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Introduction

The global business environment can be explained as the different countries' environment for the organisation. In other words, the companies which are established throughout the world can face different environments of different countries. This includes political, social, cultural, legal, tax, economic and some others.

In recent scenarios, covid 19 has a lot of effect on the world as well as the industries. In this topic, the effect in the fashion industries of the UK is going to be discussed. Due to economic problems as well as safety purpose, many people stopped buying clothes and garments, and as a result, it has impacted the fashion industries a lot. According to a report the online sale has been reduced 30-40 per cent and offline sale is reduced 70-80 per cent. There are lots of companies and there is also competition among them. Some of the sources also say that the covid 19 recession can remove the growth of the industries which was achieved in the last ten years. The UK government has taken some policies to help the companies in their business otherwise the industries will face a huge loss in the upcoming days. Also, the companies have to be prepared for future impact.

Pestel Analysis of Fashion Industry of the UK

External environments can affect business in many ways. PESTEL analysis is a framework that highlights these factors and their effect on the institution admirably.

Political factors - This factor mainly refers to how the government has an impact on business or industry. The main concerns are tax policy, environmental law, foreign trade policy, trade restrictions, corruption and so on. Covid 19 made a huge impact on industries all over the world and the maximum number of industries are suffering a lot. Almost all industries are running at a loss and everyone has to pay tax and other things to the government (Brydges, Retamal and Hanlon, 2020). Fashion industries are paying tax to the government even without having a large amount of profit. This is affecting the companies huge and as a result, companies are in a situation; they have to fire their workers.

Economic factors - Economic factors are concerned about economic growth, interest rates, exchange rates and some other things. This factor has a long term effect on any institution as the consumer purchasing model can also change the demand model for the business. Due to covid, the GDP of every country fell, and also every country is facing an economic crisis. This leads to a huge decrement in purchasing of clothes and the fashion industries are suffering.

Social factors - These factors mainly concern age distribution, growth rate, health consciousness, cultural barriers, income distribution and so on. This factor is mainly important to target proper customers. Covid 19 has a huge impact on people's lives. Many people lost their jobs, many people are getting half of their salary (Black, 2020). Due to strict covid guidelines and safety purposes, people are also avoiding shopping. Both the factors are affecting fashion industries a lot because the number of selling products is decreasing day by day.

Technological factors - These factors mainly concern automation, innovation, technological change, research and development and some others. These factors prevent companies from spending on older technology and introduce the latest technologies in the market (Grose, 2021). Due to this covid situation, industries are closed and also new technologies are not arriving. So, the fashion industries are running on that old technology and there is nothing new.

Environmental factors - These factors mainly include different pollution carbon footprint targets which are set by the government, climate change, weather and so on. For safety purposes, most of the factories are closed now because of coronavirus infection. It is affecting the production of garments for the fashion industries and as a result, it produces a loss for the companies.

Legal factors - These factors mainly include employment law, discrimination law, consumer protection law, health and safety law, copyright law and some others. The companies have to know what is suitable and legal for business and have to maintain certain rules and regulations. Companies that trade internationally, have to follow different rules for different countries. Due to this pandemic situation, many countries are not allowing other country's products. So, the other industries as well as the fashion industries are facing a loss.

Porter's Five Forces Analysis of the Fashion Industry of the UK

- This tool is used to analyze how the business can gain profit and how much it is active. Five forces can make an effect on the profit of an organisation. These are -
- Competitive rivalry - This mainly focuses on the strength of other competitors. More discounts and high marketing strategies can attract customers a lot. Due to the covid 19 situation, many companies are facing losses and the competition between fashion industries are high because everyone is trying to make their product better to take the market again.
- Buyer power - This mainly focuses on how much the buyers can take as an order, how much they can reduce the price easily. The customer has the main power behind any company. Covid 19 situation has created an economic crisis, as a result, fashion industries are losing customers (Kim, 2020).
- Supplier power - This power mainly focuses on suppliers. How easily they can increase the prices, how much good quality products they supply is the main concern. An increase in the number of suppliers also increases the options to choose between them. In this economic disaster situation, many suppliers are increasing their rate and as a result, fashion industries are facing losses in the overall scenario.
- The threat of substitution - This mainly concerns substituting a product or a service by the company by the users. Due to lockdown, there are no more parties or gatherings, so people do not have any reason to buy clothes, so they are using their same old clothes. As a result, the product sale is decreasing.
- The threat of new entry - This mainly concerns a new entry of a company or business which can weaken the market value of the company. In this covid situation, this threat is not here because no company can make a profitable entry at this stage.

SWOT Analysis of the Fashion Industry of the UK

- SWOT analysis is a special technique to identify the strength, weakness, opportunities and threats of an institution. Swot analysis helps an organisation to minimize the chances of failure and also how a company can achieve greater success by its strengths.
- Strengths - Strengths of a company refers to the particular areas that are better than the other companies. This may include the availability of advanced technology, easy access to quality raw materials or having a good employee-friendly atmosphere so that employees can work with full dedication. The strengths are the essential part of an institution which makes the companies invulnerable in the market (Jin and Cedrola, 2019). Marks and Spencer has modern fashion technology as well as their raw materials are also very good qualities which makes their products better than the others. Even in this pandemic situation, they maintained their quality.
- Weaknesses - Weaknesses are also a part of an organisation. It focuses on people, systems, resources, procedures and in which areas the company is lacking behind other companies. Marks and Spencer have some of the weak points like their working culture is not good. The bonding between the employees and the management team is very poor (Gürel and Tat, 2017). Due to covid situation, the company sometimes does not pay wages from time to time to the workers. This may become a serious problem.
- Opportunities - Opportunities are like chances for success or some positive thing to happen. Opportunities come from outside situations that are not under control of the organisation. New technological development, market developments are some examples of the opportunities (Varley et al., 2018). The institutions or companies have to take the opportunities immediately as a small advantage can make a huge difference in the market (Thorisdottir and Johannsdottir, 2019). The companies should notice population profiles, social patterns, lifestyles to get an opportunity that can create a difference from others. The pandemic situation does not give any such things to the company because the market is already down.

- Threats - Threats mainly refers to the outside effects that can negatively affect the business. Shortage of recruits, supply chain problems, sudden changes in market requirements mainly comes under this section. An institution must become prepared for any hard situations to face and can deal with them easily. Companies should have a clear view of what their competitors are doing so that they can be even better than the others. Covid situation has changed the business model a lot, which is a threat to the company.

Value chain analysis of the Fashion Industry of the UK

Value chain analysis refers to the way how a company can create enhancement to be a better version.

- Primary activities - It directly refers to the production of a product and delivering it. The primary activities are -
- Inbound logistics - This refers to the raw materials from the suppliers that are used to produce the required product. The fashion industry had faced certain problems regarding raw materials in the early stage of the covid 19 pandemics but now the situation is under control.
- Outbound logistics - Distribution of products to the distribution centres, customers, whole-sellers are called outbound logistics. In the lockdown situation, the production, as well as the distribution, was stopped. Now the situation is becoming normal and the fashion industries are opening their distribution networks.
- Marketing and sales - Marketing makes sure that the new product has been reached properly to the desired customer community. Due to the pandemic situation, the production of new goods as well as the marketing was stopped (Jones, Demirkaya and Bethmann, 2019). Now the companies are overcoming the situation and things are now being settled.
- Services - After the product reaches the customer, how many services a company can offer have a huge impact on the market value of the company. Warranties, guarantees are some of the things which come under this section. In this pandemic situation, the companies are running at a loss, so these kinds of offers are now offered by some of the companies.

Support activities - It is a supporting hand for primary activities which helps to achieve the organization's goals.

- Human resource management - Recruitment of proper people, training them and developing them lead an organisation to its success point. The pandemic situation stopped the recruitment totally but the recruitment process is opening.
- Technology development - New technologies have not come to the market due to covid situations, but now some of the new machines are in the market which are helping the companies efficiently (Kim, 2017).

Adaptation of Marks and Spencers to the impacts of Covid-19

Marks and Spencer is one of the most renowned companies in the UK. It is also very much affected due to covid 19 pandemic situation as well as the other companies. The company has some positive points for which the company is now becoming stable day by day.

- The company has some higher technologies in production than most of the other companies. So when the production was completely off it damaged the company, but now it is producing at a higher rate than others which is a good sign to take the lead in the market.
- The company paid the full salary to the employees and workers even when there was almost no profit. Marks and Spencer also did not retain any employee during the economic crisis. This factor increased the loyalty of the employees towards the company and they are now working double to take the company back to its old form.

The company now focusing on the sales and marketing department. Due to covid, the fashion industries were closed for so many days and nothing new was introduced. So, the company produces some new designs and it needs to reach the destined customers and it can only be done by proper marketing.

Conclusion

In the above topic, the covid 19 impacts on the fashion industries of the UK is discussed. Covid has done a lot of damage all over the world to humans, as well as the industries. Fashion industries were closed and due to this, they have faced a lot of problems. No sale of the products, no manufacturing, increasing cost of raw materials all has a great effect on this industry. Also now the companies are getting back their old form after the situation is slightly better. Marks and Spencer are also doing great for a comeback in the market.

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