



ENVIRONMENTAL ANALYSIS OF AN INDUSTRY

LCCB4005

MARINELA ANDREICA

ID: 2010777

Table of Contents

1) Introduction.....	2
2) Major forces shaping the global business environment	3
3) Understanding the changes of global business environment.....	3
4) Application of business model.....	4
4.1) Five forces model	4
4.2) Definition	4
5) Pestle analysis.....	6
6) Organization engaging in international trade	8
7) Business market structure influencing on strategy	8
8) Current features of Tesla	9
9) Conclusion.....	9
10) References	10

1) Introduction

ELON MUSK considered a “born entrepreneur” he started his online business on his 20's. He sold his company in 1999 and started new online system called X, which after was form pay pal that was sold to eBay in 2002. After this he founded a new exploration company called SpaceX. Meanwhile in 2003 he started to invest on tesla and after few years he become CEO. He was connected to the company and its mission ,which now they work on environment, in which report I am going to be discussing today.

Environmental analysis is an important factor as that can have an impact on the world. To achieve this goal the company must have factory that is safe and proactive. Taking an approach that will be safe and it will help employees to participate in training programs before coming into production factory will help in creating sustainable energy in the ecosystem.

In this report will Critically analyse the impact of the pandemic on the Tesla industry and develop survival and success factors for the industry with consideration to megatrends.

(Tesla, 2022)

2) Major forces shaping the global business environment

The global multinational automotive corporation they have an impact on global climate change as this was found in the global warming issue. The global climate change is a multidisciplinary approach what is focusing to reproduce power on multiple organizational field that will calm the warming that is affecting the future.

(A.Shinklea & WilliamSpencer, 2012)

3) Understanding the changes of global business environment

The changes in the environment are coming with big risks as the environment is not really protected by humans. The planet is getting heavy there is a lot of pollution which is affecting negative the global environment.

Due to these changes in the environment the future will suffer. The government is forcing businesses to inspect mitigated strategies which are going to provide the framework to identify, prioritise and implement the actions reduce the risk of future catastrophe, as now the impact of pandemic is affecting the global supply chain.

There is an urgent must be oversee climate alter hazard in worldwide supply chain. Climate change driven by amazingly climate conditions are impacting on nourishment generation, common assets and transportation around the world. Climates alter and the supply chain

administration are found to be impacting each other through characteristic catastrophes and greenhouse gas emissions.

(Ghadge, et al., 2020)

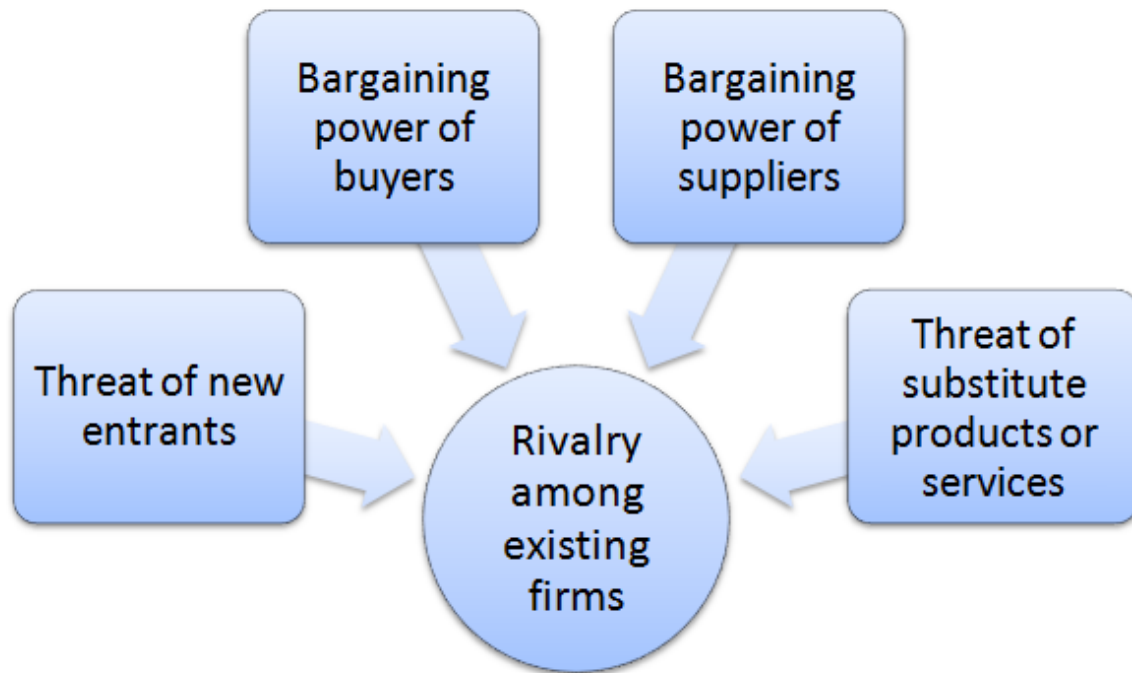
4) Application of business model

4.1) Five forces model

4.2) Definition

Porter's five forces of competitive position analysis was developed in 1979 by Michael E Porter of Harvard Business School. This is a business analysis model that is used to explain the industry structure of a company as well as its corporate technique.

Tesla Porter's Five Forces Analysis below contains the application of these factors to analyse the environmental industry based on pandemic situation.



(Dudovskiy, 2021)

Threat of the new entrants-the company's power is affected now by the pandemic that the company must face, also by the force of new entrants into its market, the competition just began there are six automakers that could take already the top place in electric vehicles production.

The new companies that went after Tesla's clients and one of the competitors is General Motors that said by 2025, they will be offering just for start-up thirty electric vehicles worldwide. Ford motors is another strong company that is expanding and building its electronic vehicles.

There are many more that are aiming for first place in this industry of electric cars.

Bargaining power of buyers- Customers have abilities to discuss the price the vehicle. The customers know that the Tesla price is high and because of the price sensitivity can affect buyers' decision. Tesla should take more time and reconsider pricing strategy. Product differentiation between the manufacturers of electric vehicles, it affects buyer through the variety that the company is presenting to the customers for example, an attractive design.

Money is important tool that have an important role in the society, as now everyone is going through pandemic the productivity of jobs has decreased, and not many customers can afford to buy a car.

Bargaining power of suppliers- Tesla has large number of suppliers and they are taking their delivery from, but some of the deliveries were affected by COVID-19. Also, the supplier has more power to increase the cost and push for other advantages in trade.

threat of substitute products or services- tesla is threatened by other company that has came on market and copied the Tesla's idea of electric cars. The other company could increase the price same as Tesla's, even if the company is not that strong on the market.

(Dudovskiy, 2021)

5) Pestle analysis

For international environmental analysis I will apply PESTLE analysis, and I will discuss how the COVID-19 pandemic has affected TESLA.

Politically – Tesla uses Cobalt as an extensively raw material, this material comes from Congo. They use children to work on this industry and cases of corruption and conflicts have increased in there.

(Dudovskiy, 2021)

Economically-have the factors that can impact on Tesla within economic factors is economic stability issue, which can threaten the company's financial performance especially in Europe and Asia.

Social-the social factors that there are affecting Tesla is a sustainability which is air pollution and electric cars are promising a step to a better unsustainable future. Since the pandemic started everyone started to eat healthy, so Tesla is following this as well and they created new trend that is called eco-friendly where technology is growing in the past years and now.

Technologically- technological factors that are affecting Tesla is innovative technology which could create in a future a competition between Tesla and other company. The self-driving software that is having good impact on the future.

Environmental -The factors that they are affecting Tesla environmental the Tesla customers help accelerate the world's transition to sustainability. due to climate change report unity to promote electric vehicles, also to expand environmental programs that will set the standards on waste disposal.

Legal- legal factors that are affecting Tesla is the sales regulation in the United States, these can be considered an opportunity and threat as well. The business has opportunity to grow through direct sales.

(Shaw, 2020)

6) Organization engaging in international trade

During the Trump administration trade China has increased automotive price, Tesla need graphite from China for batteries for the electric cars.

there was an issue on supply chain, so Tesla decided took four suppliers of artificial graphite, according to Tesla there is no company in the United States that is currently capable making artificial graphite for the company as the high production is requested.

7) Business market structure influencing on strategy

The market for electric vehicles is growing Tesla took a unique approach to establish to focus on creating demand for vehicles that are electric.

Tesla uses the most effective methods of marketing **word-of-mouth**.

This means that the brand has created a program reward for the customer that shared experience with friends or family members. this way they also gain a customer trust as well as this encourages others to take step and earn.

Connect with the community Tesla has built solid customers to build loyalty and passion for the brand.

Tesla is also taking an advantage opportunity that social media channels provide, and they **use multiple channels for brand exposure**.

Also, to **simplify the customer experience** They are making their websites more user friendly, so the customers can deal easy with ordering.

(Rojas, 2020)

8) Current features of Tesla

Only one touchscreen-the model 3 and, the newest cars they have a single touch screen. Autopilot-This is the advanced driving system, available since 2015, there is a full safe driving mode which it costs up to \$10,000. Super charging-They have their own searching network the fast charging adds up to two hundred miles in 15 minutes. exclusive to Tesla owners. key card access-you can open the car with the guard or with Tesla app that is installed on your phone.

They also have karaoke, web browser, air suspension, advanced parking sensors and many more.

(Mayo, 2021)

9) Conclusion

Tesla motor is a great company this spirit of the company should encourage to extend. Even that the current market of the automobile industry has become very competitive due to alternative fuel vehicles rise with environmental concerns. Tesla has built a good strategy that helps our future to become safe for the environment as the electric cars they take over the world with the fuel.

To conclude this report Tesla husband love advanced technology that helps the keep growing global market for advanced vehicles.

10) References

Shinklea& Spencer(2012). The social construction of global corporate citizenship: Sustainability reports of automotive corporations. *journal of world business*, january, 47(1), pp. 123-133.

Dudovskiy,(2021). *Tesla pestel analysis*. [Online]

Available at: <https://research-methodology.net/tesla-pestel-analysis-2/>
[Accessed 14 01 2022].

Dudovskiy,(2021). *Tesla porter's five forces analysis*. [Online]

Available at: <https://research-methodology.net/tesla-porters-five-forces-analysis-2/>
[Accessed 14 01 2022].

Ghadge, et al (2020). international journal of production research.
Managing climate change risks in global supply chains: a review and research agenda, 58(1), pp. 44-64.

Mayo,(2021). *22 features that make Tesla cars unlike any others*.
[Online]

Available at: <https://www.businessinsider.com/22-tesla-features-that-make-them-unlike-any-other-car-2021-7?r=US&IR=T#10-advanced-parking-sensors-10>
[Accessed 14 01 2022].

Rojas, (2020). *Eight Digital Marketing Lessons We Can Learn From Tesla*. [Online]

Available at:
<https://www.forbes.com/sites/forbesagencycouncil/2020/12/10/eight-digital-marketing-lessons-we-can-learn-from-tesla/?sh=4799b2b248c8>
[Accessed 14 01 22].

Shaw, (2020). *PESTLE Analysis of Tesla Motors Inc..* [Online]

Available at: <https://swotandpestleanalysis.com/pestle-analysis-of-tesla-motors-inc/>

[Accessed 14 01 2022].

Tesla,(2022). *TESLA*. [Online]

Available at: <https://www.tesla.com/about>

[Accessed 14 01 2022].