

ASSESSMENT 1

Environmental Analysis of an industry

Nikola Ivov Dimitrov

2010613

Table of Contents

Introduction.....	3
MAIN BODY.....	3
PESTLE Analysis.....	3
Opportunities and challenges faced by fashion industry	5
CONCLUSION.....	6
REFERENCES.....	7

Introduction

Environmental analysis refers to the changes in the environment that can affect an organization and reduces the working capacity of the company (Todeschini and et.al., 2017). Burberry is a fashion house which was founded in 1865 by Thomas Burberry. Its headquarter is in Horseferry Road, Westminster, London, UK.

MAIN BODY

PESTLE Analysis

There are many factors that can affect an organization like political , economic, social , technical, legal and environmental. These are some components that affect the working of an organisation and managers should take effective steps to control theses factors. Pestle analysis is one of the important factor that affect the organization and all the plans or strategies of the company are failed due to these factors. Due to covid 19 all the organizations are facing problem and they are not able to work properly (Li, Lim and Wang, 2020). During pandemic all the companies suffer loss as they were not able to produce products and sell the products. Environmental factors include internal and external factor which affect the company. Internal factors are present within the organization and external factors include PESTLE analysis. Managers of the company should make policies or plans according to the factors so that company has to suffer less. It is difficult to handle these factors but managers can try to solve the issues so that company can run smoothly.

Political factor - These factors include policies made by the government, political stability or instability in international market, foreign trade policy , tax policy , labor law , environmental law and trade restrictions . These are the factors which are control by the government and affect the company . It is important for the manager to make policies or rules according to the rules made by the government (Harris and et.al, 2018) . Tax policy keeps on changing because government make rules which is beneficial for all. Sainsbury company also faces problem as they are not able to sell the products in different market due to tariff barriers and trade restrictions. In different countries rules and regulations are different so it is difficult for the company to sell or buy products. During pandemic all the organizations face problems because no one was buying or selling products (Gu and et.al., 2020). Political factor affect the working of the company as there are many problems that an organization has to face. Fashion industry also face problem as customers are not purchasing anything and manufacturers are also not making products.

Economic factor - These factors include interest rate, economic growth, exchange rate, inflation, disposable income of consumers and business. These can be micro and macro economic factors which deal with the management of demand. Government use interest rate, control all the other activities of the country which affect the working of company. Sainsbury Company face problem as in different countries interest rates are different and if the organization want to expand its

business in international market then it is difficult for the managers to control . Another economic concern for fashion industry is rising salary expectation. As today people want that they get high package and company give less salary as expected. Managers of the company has to face many problems and they have to find solutions to control the situation.

Social factor- these factors include population growth, age distribution, health consciousness, career attitudes and many other factors. As today customer choices are changing so it is difficult for companies to make new products. As fashion industry provides good quality products it increases customer satisfaction. Managers of the company has to make plans or strategies according to the need of customers so that customers can be satisfied. Company faces issue as people are having different choices and it is not possible to make products according to the need of customers (Marttunen, Lienert and Belton, 2017). All the employees of the organization try to make good quality products and they want that customer should be satisfied because if they are happy then it will help in generating more profit and this will help in building good image in the market.

Technological factor - These factors can be refer to as changes in technology. As in this fast moving world daily technology is changing and there are lot of competitors. Every organization try that they should make good quality products so that customers can be satisfied. Daily technology is changing and managers has to make plans and strategies according to the requirement of the customer. Company has to make changes in its rules, policies and regulations so that they can move according to the situation . As choices and trends are changing daily so managers of the company has to make policies according to the taste and preferences of consumers (Molenaar and et.al., 2017).

Legal factor - These factors include health and safety, equal opportunities , advertising standards , consumer rights and laws , product labeling and product safety . There are many laws that a company has to follow for the safety of the employees . In Sainsbury company there are many rules and laws that are applied like , equality act , data protection act . All these laws help the organization in building good image in the market and satisfy employees (Nebbak and et.al., 2017) . The company provides healthy and safe environment to the employees so that they can perform Their best at any cost . If laws are applied in an organization then employees are motivated and they feel safe in the company . Rules and regulations help company in making good quality products because employees are safe and they give their best in achieving goals and objectives of the company.

Environmental factor - These factors refer to the situation of the surrounding like, pollution and what company is contributing for the betterment of the society. There are many ways in which a company can help the society like, it can provide better services to the customers (Nandonde, 2019). Corporate social responsibility is one the important part in this companies

contribute some part of their profit to the society and also for the welfare of the society or people living in the society. In fashion industry some amount from the profit is given for corporate social responsibility which helps in building good image in the company and also helps in satisfying customers as well as employees. It is one of the way which is used by managers to attract customers so that sales of the company can be increased and profit of the company will also increase (Riley and et.al., 2020).

During covid -19 all the industries are affected and fashion industry is also get affected because people were not purchasing anything and all the industries were closed for sometime. Burberry company also faces many problems as there was no way to sell the products. During the pandemic time company suffer loss because no one was purchasing products but it will take sometime to get things normal. All the things will be normal after sometime and companies will not face problem. Burberry is one of the well known company and it helps company in attracting more customers. Employees of the company are also giving their best and try to solve all the problems (Wijen and Chiroleu-Assouline, 2019).

Opportunities and challenges faced by fashion industry

There are many opportunities that are available for the fashion industry to survive. During covid -19 all the industries suffer loss and it was a typical situation for everyone because no company was earning profit , all were having same situation. Challenges face by fashion industry during covid - 19 was that consumer demand like , customers are demanding for new products and it is difficult for company to make new products. Burberry company has to make plans or strategies which should attract customers to buy the product and satisfy the needs of consumers. Challenges faced by the industry during covid 19 was that all the employees were not coming to the industry and cost of everything gets high. It was a challenge for the company that they have to make good quality products at low prices.

They have to face competition in the market as all the organizations want to generate more profit so they try to make good quality products and also try to make new products which will help them in attracting customers . After COVID-19 all the industries face problems because people stop purchasing and market was also close . In the market purchasing power of buyers become less and Competition is high . Most of the labor who produces product went to Their home and they are not coming back . All the employees want that their salary should be increased because prices of everything become high in the market. Taste and preferences of the consumers are changing daily so it is difficult for the company to make products . After COVID-19 there are many problems that an organization has to face as people are not buying much things . After COVID-19 prices of all the things are high because companies are not having any option to make products at low cost because labor is not available and they want more money . After covid -19 it is difficult for companies to find labor at low cost (Gui and et.al., 2017).

Opportunities for the fashion industry is to make new mask for the safety of people and they should make good quality products and they can increase their sales. This is an opportunity for the fashion industry that they can make good products and mask which is useful for the people. Another opportunity for the fashion industry can be it can make new products by doing market research as if managers conduct a survey which will help them in identifying needs and wants of the customers and they can make products according to the needs of consumers. This will help them in increasing profit and company can build a good image in the market (Woodside and Fine, 2019). It is necessary for every company to conduct market survey to identify that what a consumer want and then products should be made so that resources are not wasted and sale of the company can be increased (Peters and et. al., 2020).

After covid -19 there are many opportunities for the fashion industry because people will purchase new things and they want innovative products. Managers of Burberry company should conduct market survey and ask people what type of products they want, what are their needs and try to make products according to the demand of the consumers. This is a way to attract new customers and increase sales of the company (Sainsbury and et.al., 2020). Opportunity for the fashion industry is that they can make products according to the latest trend and choice of the consumers. Burberry company can make new and innovative products and better products from the competitors which will help them in increasing profit and helps in attracting more customers. Opportunity is an option for the company to expand or grow its business by making new products or opening branch in another country. There are many ways for organization to expand its business and this will help in increasing productivity and also build good image in the company (Achinas and et.al., 2019).

Companies should make good quality products to attract customers and this will help them in generating more profit. Fashion industry is the company which is one of the famous industry and this will never stop because people want new and innovative products. There is huge competition among all the industries in fashion as people taste and preferences is changing frequently and organizations has to make products according to that . Managers should make policies or plans according to the environment, choice, taste and preference of the consumers (Gheibi, Karrabi, Mohammadi and Dadvar., 2018).

CONCLUSION

From the report it can be concluded that environmental factors affect the working of the company and managers has to take necessary steps for the betterment of the organization. Due to covid -19 company has to face many problems and has to make many changes in the policies and also try to make new and innovative products to attract more customers and provide good quality products. It is important for the fashion industry to provide new products to the customers and good quality products at reasonable prices.

REFERENCES

Books and Journals

- Achinas, S., and et.al., 2019. A PESTLE analysis of biofuels energy industry in Europe. *Sustainability*. 11(21). p.5981.
- Gu, X., and et.al., 2020. Fashion analysis and understanding with artificial intelligence. *Information Processing & Management*. 57(5). p.102276.
- Gui, Q and et.al., 2017. The application of whole cell-based biosensors for use in environmental analysis and in medical diagnostics. *Sensors*. 17(7). p.1623.
- Harris, P., and et.al, 2018. Creating 'healthy built environment' legislation in Australia; a policy analysis. *Health promotion international*. 33(6). pp.1090-1100.
- Li, G., Lim, M. K. and Wang, Z., 2020. Stakeholders, green manufacturing, and practice performance: empirical evidence from Chinese fashion businesses. *Annals of Operations Research*. 290(1). pp.961-982.
- Marttunen, M., Lienert, J. and Belton, V., 2017. Structuring problems for Multi-Criteria Decision Analysis in practice: A literature review of method combinations. *European Journal of Operational Research*. 263(1). pp.1-17.
- Molenaar, F. M., and et.al., 2017. Poisoning of reintroduced red kites (*Milvus milvus*) in England. *European Journal of Wildlife Research*. 63(6). p.94.
- Nandonde, F. A., 2019. A PESTLE analysis of international retailing in the East African Community. *Global Business and Organizational Excellence*. 38(4). pp.54-61.
- Nebbak, A and et.al., 2017. Comparative analysis of storage conditions and homogenization methods for tick and flea species for identification by MALDI-TOF MS. *Medical and veterinary entomology*. 31(4). pp.438-448.
- Peters, H., and et. al., 2020. Risks from disease caused by *Mycobacterium orygis* as a consequence of Greater one-horned Rhinoceros (*Rhinoceros unicornis*) translocation in Nepal. *Transboundary and emerging diseases*. 67(2). pp.711-723.
- Peters, H., Sadaula, A., Masters, N. and Sainsbury, A., 2020. Risks from disease caused by *Mycobacterium orygis* as a consequence of Greater one-horned Rhinoceros (*Rhinoceros unicornis*) translocation in Nepal. *Transboundary and emerging diseases*. 67(2). pp.711-723.

- Riley, E., and et.al., 2020. Including health impacts in environmental impact assessments for three Australian coal-mining projects: A documentary analysis. *Health promotion international*. 35(3). pp.449-457.
- Sainsbury, K. A., and et.al., 2020. Diets of European polecat *Mustela putorius* in Great Britain during fifty years of population recovery. *Mammal Research*. 65(2). pp.181-190.
- Todeschini, B. V., and et.al., 2017. Innovative and sustainable business models in the fashion industry: Entrepreneurial drivers, opportunities, and challenges. *Business Horizons*. 60(6). pp.759-770.
- Wijen, F. and Chiroleu-Assouline, M., 2019. Controversy over voluntary environmental standards: A socioeconomic analysis of the Marine Stewardship Council. *Organization & Environment*. 32(2).pp.98-124.
- Woodside, A. G. and Fine, M. B., 2019. Sustainable fashion themes in luxury brand storytelling: The sustainability fashion research grid. *Journal of Global Fashion Marketing*. 10(2). pp.111-128.