



GLOBAL BUSINESS ENVIRONMENT

ASSESSMENT 2

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2023559

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INTRODUCTION

The COVID-19 pandemic existing in the environment has a severe impact on the overall integrated automobile industry. It could be largely seen the losses being attained by various automobile industries existing in the market and therefore in the present scenario, the firms are now coping up within business environment and are ensuring to take up the precautions in case of emergencies accordingly. The report here would be making an analysis about the impact of a pandemic caused on the automobile industry as well as the Ways Mercedes has been able to Survive in this pandemic situation existing along with knowing the different factors that have helped the firm in remaining sustainable in the market.

MAIN BODY

IMPACT OF PANDEMIC ON AUTOMOTIVE INDUSTRY

According to Carrillo Hernandez-Rubio et al. (2020), While the early effects of the COVID-19 crisis could be immensely seen upon the car sales and its production taking place but in the present business scenario the companies have now started showing up the normal sales and a roaring back within the industry. In the last few months, the automotive industry existing has shown up tremendous resilience Where in with the economic depth being experienced by the industry in 2020 it has now Rebonded and has delivered a year over year growth in the new vehicle sales taking place. Through various researches made it could be observed that there has been in fall in the Sale of the vehicle which has been recorded in the initial months of 2020 which also include a fall taking place in the new vehicle production undertaken by the firms. At the time of the pandemic outbreak taking place in China where its production plans were closed and not a single vehicle was assembled in Wuhan. In the year 2020, only 78 million motorised vehicles were launched worldwide which is down by 16% from the report being provided by OICA data.

In the words of Florido-Benítez (2021), the global sales of the vehicle will further decrease to up to 70,000,000 units in 2021 which can be said as a downward trend in comparison to the peak made in 2017 with 97 million units. It could also be seen that with the existence of the Covid 19 pandemic there have been various changes in the car buying behaviour and the attitude of the people. Digital services, as well as features, are also being readily accepted by the consumers in order to stay connected, safe and trackable. Various automobile industries are now coming up with different features in order to enhance their product in the market making the consumers well aware which in turn would help them in making an increase in profit. In-vehicle digitalisation is expected to attain an increase in the market share since people are spending more of their time in their personal vehicles. Various popular connected features such as digital keys, navigation and WiFi hotspot are the main attraction to the consumers. In addition to this different safety features connected to living as well as the services provided by the automobile industries Are now further would be able to attract an increased consumer base.

Like other industries existing, automotive industries has also been impacted due to the majority of its workforce being undergone remote. It could be seen the wider implication

of this is the diminished demand of the vehicle existing with very few people coming to office. pre-lock down has got various concerns about working from home which would result in a drop in the productivity of the automotive industries (Fontal et al., 2021). Moreover, the research means it could be seen that the remote work has actually increased the workers' productivity and brought up the list of different opportunities and benefits that could be gained by the form such as breaking down silos Which means Do with the operations being undertaken by the firm remotely wherein no collaboration innovation or the transfer of knowledge is taking place but still the people have got the chance to communicate more openly. By undertaking the operation remotely, the firms now get more opportunities to connect with the consumers existing in the market and break down the Silos further forming a larger market share in the market (Podstavkova, 2021). In addition to this, Existing of COVID-19 has forced the automotive industry to have more access to digital communication tools which have further Helped them in connecting with the consumers through the help of various digital platforms making them know about the product and the features existing.

Pre-Covid, the car sales were those few products that have shown the gravitational pull of online buying. Through the general trend, it could be seen that the consumers browse vehicles online and then visit brick and mortar dealerships so as to make the final purchase. However, there could be seen an immense shift in the behaviour of the customers and based on the researchers, therefore, it could be seen that the share of the people that undertake 50% of the total purchase online grew up to 25 to 80% at times of COVID-19 crisis. As said by Gaimster et al. (2020), some automakers would emerge stronger where are other words too weak to survive on their own and therefore various factories would be shut down and the pressure on the automakers would be towards going electric can become more intense. In addition to this, it could be noted that the people with the existence of COVID-19 and the rapid spread of the virus taking place have started travelling less now since they have discovered much more they can get done from home or have started making less use of the cars in order to avoid the jostling. At present, the automotive industry existing are bracing towards the brutal year even before the coronavirus came, closed various dealerships and sales into free fall. As per the information given through the researches, it can be seen that the industries are now expecting to realign the various ways through which they could be able to profoundly affect on the 8 million people all over the world existing set up working for the vehicle

manufacturers (Pervaiz et al., 2020). The research is made also shows that automakers all over the world have at least 20% of the more workforce capacity as much as they needed before the coronavirus hit. This idle manufacturing space cost the factory money without producing any profits and shutting out of the industries can also impact the employees' operations.

SURVIVAL OF MERCEDES IN PANDEMIC WORLD

According to Gowreesunkar et al. (2021), though the automobile industries had a very low bar set during the pandemic existing, 2019 was also not a great year for Daimler which is the parent brand of Mercedes but still, it's remarkable how the resilient performance have been made by the firm within a business environment wherein were all other automotive industries were struggling to attain the sustainable position in the market, Mercedes was trying to attain an increase in their sales which were though less profitable for the electric and hybrid vehicles to meet up Europe's emission target. Through the researches made, it could also be seen that Daimler's industrial businesses have got the new liquidity of 13 billion euros as well as there has been an increase in share which is more in comparison to the shares the firm has in March (Magaldi, 2021). In addition to this, Mercedes also tried to generate cash by making reductions in stocks of the unsold cars and the trucks as well as restarting the production slowly.

In the earlier days of the pandemic, the management operating at Mercedes also offered the customers the payment holidays as well as made them warned about the credit losses that could be faced. Moreover, with the increasing cases of Covid-19 being taking place, it has impacted the firm's overall operation which in turn have made them cut the bloated costs and showed up the curtail waste of the investment made by them within the business environment. With making further expansion over the years, it could be observed that during the pandemic the employee count of Mercedes has declined in 2020. In addition to this, since the spread of Covid-19 is increasing rapidly, the F1 team wherein various organisations are involved have decided to come up and collaborate on a programme known to be as Project Pitlane and the first step been taken up in this game is by the engineers operating at Mercedes-AMG HPP. In this program, the device known as Continuous positive airway pressure which is used by the hospitals operating in China and Italy were used to provide help to the Covid-19 affected people (Karthiyaini et al., 2020).

As said by Madić et al. (2021), Mercedes in times of pandemic were though not able to make an increase in their sales at the same time they ensured that they reach out to the potential consumer base in an effective manner and therefore in order to do so, the firm made sure to donate PPE as well as other supplies such as mast, portable cell tower etc to the needy people. In addition to this, the management operating at Mercedes also made a donation of infrastructure, logistics, transportation, manufacturing equipment etc along with making conversion of the production line, undertaking the various clinical research as well as taking effective measures for the employees and workers of the firm along with providing them with the financial assistance at the time of need.

In order to provide safety to the employees and the consumers, Mercedes have now decided to interrupt their production operations as well as work with the selected administrative areas so that the spread of the virus could be eliminated (Podstavkova, 2020). Based on the researches it has been found that the management operating within Mercedes believes that the goal at the time of pandemic is to protect the employees wherein they could break the chain of the infection as well as prevent the spread of the virus. In addition to this, at the same time, the company is also witnessing an encouraging development wherein they are making sure that the individual keeps their distance from each other and societies come together at the same time. Assistance campaign has also been launched by Daimler wherein the management Are making 3D printers ready so as to undergo the production of the medical equipment and the facial is that Are needed in this pandemic situation. In the normal situation existing the 3-D printers are used by Mercedes in the production of the automobile components and now these machines along with the help of trained specialists would be available for the production of the medical equipment. The research is made also shows that 1,50,000 components are 3D printed annually by Daimler's car production plant Which is generally used primarily for the prototype construction and the implementation of small series production (Zulkifli et al., 2020).

CONCLUSION

With the report being formulated it could be concluded that pandemic has greatly damaged the overall working of the automotive industry all over the world. Mercedes with making effective use of technologies existing in the market as well as the time being spent by them at home ensured that they come up with a more innovative way to reach out to their targeted potential customers in an effective manner and attain sustainability within the business environment. In addition to this, there are various success factors which are also noted with the help of which the management operating at Mercedes were able to attain sustainability such as undertaking the social work with the help of F1 organised so as to help the society at large and therefore make an increase in their reputation within the firm.

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