

Electric Vehicle Industry

PESTLE and Porters 5

Forces

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INTRODUCTION

Electric cars industry has recognised as one of the most advanced, competitive industry of automobile production, where the world has known the various benefits customers can gain from using electric cars. The report explains significant forces in shaping the business environment of car manufacturing in the modern dynamic business world, assessment of organisations and the drive which attract customers to vitally reach out to the usage. Volvo Cars are the premium manufacturing company whose business goals highly integrated with technical elements and the high-quality standards which are focused. The report explains external and internal business tools which enable long term goals establishment by the company for high goodwill, substantial leverage of brand legacy (Holmberg and Erdemir, 2019).

TASK 1

The global business environment is going through rapid commercialisation and innovation integration through various business models and latest research breakthrough, which has enabled companies to bring high-quality outputs. The various forces which have shaped the business environment of car manufacturing companies can be analysed on the ground of functional knowledge, significant expansion and diversification into all corners of the world which enable companies to leverage high production standards. Manufacturing within the automobile industry has gone through various parameters of change with a steep increase in electric cars due to rising carbon footprints and various, driving benefits which encourage users all around the world. Global competitive force imposes company to be efficient and robust within the internal structure of Volvo Company, where internationalisation has been a primary strategy to present a stable place in the industry. Inherent potentialities within technology, high skilled employees to produce cost-effective outputs are highly important arenas on which Volvo can build high market share goodwill, high production standards and the quest to reach significant leveraged profitability revenues (Huang, 2019).

Porters 5 forces model

The various forces of competitive growth on which Volvo cars company needs to strategically think for gaining high optimistic potential customer segments and reach global business expansion can be understood by Porters 5 forces model

- ***Threat of rivalry:*** The global manufacturing vehicle industry is facing massive competition among all companies who are coming up with innovative business models, creativity funnel of customised tools within cars. Electric cars highly demanded by customers around the world where companies are highly focusing on bringing cost-effective engines, low price strategies which have given a threat to already established vehicle market manufacturers around the world. New companies can understand the risk of rivalry within the industry, brands coming up within customers market share with high customisation and productivity to gain substantial

research determinants and cover high leverage goodwill. Volvo cars on some points lacking within the scenarios of creativity, as customers social factors of preferences are highly dynamic.

- ***Threat of new entrants:*** Volvo company has a moderate risk of new entrants which can be analysed by the various parameters where new brands, companies are emerging all over the world with cost-effective technology. All over world countries have vitally coming up new electric cars manufacturing companies, with the latest research breakthrough and high internationalisation factors to reach untapped countries market areas. Volvo has presented itself as top goodwill company among all products, which are not only functional efficient but there is a strong presentation of reliable customers satisfaction services among organisation goals which makes it highly stable in the industry (Rahman, 2019). The threat of entrants is not high due to permanent capital funds form long business legacy establishment, which is highly difficult for any new company or brand to gain in the short term. Volvo cars long term goals are analysed by the factors that primary focus is giving on goodwill construction, keen insights development and researching advanced machines to bring on new electric cars.
- ***Threat of substitutes:*** Volvo has less threat of substitutes as customers have high commitment and trust within company services, which is a result of high-quality production standards, functional efficiency within internal management. Electric cars are not only highly demanded within Volvo market share, but it has created a sizeable useful scale of supply due to relative business goals, production efficiency and materialistic value and good optimisation of all resources. Volvo has constructed high goodwill and strong market chain in its position due to its presence around the world and significant investments done in diversification sectors. There have been no substitutes of electric cars within quality parameters in comparison to Volvo company, as there have been high standards of Volvo cars.
- ***Bargaining power of suppliers:*** Volvo company due to high capital funds is not dependent on suppliers and have an independent chain around the world, which is not only planned with significant focus given to creative business models but also mainly emphasise on rational expansion. There is no component of bargaining factor within suppliers context as a demographical company has large stores around the world, and the easy availability of customers highly focused for a strong position in market supply. Electric cars are manufacturing done by keeping a focus on price factors, a large inclination of prices and supply chains which enables world over the reach of all products, services. Volvo cars are highly stable company as there is strong functional involvement of all strings in supply within all parts of the world, in countries stores and highly gather goodwill among consumers.

- ***Bargaining power of customers:*** Volvo company has very less threat of bargaining power by customers as the company has significant established price rates and goodwill is focusing towards gaining high potential coverage within customers around the world. There are substantial capital funds available, and no dependence of revenue from customers sale has impacted its business scale on any margins, where it researched. Volvo cars have loyal customers around the world where promotion components have played an active role in researching the best pathways and keen market growth. Volvo company has a high focus on studying the best ways price strategies, leverage influential paradigms which planning based on customers affordability range (Song, Mu and Wu, 2019).

Limitation of theory can be analysed on the very basis that it lacks the clarity of information for company expansion goals in international markets, where there needs to give sharp focus on for gaining potentialities to expand with large innovation business models. The theory lacks structural plans on which further ideas shall formulate, and research elements must highly plan by customers technology factors, preferences of creativity and productivity enhancement.

National aspects: Porter 5 forces explain the various elements of national demographics expansion where Volvo Company can generate goodwill among consumers and reach out to potential market positions, leverage technology integration and bring high profitability goals.

International aspects: International globalisation is highly essential in the form of expansion, diversification into the various sector of business as it evolves overall brand image and rationalises the meaning of secure positioning within the competitive dynamic business world.

TASK 2

Electric cars are highly demanded by customers around the world in many countries due to high-quality standards to reduce carbon footprints in the environment, driving and natural usage benefits and cost savings factors which significantly differ from other cars. Globally electric vehicles have recognised as one of the most effective tools and element as a substitute to curb carbon release from cars and other vehicles, where it not only safeguards environment but also productively elevates company goodwill standards (Nandonde, 2019). The macro-environment gives high competitive force to all companies within industry as the world over there has been a strong focus on maintaining new research factors, technology integration and leverage goodwill standards.

PESTLE analyse:

Political factors: Volvo company operations highly influenced by demographics, political factors scenarios which are highly essential to expand into new countries horizons and functionally establish a competitive place in the world. The changing situations of political

instability within the UK, European countries have impacted company business expansion strategies and price decisions. There is high focus built on gaining optimum price range factor for stable market share customer segments as increased tax rates, and tariff barriers have impacted mainly on various parameters (Weiss, Zerfass and Helmers, 2019).

Economic factors: The changing financial situations of various countries have largely impacted business circulation services as Volvo cars are high standards within the quality range, and the price factor is an important segment. Disposable incomes of people are mainly evolving and declining which affects people the choice to choose cars as their priority, and we can analyse this as one of the most detrimental challenges to affect business regulations around the world.

Social factors: The various social factors of high preferences of customers to gain customisation within technology standards and functionally innovation with creativity has impacted company decisions on multiple margins. Social elements are highly essential to gain a strong position among industry and gain customers around the world, as new companies are coming up within new creative services and technological integration.

Technology factors: The macro-environment has a substantial impact on Volvo company operations based on technology grounds as electric cars with better long term sustainability factors are coming up in companies. Research factor within technology can be enhanced at Volvo Cars Company by highly investing in various new grounds and functional abilities of training employees, with latest advanced skills and production abilities. Technology factors efficiency highly differentiates companies. They have on a different level as customers look forward to innovation, creativity in the delivery of products and services which are highly functional and research must build to bring reformative changes in company products (Patt, Weyrich and van Vliet, 2019).

Legal factors: Legal compliance of electric cars companies are a highly important area where there are steady innovative steps taken following of which enables long term access in gaining intense customer satisfaction. Volvo cars for expansion into the UK and European countries have to implement all legal rules strictly. Compliance of these legal not only builds company goodwill but also productively enhances their working structures. Volvo Company needs to ethically serve all employees with high ethical practices and maintain stable parameters of the workforce, which will eliminate any unethical working and legally make functional efficiency. There is lawfully various business services and duties, which needs to be conducted by companies to perform substantial duties towards society and the overall industry.

Environment factors: The electric cars produced shall be built with a high focus on environmental factors - eliminating the carbon footprint in significant parts of society. Volvo cars establishing its place among world economies and companies as demonstrate high-quality production standards to use cost-effective technology and resources which are not only environmentally friendly but also highly productive in gaining customers confidence in the world. Environmental factors are not structured relevant within the goals of company

standards to bring electric cars of the latest technology to serve customers across the globe, potentially bring eco-friendly business strategies and leverage determinants in occupying a stable place among industry (Achinas, Achinas, and Euverink, 2019).

National aspects: PESTLE explain the various elements of national demographics expansion where Volvo cars Company can generate goodwill among consumers and reach out to potential market positions, leverage technology integration and bring high profitability goals

International aspects: International globalisation is highly important in the form of expansion and diversification into a various sector of business as it evolves overall brand image and rationalises meaning of secure positioning within the competitive dynamic business world (Christodoulou and Cullinane, 2019).

CONCLUSION

The report has concluded various parameters of business functional abilities within Volvo cars company in bringing new electric cars., manufacturing innovative models with high creativity and researching best optimum strategies. The report has included business models of Pestle and Porter 5 forces for reaching the various plan for expansion into international markets and researching new advanced technology standards for gaining high goodwill among customers around the world. The global automobile industry has been facing massive changes due to demographical expansion, targets of development and changing scenarios of business development models – effectively reach out to technology-savvy outputs, eco-friendly vehicles and highly customised on the basis on customer preferences.

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