to shifting the demographics.

The present report is based on case such as Electric vehicles in Europe. Furthermore, the present assignment will be based on major forces that shaping the business environment of the car manufacturing industry. Also, critical assessment will be taken to identify the changes and reason that drives towards the production of electric cars.

MAIN BODY

a. Description on the forces that shapes the business environment of car manufacturing.

PESTLE analysis termed out as the factor that assist to undertake the environment analysis with use of political, economical, social, technological and environmental process that supports to streamline business process efficiently (Oztemel and Gursev, 2020). Henceforth, these are outlined in following context such as are-:

Political- These are the components that inclusive of the facts that affects the working of automobile industry in huge context. Henceforth, there are number of the tax regimes that highly influence the number of exports and imports of auto-mobiles (Idrees and Zheng, 2020). Apart from it, the complex regulation and environment legislation has significant impact over the global car industry. In addition to this, the car industry is facing the risk of high operating cost and decline in investment leads to affect the working of Electrical car industry of Europe. There are number of the external components such as buses, trains, vehicle sharing programs are affecting the purchasing of Electric vehicle in Europe (Nie, 2020). Therefore, globalisation has



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

resulted into the access to open market that results in both opportunities and challenges for electrical vehicle in Europe.

Economical factors- Electrical car vehicle industry in Europe highly get affected with economic conditions. There are number of economic crisis that works as to adversely concerned the sales of auto-mobiles within the developed countries. In addition to this, it can be stated that increment in the level of income also affects positively as this leads to boost in sales of Electrical car vehicles in Europe. Also, Electrical car vehicles is a type of innovation to the auto-mobile industry that is assisting to enhancing the productivity and profitability growth of manufacturing car industry (Yülek, Kim and Park, 2020). Therefore, the another economic factor is that this is decreasing the cost of the battery. In addition to this, battery is crucial cost factor in total cost of electric car vehicles. It is term that makes the all things affordable and accessible. It is the components that will assist the firm to produce affordable electrical vehicle in Europe. Thus, electrical car vehicles are gaining more competitive advancement in market as this is cost effective.

Social factor - The idea of electrical car vehicle in Europe is fascinating the most of the people as this is more eco-friendly. In addition to this, this can be stated that electric car is more effective as this eliminates the uses of fuel and that is better for the environment. Henceforth, this also stated that electrical car also less expensive than those of traditional cars in relation to maintenance and running cost (Singh, Kashyap, and Garg, 2020.). Therefore, this can be stated that electrical car vehicles assist to keep the environment more sustainable. Henceforth auto-mobile industry has revolutionized the whole society in greater aspect. Additionally, car industry has player the vital role in progress and growth of economies at the global context.

Technological factor- The technical advancement in the industry affects the process of innovation of electrical car industry in the huge context. Thus, one of the biggest shift in the car industry is to advancement in the self -driving techniques. Thus, auto-mobile industry is taking steps towards to change the business strategies in more relevant aspect as this aids to stay relevant in market for the longer period. Electrical car vehicle assists to undertake the



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

improvement across the industry with use of underlying techniques. In addition to this, the car industry has also experienced the enhance in the use of new and lavish design to overcome the cut margins in the industry. Therefore, this can be stated that legal authorities play the greater role in restriction on technology that may cause environment pollution.

Environmental factor- The ecological impact on the car industry have enhanced substantially over the past years. Electrical car vehicles in Europe has assisted to reduce the emission that affects the harmful impacts on environmental conditions. Car industry put their major concern on global warming and greenhouse effects. In order to reduce the environmental impacts, customers also taking steps towards to shift to use eco-friendly cars and hybrid cars. Henceforth, this can be stated that Climate amendment has mainly contributed the auto-mobile industry. Producers are even inclining towards undertaking the designing of environmental friendly vehicles. There are now electric vehicles which use energy saving cells.

Legal factor- The auto-mobile industry are continually under the pressure in terms with complying the rules, regulations and law. Thus, legal authorities are also taking steps to frame out the strict regulations to reduce the emission of pollutants and to rapidly innovate the products that can be cost effective. Also, car manufacture industry is not allowed to enhance the prices without government approval as this makes them typical to operates.

Porters five force model:-

Porters five force is a model which is used to examine attractiveness of an industry. It helps in analysing five forces of an industry so that competitive intensity of the market can be analysed. Five forces that are focused on in this model are: The threat of new entrants, the bargaining power of buyers/customers, the threat of substitute products, bargaining power suppliers and intensity of the competitive rivalry. Porters five force model of car manufacturing industry are:

The threat of new entrants: Threat of this factor is quite low in car manufacturing industry because there are various kinds of barriers to entry for new entrants such as requirement of high capital investment, brand equity, product distributing ability and many kinds of legislation and



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

government policies (Kibria, Al Amin and Rifat, 2017). Due to all the above barriers it becomes difficult for new entrants to enter into this market and compete with already established manufacturing organizations.

The bargaining power of buyers/customers: Bargaining power of customers is moderate for car manufacturing industry as it completely depends upon the market in which organization operates like for UK market this power is high because organizations need to provide various kinds of offers to the customers in order to attract them and enhance their sales. Even though most of the buyers buy one car at a time but still organizations need to provide different kinds of offers to the customers in order to attract them. The threat of substitute products: Threat of this force is quite high as switching cost for the customers in this industry is quite lower and if organization in this industry do not provide attractive offers to the customers and higher quality products with various features then customers can switch to their competitor's products. Car manufacturing industry need to continuously focus on finding alternative for new cars and introduce within the market in order to gain competitive advantage.

Bargaining power suppliers: Effect of this factor upon car manufacturing industry is moderate to high (Bhatia, 2016). Mostly this factor impact upon car manufacturing industry is moderate as there are various kinds of suppliers present within the market which can supply material to the organizations, but in UK union of suppliers who supply parts, tires, components, electronics to the car manufacturing organization because of which bargaining power of suppliers in UK is high.

Intensity of the competitive rivalry: Threat of this factor is quite high, this is mainly because there are many top car manufacturing organizations who have engaged themselves within the market and are continuously working on introducing new and innovative features to the customers because of which competition in this industry has increased and many top manufacturing organizations experience intense rivalry because of which difficulty for car manufacturers increases in terms of retaining their customer base and attract more customers. In



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

order to gain competitive advantage, car manufacturers need to continuously invest in research and development in order to attract more buyers and gain competitive advantage.

b. Critical assessment of the organisational and other changes in future and reason for such changes.

In the present era, the car industry comes with the varied changes that affects the working of enterprise in positive aspect. They come up with producing electrical car vehicle so that there can be reduction in the pollutants that is harming the environment in negative aspect. Also, this can be stated that future car will be the part of eco-system that provides customer the value through mobility, communication and information. Thus, number of the car manufacturers comes to produce the vehicles that is made up with different processes, product life cycle and consumer channels (Oleynik, 2020). Diversities in the car sector will be determinate by the consumer and their new life style partners. Technical advancement is one of the core components as this aids to enhance the customer satisfaction in wider aspect.

Thus, car industry in Europe taking steps towards to use electric vehicle in which no gas required. Thus, reason behind this innovation is to reduce the harmful impact of environment. Also, this is beneficial for customers as this is cost effective. Hence, this can be stated that electric is much cheaper than gas and the electric car give off no emission. Thus, electric car vehicles are smooth and fast acceleration. Hence has geopolitical benefits for everybody because it reduces our dependence on oil.

Presently, mobile devices can attach people to their vehicles and this leads to turn are connected to auto manufacturers and dealerships. Therefore, coherence compose great chances that works as to creates the individualized driving-possession proficiency, same as a very elaborated approach of connections among the technologies (Yuhui, Tian and Xinxiong, 2020). Moreover, this will aid to operate entirely advanced accessions for mobility and vehicle domain. In addition to this, this can be stated that regulatory bodies and environmental limitations are also establishing stress for auto producers that must support the newest mechanism to assist them to face innovative demands.



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Therefore, this can be stated that technological innovations are affecting the working of the industry in the huge context. Hence, the use of forceful and effective technologies in the value chain are emphasized and this also positively impact the experience of customers. Thus, these kind of the changes enhance the sustainability and profitability growth of car industry in Europe.

CONCLUSION

Hereby, this can be summarized that environment analysis termed out as to identification all external and internal elements that can affect the performance of organisation. Therefore, environment analysis can be conducted with use of political, economic, technical and cultural components in which business operates.

The present report has covered the case such as Electric vehicles in Europe. Furthermore, the present assignment has outlined the significant effects that moulding the business environment of the car manufacturing industry. Also, critical assessment has been outlined that assist to identify the changes and reason that drives into the production of electric vehicles.



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

REFERENCES

Book & Journal

- Oleynik, M., Mbl Ltd, 2020. *Robotic manipulation methods and systems for executing a domain-specific application in an instrumented environment with electronic minimanipulation libraries*. U.S. Patent Application 16/571,162.
- Yuhui, W., Tian, L. and Xinxiong, L., 2020. Reliability of Perceived Usability Assessment via Crowdsourcing Platform: Retrospective Analysis and Novel Feedback Quality Inspection Method. *International Journal of Human-Computer Interaction*, pp.1-15.
- Oztemel, E. and Gursev, S., 2020. Literature review of Industry 4.0 and related technologies. *Journal of Intelligent Manufacturing*, 31(1), pp.127-182.
- Idrees, Z. and Zheng, L., 2020. Low cost air pollution monitoring systems: A review of protocols and enabling technologies. *Journal of Industrial Information Integration*, 17, p.100123.
- Nie, G., 2020, January. Design and Optimization Analysis of Automobile Electronic and Electrical structure. In *2019 International Conference on Management Science and Industrial Economy (MSIE 2019)*. Atlantis Press.
- Yülek, M.A., Lee, K.H., Kim, J. and Park, D., 2020. State Capacity and the Role of Industrial Policy in Automobile Industry: a Comparative Analysis of Turkey and South Korea. *Journal of Industry, Competition and Trade*, pp.1-25.
- Singh, G., Kashyap, S., Tomar, K.S. and Garg, V., 2020. A Study of Business Performance Management in Special Reference to Automobile Industry. In *Data Management, Analytics and Innovation* (pp. 69-92). Springer, Singapore.
- Bhatia, J., 2016. Porter's Five Forces Industry Analysis of Indian Passenger Car Industry. *Pacific Business Review International*. 8(7).
- Kibria, M.G., Al Amin, M. and Rifat, U.A., 2017, September. Application of Porter's Five Forces Model in Battery Manufacturing Industries of Bangladesh. In *International Conference on Mechanical, Industrial and Energy Engineering*. Retrieved (Vol. 25).