



ELECTRIC CARS

Environment Analysis of an industry

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INTRODUCTION

Over the last ten years, more and more manufacturers in the automotive industry have been changing their business strategies and focusing on the production of electric cars. Despite high prices and uncertainty about battery life, many companies are gradually starting to produce in this area. With the advancement of battery technology, the percentage of EVs (electric vehicles) has increased interest in electric vehicles among customers.

However, worldwide data shows that less than 1% of new electric cars are sold. But with the support of the state in some European countries, after improvements in car models, sales growth is reported. Both customers and the industry are increasingly welcoming EVs and with the support of the government and the EU regulator, car electrification is expected. be essential for Europe's long-term mobility. (McKinsey&Company, 2014)

Forces shaping the business environment

PESTLE analysis is a framework used to analyze and monitor the macroeconomic forces that affect an organization's performance. This method is extremely useful when starting a new business or entering an unfamiliar market. It is often used in combination with other analytical business methods, such as Porter's Five Force, to give a clear understanding of the situation and its related internal and external factors. PESTEL is an abbreviation of political, economic, social, technological, environmental and legal factors. Other factors, such as demographic, ethical and environmental factors, may also be included in this framework. (Bruin, 2016)



Source: Pest & Pestel Analysis, January 21, 2017,
<https://www.d.umn.edu/~jvileta/FAQs/pest-pestel.html>

Political factors are the way the government intervenes in the economy or in a particular sector and to what extent. They can be government policy, political stability or instability, corruption, foreign trade policy, tax policy, labor law, environmental law, trade restrictions, infrastructure. All these factors must be taken into account when analyzing the relevant market environment.

March 2014 The European Parliament is debating a directive proposed by regulators in the European Commission, which clearly states their approval for future electric mobility in Europe. This Directive permits the construction of specific infrastructure for alternative fuels. In more European cities, one has already been established, increasing the percentage of purchased electric vehicles.

Governments from European countries are in every way stimulating the production and use of electric vehicles. In order to reduce carbon emissions in the environment, and in particular because of energy independence, more subsidies are being allocated to build specific infrastructure for EVs, and in building fast chargers that convert electricity from the grid, since batteries can only store DC power and the grid delivers AC power. more electric vehicles are being purchased for public transport, special parking spaces are being created, and funds are being allocated for research related to EVs. (McKinsey&Company, 2014)

Economic factors determine the development of an economy, such as economic growth, exchange rates, inflation rates, interest rates, consumer solvency or income, and unemployment. Factors affect both, directly and indirectly, an organization because it depends on them to what extent the demand and supply model will change due to the solvency of consumers. This also affects the company's evaluation of its products and services. (Bruin, 2016)

Data shows that the highest number of purchased EVs is among consumers with higher incomes and better education. Therefore, in certain geographic segments with a higher standard of living, a strong efficient economy and high solvency of the population, for example in countries such as Norway, the Netherlands or metropolitan areas such as New York and Shanghai, the use of EV is significantly higher and continues to be growing. (McKinsey&Company, 2014)

The social factors are demographic characteristics, the organizational culture of the population within which the organization operates its business. Depending on how fast the population grows or not, the ratio of age and income, career development, culture of health and lifestyle, direct companies to certain users. (Bruin, 2016)

As the solvency of Western society increases, most customers pay for products and services that are considered socially and environmentally responsible. In the automotive industry, it turns out to be most noticeable, and especially in the way of production and consumption of environmentally friendly cars. In the UK, electric car sales have grown 25% in one year. Combustion engine cars have been widely criticized, notably for being a major source of environmental pollution, contributing to global warming, reducing the ozone layer, depleting fossil fuels, thereby depleting natural resources, which would disrupt the eco-balance in nature. This social pressure is forcing the industry to change its production and produce more socially responsible and environmentally friendly products. (Stefanie 2013)

Technological factors are those that through technological innovation can have a beneficial or detrimental effect on the organization. Innovations and new technology trends have made it possible for automakers to develop electric cars. The goal now is for all cars that use fossil fuels to be replaced with electric cars that are cheaper and more environmentally friendly. Electric cars almost do not emit harmful emissions, which would be good for improving air quality, especially in big cities. (Bruin, 2016)

In the automotive industry, the production of electric vehicles with environmental responsibility combines essentially the social, technological and political factors of influence that the business is taking into account. (Stefanie 2013)

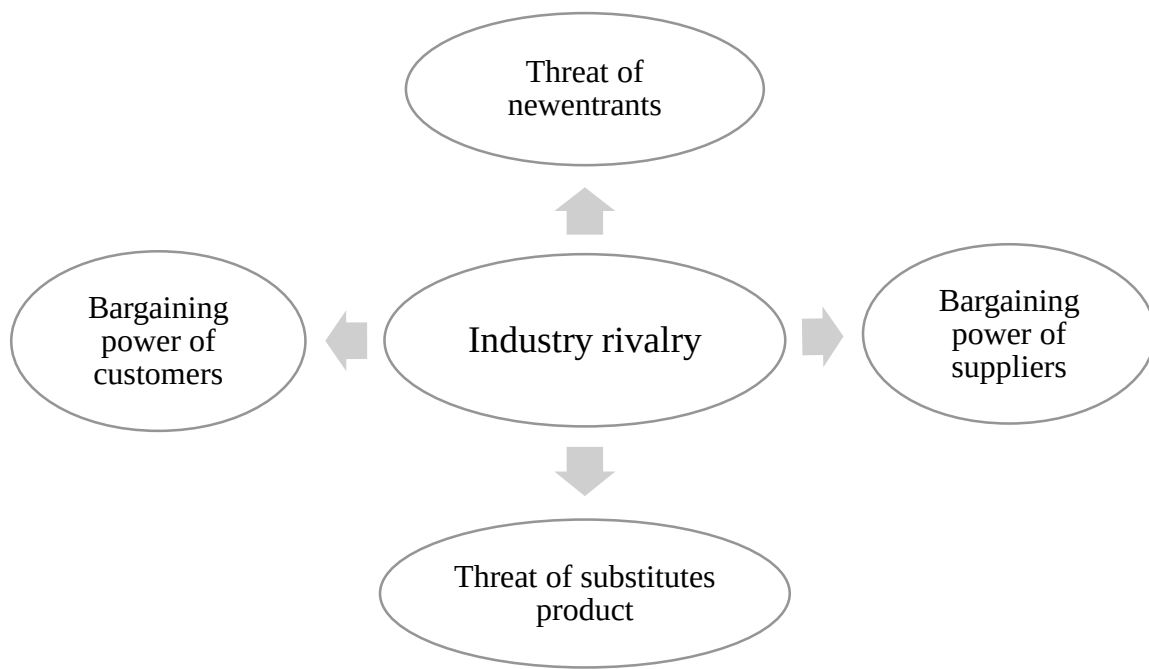
Environmental factors are important because of the growing scarcity of natural resources, and so are the targets set by governments to regulate carbon emissions. These factors are environmental aspects such as weather and climate that would have a serious impact on agriculture, tourism and the environment, mainly. Many corporations, mainly in the automotive industry, are developing corporate responsibility trends that are related to both the public and the environment. (McKinsey&Company, 2014)

The Legal are factors associated with the creation of rules, rules, and laws regarding consumer protection, copyright and patents, discrimination and more. Companies need to comply with these specific laws in order to manage and grow their business successfully. (McKinsey&Company, 2014)

In 2017 VOLVO becomes the first manufacturer to decide that it will completely electrify its model range. Whether fully electric or hybrid, the automaker is among the first decided to market a new product for both the company and the industry itself. When it comes to something new, which is or is about to enter the manufacturer's market, there are always major questions surrounding the business environment and the forces that will influence the process. (Volvo Car, 2019)

According to Porter (1980) the right choice is actually what we should not choose and not to do. Some companies and industries are much more profitable than others. In some countries and regions, businesses are growing more successfully than others. Following these trends in order to steer the work of managers to develop the right strategies for the organization they govern in a global era, Michael Porter creates an effective model consisting of five core forces that influence business.

This model is basic and designed to help managers identify competitors that could reduce a company's ability to generate profit. Following it, they make the right decisions and successfully apply their strategies to the market. The model examines five competitive forces: the market power of customers, the market power of suppliers, the threat of new entrants, the threat of substitutes and industrial rivalry. (Mihaux & Cadiat, 2015)



This model determines the market positioning of the electric vehicle on the market and the identification of the competitive environment. As an innovative technology in the automotive industry, electric vehicles are launching a city-wide, fully-transformed, urban mobility.

Electric cars are more reliable. At least because they are simpler. The propulsion system of a car with a gasoline or diesel engine contains more than 2000 moving parts, while in electric vehicles this number is about 20. And an analysis of data from the service of a certain number of electric vehicles in the United States shows that they usually need cheaper and rare repairs.

Car manufacturers are investing billions in the development of new technologies related to the production of electric cars, most notably in refining their rechargeable batteries. Charging stations, as part of specific infrastructure, are another type of new business related to this industry. (Robbins A.,2019)

Causes of minor events. Initially, the absorbent test is performed. Part of the EC plan for the papermaking efflux, including in 2021, the car is separated by carbon dioxide at 95 g / s.

Countries from the White House will be scooped up from the 2040s onwards to try on new gasoline and diesel engines. Even if the cars are driven, driven by the electric motor and driven by an internal track, they will fall into the "unwanted" section. (Mihaux & Cadiat, 2015)

In France and Hopveia, they have similar goals, and China, which is our largest car market in the world, will also be obliged to extend our elec- tricity vehicles. China is one of the biggest polluters of the environment, with the developing industry and economy the levels of carbon dioxide released into the atmosphere from this activity is more than striking. With the

introduction of eco-friendly electric cars, China will launch a process for more environmental responsibility in society.

In a dull place, you will be able to get a car out of a lot of light, through tax dressings, and then to get out. The technologies associated with the production of electric cars will develop much faster. Over the past eight years, the effort for electricity has increased by as much as 70% since 2011.(Robbins A., 2019)

We are all used to charging our mobile phones at the end of the day. You put it on your bedside table, connect it to the charger, and in the morning the battery is 100% charged. In electric vehicles, the principle is similar.

You park your car, connect it to the charger and leave it overnight. Your battery will be 100 percent charged in the morning - equivalent to a full tank of conventional cars.

Chargers, also called charging stations, are the connection between a power source and an electric vehicle. There is an extremely wide variety of devices on the market with different characteristics, but ultimately the main goal is fast and safe charging. Most often these stations are installed in the garage, in front of the house or on a pillar or stand on your street. (Regassa,2011)

Conclusion

The automotive industry faces the challenge of creating eco-friendly vehicles that meet the needs and hectic daily lives of consumers. Increasingly, manufacturers are entering the market for the production of electric vehicles, which increases the competitive environment and leads to lower prices. Also with the development of technology, new prospects are opened for the development of a completely new business in the production of batteries and charging stations, as part of from the specific infrastructure that is being built with the help of governments and corporations.

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