

Global Business Environment Assessment 2

LCBB4005

Name of Student: Eugenia Racos

Student ID Number: 1906576

Name of The University: University of Wales Trinity Saint

David

Table of Contents

Introduction	3
Task.....	4
Conclusion	11
Reference	12

Introduction

Every country of this world has faced some or the other forms of pandemic over the years but the recent Corona Virus pandemic has shook the entire world and brought them in a state of dilemma. It has forced the hands of even some of the most powerful countries and left them with no other choice but surrender. The pandemic was a shock for the world globally especially because of the impact it had on the economy of the world. The report covers the impact Covid-19 had on the automobile industry narrowing down its focus to jaguar land rover.

The parent company TATA motors founded jaguar land rover in the year 2008 with its headquarters at Coventry, United Kingdom (jaguarlandrover.com, 2021). It is a car manufacturing industry with Mr Thierry Bolloré as its CEO. The company currently owns 40,000 employees with a revenue of 22984 British Pounds.

Task

Critically analyze the changes that the company have made in the last few months in light of the COVID 19 Pandemic.

PESTLE	Factors	Impact
Political factor	• Import and export with china was shut down.	China is the world's largest market for automobile industries and holds an important position at influencing the sales of jaguar land rover. However, the lockdown due to the Corona Virus pandemic has put a halt on the sales of the automobile industry. Any kind of import or export was strictly banned by different government of the world. Therefore, the contribution of China in the growth of Jaguar has been low since the pandemic started. This has incurred huge loss to TATA motors and Jaguar Land Rover (jaguar.co.uk, 2020).
Economic factor	• Sales went down by 42.4 percent due to the lockdown in the Corona Virus pandemic.	The automobile industry of the UK was heavily impacted by the pandemic and the sales were down by 70 percent. This has resulted in the slump of the sales of Jaguar Land Rover due to the pandemic. People were hardly going out of their house especially because of the lockdown (Barua, 2020). However, after the elongated period of lockdown the

		company witnessed the situation getting controlled and therefore, the company managed to secure a balanced foot to avoid huge losses by finding substitutions (Lee <i>et al.</i> , 2020).
Social factor	The social rules and regulations due to the pandemic were imposed on the public as well as in industries.	Maintaining social distancing during the pandemic was the greatest challenge for everyone. Wearing a mask, sanitizing the hand every now and then and making sure not to touch anything were other social norms that were imposed due to the pandemic. For industries, it was mandatory to make sure no one without a mask enter the stores, everyone who visit the store must sanitize their hand (jaguarlandrover.com, 2020). Stores must check the temperature of the visitors at the gate. All these process were time consuming and were risky. Jaguar land rover did not suffer much in this area because of its excellent management skills. It did its best to save the time of its customers but at the same time took up proper responsibilities of all the rules and regulations imposed due to the pandemic. To ensure safety, the company also reduced the number of

		employees in the stores and have designed protective shields for existing employees (auto.economictimes.indiatimes.com, 2020)
Technological factor	• Temperature checking machines and contactless sanitization were made compulsory.	The spread of the Corona virus and increase in its cases drew the whole world in fear. In such a situation when it was even scary to go out of the house. Many organisations were working hard to provide home services to the people. New technologies and ideas were used to mitigate the affect of the virus and protect oneself from the claws of haunting nightmare. Automobile industries as well were dragged into the race of new ways or latest technologies to balance between the sales and the safety rules. All the stores of Jaguar used the latest and update temperature detecting machines (firstpost.com, 2020). Every section in all the stores of jaguar had the contactless sanitizer machines installed. Handles were hinged at the bottom of the doors to avoid the use of hands. All the employees had to wear gloves and safety suit. The whole showroom

		along with the cars and furniture were sanitized. The company only accepted online payment to avoid the use of hand-touched cash.
Legal factor	All the industry had to register to their nearest health care management.	The first few months after the lockdown, the business was at a hold and sales were down. However, after the situation was in control and work was resuming along with the safety precautions, companies also had to register the procedure of their functioning to the nearest health care management. The UK government was strict at regulating these laws and announced severe punishment to whoever failed to follow the laws and comply with the safety precautions laid by the government.
Environmental factor	Use of eco-friendly fuels	Environment had less role to play in the Corona virus pandemic but seeing the environmental record since past few years and improvement the lockdown had done to the environment, the government of the United States took a wise decision to implement the use of eco-friendly use of fuels (Verma and Prakash, 2020). Even the food industry had to go parallel with the environmental safety by controlling their net carbon and use the amount

		of waste being generated. Use of recyclable products was preferred. Jaguar also had to adopt some of the policies to contribute in the environmental safety. The new cars were designed according to these policies. The company emphasized on using eco-friendly fuels and aimed to reduce the net carbon emission to some extent (Bas and Sivaprasad, 2020).
--	--	--

Table 1: PESTEL ANALYSIS

(Source: Created by Learner)

Porter's five forces

Intensity of rivalry (high)	There is a high competition in the automobile industries. Therefore, the survival of every company in this sector is struggling to balance their hold in the market. Due to the number competitors and variety of option, the competition has become even fiercer for Jaguar. The main competitors of Jaguar are Porsche, BMW, Mercedes-Benz, Lexus, Ford, Bentley Motors, Toyota, Nissan and Audi. Among all these competitors Ford provides the toughest competition with a rating of 86 followed by BMW with 84 ratings. Jaguar stands with a rating of 82 out of 100. The total number of employees that Fords has is 199,000 and BMW has 124,190 employees. Jaguar stands with 40,550 employees. The annual revenue of Ford is 130.9B followed by BMW with 108.1 B. The annual revenue of jaguar is 28.5 B. Therefore, Jaguar is among a pool of competitors where the rivalry among the competitors are fierce and JLR have to constantly
------------------------------------	--

	improve its performance to hold his position.
Threats of new entrants (moderate)	The threat of new entrants for Jaguar mainly comes from two of its strongest competitors that are Ford and BMW (Abodunrin <i>et al.</i> , 2020). From the customer's rating to the number of employees and their performance and the total revenue generated by these two companies, leave Jaguar far behind the race.
Threats of substitutes (high)	The threat of substitution of Jaguar is high as there are extremely powerful competitors in the market (Filipe <i>et al.</i> , 2020). The company has to improve various fields of functioning to match up with the competition in the market. Jaguar still lags behind in terms of innovation and customer service that can easily provide an opportunity to its customers to switch their options and choose other companies over Jaguar. However, there is still a chance for Jaguar to overthrow its competitors if proper attention is paid and targets are met.
Bargaining power of buyer (high)	The bargaining power of the buyers of Jaguar land rover is high. Since the competition in the automobile industry is high, it puts pressure on Jaguar to cope up with the demands of the customers to hold on to its customers. The market trends are greatly affected by the customer is buying habits that keeping on changing. Therefore, it is crucial to make use of innovation and technology to draw the attention of its potential customers and satisfy its present customers (Higham <i>et al.</i> , 2020).
Bargaining power of suppliers (high)	The bargaining power of the suppliers is high because they can regulate the company's sales and quality of products.

Table 2: Porter's Five Forces Analysis

(Source: Created by Learner)

Explain the extent to which you think these changes are sustainable. If you think they are not sustainable, would you recommend any other changes?

Jaguar as one of the top automobile industries has to comply with the rules and regulations imposed by the government due to the lockdown. The company had to make a few changes in the way of carrying out business for the safety of the customers as well as the employees working at the company. TATA motors, the parent company of Jaguar was responsible to make the necessary sustainable changes. Use of latest technologies to ensure safety was of prime importance for the company. The sustainable policies that the company adopted covered all the aspects of security. They were the first industry in the automobile sector to extend its hand for help from the professional organizational health provider. The company also made use of the technology properly by making a video of important instructions to be followed for the safety of the people. Constant instructions were given through speakers in all the stores of the Jaguar land rover. The company also contributed for the safety of all the community in general by using their cars to meet emergency during the lockdown. The cars of the Jaguar land rover were also used as ambulance. Part of the income that were generated were also used to help people who were in need. Once the situation of the pandemic was controlled to some extent, the cars were sanitized and used to rescue people who were stuck at different parts of the world waiting to go to their family. It was also used to isolate people to safe camps (Baldwin and Tomiura, 2020).

At times, the cars were also used to deliver groceries to the people. Jaguar as a responsible part of the community also helped to spread awareness to its customers and others about the systems and the precautions of the Covid-19. TATA motors and Jaguar land rover kept a regular check of all employees' health in its stores. Free masks and sanitizers were provided to all its employees and the customers who visited the company both online and offline. Apart from these facilities, efforts were also made to entertain its customers. Animated ads and videos were made to request the public to follow the safety measures such as wash hands properly and sanitize them regularly. These policies make the overall functioning of the company more sustainable and demanding. With these policies at practice, the company can actually increase its sales along with maintaining the control over the safety regulations imposed by the government. Jaguar is one of the top automobile companies that win the heart of its customers with their service. One thing that the company can do to improve its weak areas is to take feedbacks from its customers. This will also improve the relationship between the company and its customers.

Conclusion

Corona virus was not like any other pandemic that the world had ever faced. The corona Virus pandemic has shook the entire world from every aspect possible. It has made powerful countries fall and surrender. Many people dies and many organisations were shut down. Some of the industries and organisation had to suffer greatly due to the pandemic and the lockdown while others could balance their feet after a while. Even after the pandemic, the world in weeping due to its economic loss. Major part of the affect of the pandemic was also seen in the automobile sectors because of the lockdown. People were staying indoors and all the holiday spots were closed to avoid risks. However, Jaguar land rover was one of the industries to avoid huge loss by choosing alternatives to generate its cash flow. Many changes and innovative techniques were visible throughout the pandemic to help provide better service to the people keeping in mind the safety regulations.

Reference List

Abodunrin, O., Oloye, G. and Adesola, B., 2020. Coronavirus pandemic and its implication on global economy. *International journal of arts, languages and business studies*, 4.

auto.economictimes.indiatimes.com, 2020. Covid-19 fight: Jaguar Land Rover *starts production of 3D-printed face shields for health workers* [Online] Available at: <https://auto.economictimes.indiatimes.com/news/passenger-vehicle/cars/covid-19-fight-jaguar-land-rover-starts-production-of-3d-printed-face-shields-for-health-workers/74989497> [Accessed 11 January 2021]

Baldwin, R. and Tomiura, E., 2020. Thinking ahead about the trade impact of COVID-19. *Economics in the Time of COVID-19*, 59.

Barua, S., 2020. Understanding Coronanomics: The economic implications of the coronavirus (COVID-19) pandemic. *SSRN Electronic Journal* <https://doi.org/10.2139/ssrn.3623404>.

Bas, T. and Sivaprasad, S., 2020. The Impact of the COVID-19 Pandemic Crisis on the Travel and Tourism Sector: UK Evidence. *Available at SSRN 3623404*.

Filipe Bela, A., Wilkinson, D. and Monahan, E., 2020. Technology intensity and homeworking in the UK.

firstpost.com, 2020. *COVID-19 Lockdown Impact: Jaguar Land Rover India enhances online sales, service network* [Online] Available at: <https://www.firstpost.com/health/covid-19-lockdown-impact-jaguar-land-rover-india-enhances-online-sales-service-network-8391611.html> [accessed 11 January 2021].

Higham, J.E., Green, M.A. and Ramirez, C.A., 2020. UK COVID-19 Lockdown: What are the impacts on air pollution. *arXiv preprint arXiv:2006.10785*.

jaguar.co.uk, 2020. *Jaguar Covid-19 information* [Online] Available at: <https://www.jaguar.co.uk/covid19-information/index.html> [Accessed 11 January 2021]

jaguarlandrover.com, 2020. *Covid-19 Responses* [Online] Available at: <https://www.jaguarlandrover.com/2020/covid-19-response> [Accessed 8 January 2021]

jaguarlandrover.com, 2021. *Overview | JLR Corporate Website*. Available at: <https://www.jaguarlandrover.com/2020/overview#:~:text=We%20are%20a%20global%20automotive,experiences%20people%20love%2C%20for%20life>. (Accessed: 9 January 2021).

Lee, J.D., Drysdale, W.S., Finch, D.P., Wilde, S.E. and Palmer, P.I., 2020. UK surface NO₂ levels dropped by 42% during the COVID-19 lockdown: impact on surface O₃. *Atmospheric Chemistry and Physics*, 20(24), pp.15743-15759.

Verma, A. and Prakash, S., 2020. Impact of covid-19 on environment and society. *Journal of Global Biosciences*, 9(5), pp.7352-7363.