



The global business environment A1

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REPORT

Global vehicle market for famous brand cars and more
specific Nissan company

Assessment 1

Innovative zone



WORLD'S 10 BIGGEST AUTOMAKERS COMPANIES

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I Introduction

Global business has a dynamic pace, especially when talk about the automotive industry, which symbolizes technical development. A global company can go through the product life cycle and consumer demand. The history of automobile production dates back to Western Europe in 1890. The beginnings of electric and gas automobiles began in the United States until 1896 and in 1903, Ford participated. Influence can be anyone, an external factor for a company, as a drastic mass market remain companies are commanded by world wars and need depression.

World Motor Vehicle Production

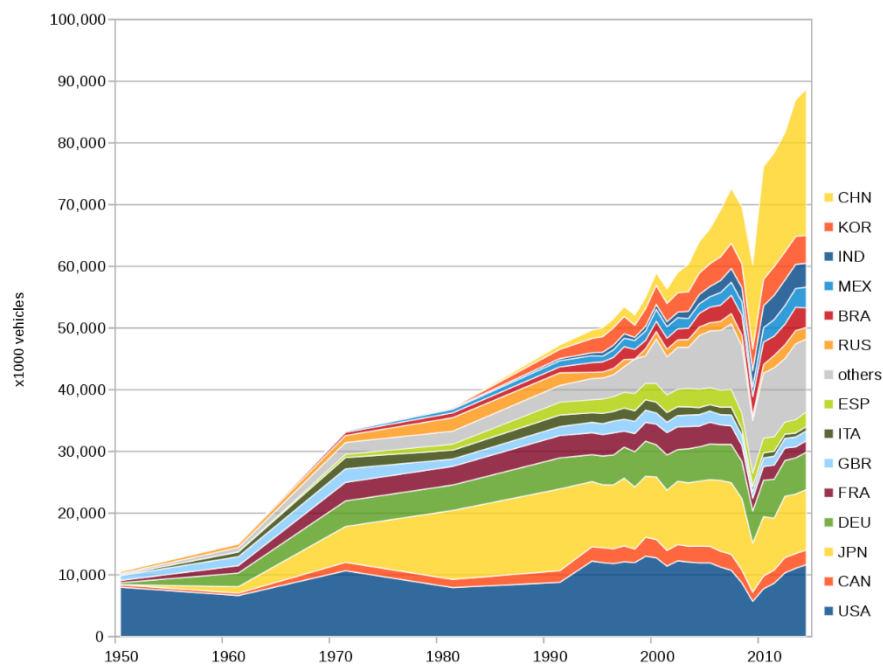


Fig 1.

“In an increasing globalized business environment, ‘going global’ is no longer an additional activity that companies may decide to become involved in. The reality for more and more companies is that are already part of the globalized business environment.” says Adrian Palmer, Bob Hartley, The business environment, 7th edition, 2012.

Nissan's focus is interpreted in their slogan "innovation that excites", as their goals are related to designing innovative and modern cars, creating an attractive and exciting driving for their customers. The well-known Japanese car brand provides the global market with high-tech passenger vehicles that provide customers with comfort, style, and luxury at affordable prices.

II International market and trade for automotive industry

The automotive industry has a significant impact on the economy, with the industry contributing significantly higher revenues.

“International markets are important to most firms; even if they do not produce for the export market they may well be dependent upon raw materials which are imported and they will almost definitely be by movements in the exchange rate. There are a number of things that government do to restrict international trade. These restrictions include: quotas, tariffs, exchange control, subsidies and qualitative controls.” Worthington I., Britton Ch., “The business environment”, 7th edition, 2012.

World Motor Vehicle Production

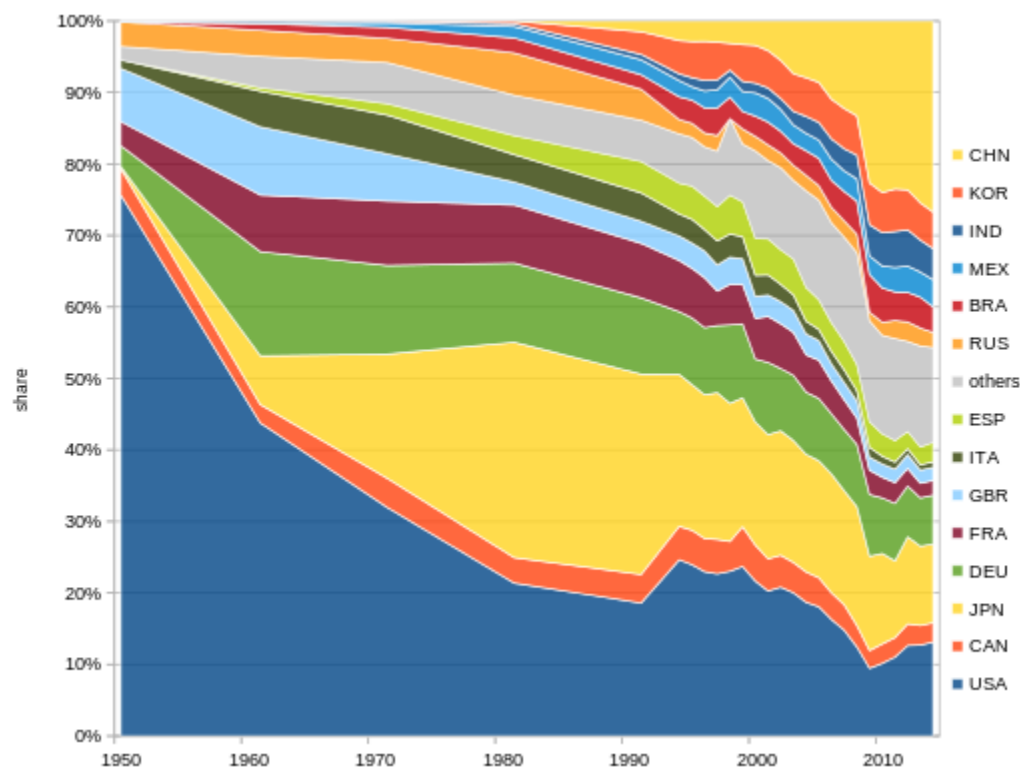


Fig 2.

The diagram in Fig. 2 provides us with information about the growth and development of the automotive industry in the world. In 1950, the United States produced more than 80% of motor vehicles. In the 1950s, production resumed in Britain, Germany and France. In the 1960s, Japan began production and increased its volume in the 1980s. The United States, Japan, Germany, France and the United Kingdom produced about 80% of motor vehicles in the 1980s. In 1990, South Korea

increased production. In 2004, Korea became №5, passing France. In 2000, China dramatically increased its production and became the world's largest producer in 2009. In 2010, India overtook Korea, Canada and Spain to become the fifth largest carmaker.

Leaders in the automotive industry

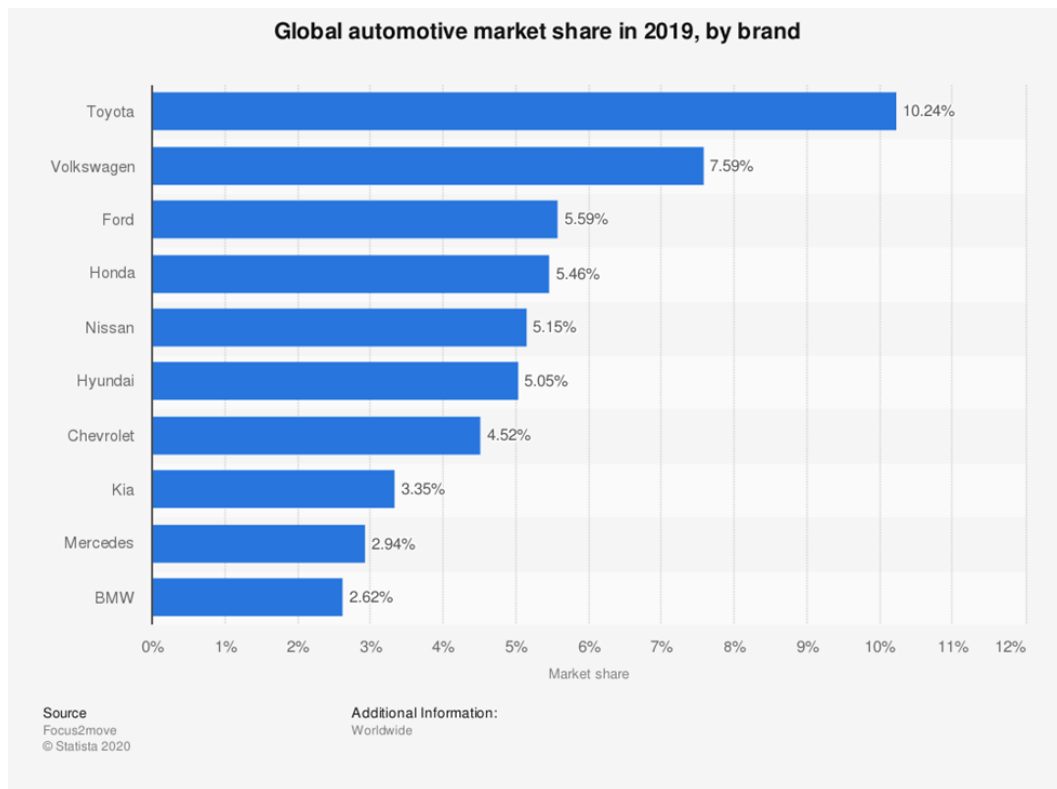


Fig 3.

<https://www.statista.com/statistics/316786/global-market-share-of-the-leading-automakers/>

The diagram of Fig. 3 shows statistics for global automatic market in 2019, according to revenues we can see biggest automotive leader industry in worldwide for this year is Toyota. Nissan ranks 5th among the largest automotive industries in the world.

The automotive industry is making a huge contribution to the economy. Today, the car is not a luxury, but rather a necessity, we can say that each member of a household has at least one car, so we understand how important it is for us and the value of the product that makes it easier for us every day. Cars are a vehicle with which we have easy and fast access to markets, jobs, doctors, institutions, and more. When we decide to buy a car, we make a long-term economic deal to improve the quality of life.

Japan is a world leader in the automotive industry, associating its products in the automotive industry with reliability and long-lasting car value. Their products are unique to the competitive market, innovative, have a luxurious style and modern design makes them popular in demand to customers around the world. Japan provides with their products comfort, high quality, and affordable prices for customers.

The Japanese brand Toyota is the most famous in the charts in both the Japanese market and the world. The brand is recognized as the most technological and innovative, offering a large selection of a variety of its high-quality models, which makes it one of the most sought after cars on the world market by consumers.

Nissan is among leader in global automobile industry, its production has models of hybrid electric cars that are recording record sales. The recognized models on the market in this aspect are Hyper Mini Nissan e-NV 200 and Nissan March e-power. Nissan's 2020 vision is for cars that are autonomous futuristic without a driver. Nissan is recognized in the market with its models, but the most impressive for the global market are Bluebird Sylphy, Nissan Cima, X-Trail Hybrid, Juke and Teana.

Another Japanese brand that makes a strong impression worldwide is Honda. Their cars are a real dream for the middle class of consumers, as their audience is mostly young people looking for stylish and modern cars. World-famous models of the brand are CR-Zaccord, Odyssey, and Fit, CRV is known for its speed and noticeable attractiveness.

European carmakers are global companies, exporting more than 5.6 million motor vehicles in 2019. Over

the next few months in the UK, the main concern for most businesses involving the car industry is Brexit. The stakes are high on car exports, and expectations of potential border friction could cost the industry £ 50,000 a minute. Brexit could have negative consequences, with the industry losing up to £ 70 million a day due to delayed supplies of parts of the EU.

Fig 4.



III Nissan motor company

1. History



History of Nissan company



Nissan Intelligent Choice



Nissan
exciting
future



Nissan
Concept
2020 Vision



On December 12, 2012, the Renault-Nissan alliance formed a joint venture with Russian.



In 2001, Nissan established a manufacturing plant in Brazil. In 2005, Nissan added operations in India through its subsidiary Nissan Motor India. With its global alliance partner, Renault, Nissan is investing millions of dollars to build a production facility.



In the 1950s, Nissan decided to expand into global markets. In 1958 he participated in the Los Angeles Motor Show in 1958. In 1960 the company established an American subsidiary Nissan Motor Corporation USA.



To increase the diversification of choice, Nissan merged with Prince Motor in 1966. In 1964, during the Olympics, Nissan seized the moment and set up a gallery in the San Ai building in Ginza, Tokyo. To attract people's interest, he held a competition with the participation of the Nissan Miss Fairlady's car.



Nissan founded in 1933 by founders Masujiro Hashimoto DAT line: Kenjiro Den, Rokuro Aoyama, Meitaro Takeuchi, Yoshisuke Aikawa and William R. Gorham. In 1937, Nissan has a license and began assembling large vehicles and cars under the Nissan brand. In 1952, Nissan entered into a legal agreement with Austin to import partially assembled kits and sell them in Japan under the Austin brand. In 1967, Nissan introduced its new highly advanced four-cylinder reel engine, which earned Nissan respect in the global Datsun 510 sedan market.

Fig 5.

2. Vision, Mission and Purposes

Nissan's mission is to build a business model that satisfies the needs of its customers, providing high-quality supply chain management. To achieve all this, shareholders in alliance with Renault give them superior measurable value with innovative products and services in the automotive industry.

The company's values are to provide products worldwide with high standards that exceed consumer expectations. Another important goal for Nissan is to be globally competitive with the best high-value products.

The company's success is based on their principles, as they seek profitable growth with unique and innovative products in the global market offering to consumers. They rely on good leadership, which provides speed and flexibility in the work process and a challenge to new successes that leads to revenue growth and company profits. Nissan is in good financial health based on Fig. 6



Fig 6.

3. Organization culture

Nissan's organizational culture offers models of cars in the global market, tailored to the geographical location and culture that meet the desires and needs of consumers. For example, in India, it offers 22 different models that meet customer needs, such as exclusive modeling with a basic style, characterized by its specific characteristics.

Nissan's prospects for the future of the automotive industry create a reliable and secure market environment in India. The company's strategic approach has huge potential for the Indian market, providing consumers with attractive, affordable vehicles. Nissan's advantage over the competition is that it can offer a high-end car at affordable prices. Nissan has opened new markets in India, with widespread interest from Indian families who have a preference for cars in the middle segment.

Nissan is attracting car interest in India with the diversification it offers from luxury first-class to sports cars at prices that are becoming competitive in the global market.

The company exports mainly to Europe, Africa, and West Asia, ranking it the third-largest exporter of passenger vehicles in India. Local trends affect the price range, varying in terms of seats and bodies, and in the state of Los Angeles, they usually prefer higher class cars.

The company's advantage is the distribution system, one of Nissan's distribution channels in the United States has created a supply of logistics for parts of North American origin.

Currently Nissan guarantees consumers worldwide high quality, through its licensed suppliers, influenced by the UK in 1986, through demanding quality and efficiency indicators in Europe and around the world.

Nissan has entered into an alliance with Renault to set up joint committees to work in France, the United States and Japan.

4. Organizational change in Nissan company

Nissan continues its quest to optimize product development and deliver highly innovative technology. Today, in various countries and regions around the world, we enjoy a stellar reputation for creating truly innovative vehicles and service programs.

The Infinity brand is highly regarded for its advanced design and powerful performance in each of its market, including the U.S., Canada, Russia, the middle East and Korea. With its highly refined style and responsiveness, Infinity promises a driving experience with unparalleled appeal.

Nissan Forklifts are highly regarded throughout the world for their strong reliability, offering a high level of product quality and safety that satisfies the requirements of owners and operators as well as the environment. Continuous improvements in the function and performance of our forklifts bring greater efficiency to logistics operations everywhere.

Nissan works hard to build a learning-oriented corporate culture, enhance management quality, supports self-initiated career development, create safe and worry-free workplace, and supports the promotion of diversity.

Trough diversity, Nissan is stronger and more competitive: experience, lifestyle, culture, age race, life stage, value, gender, academic background.

Nissan delivers its unique through the blending of its automobile legacy and Japanese heritage. Coupled with the most advanced technologic available, this delivers the company's identify. From car design to car shows, the inherent brand power and value cannot be missed.



Fig 7.

Starting from product conception to after sales service, Nissan strives to deliver the highest quality in all vehicles. Through its “Quality Leadership” program, customers can expected a better-built car that can deliver and optimum performance throughout their lifecycle. This trust by our customers in Nissan's universal standards of quality and assurance proudly defines us a company.

Technological development – bring a range of products that enrich people's life with dream car of the electric vehicle. Behind every Nissan product, customers can expected over many years of technology development.

5. Porters forces of Nissan

The world-renowned company Nissan motor is a Japanese multinational car company and manufactures, and the company sells its products under the Nissan, Datsun and Infinity brands. It is ranked among the best car manufacturers in the world.

Nissan is present in the best car manufacturers in the world, Nissan must understand and analyze the factors that affect the profitability and image of the company. The

model for determining the influential factors is applied, as it provides the necessary information for the industrial market and helps to better determine the approaches, through a developed analysis of five-core Nissan engines.

- Power of Buyers

Consumer control over prices is determined by the strength of buyers. The result of the high price of buyers reflects the relatively low purchasing power. The new, modern cars are sold by dealers who deliver to consumers around the world. In addition, consumer power is reduced with more differentiated products and Nissan is quite successful in distinguishing its cars by specifications. This helps Nissan maintain good profitability and brand image.

- Power of Suppliers

Car manufacturers have complex products to manufacture and their requirements are specific and with a large number of accessories and components. Supplier power is essential for Nissan, selecting reliable suppliers, and requiring quality components according to its quality control. In some cases, suppliers increase the cost of raw materials in order to get a share of the profits as a result of Nissan winning high profits. Another case in which suppliers increase prices is when the company requires fast delivery. Suppliers are important to Nissan, they need to maintain good relationships and at the same time look for new suppliers to avoid shortages and costs.

- Threat form new entrants

The company implements a strategy to protect against competition in the automotive market, as industrial barriers are a prerequisite for threats to new entrants. Nissan, thanks to its high quality and diversification of its product portfolio, makes it difficult for companies in the global market to compete and introduce new entrants at their level. Another factor in the automotive industry is the huge investment to start and reach the scale of the company. Another factor that stops new entrants from entering suppliers is to supply raw materials at affordable prices.

- Threat from the product substitutes

Cars are a long-term asset and consumers make purchases in the long run, but because their value is high and some customers are looking for alternative substitutes due to the budget they have. Competition of Nissan as Honda or Toyota etc. confronts it with substitutes, but there are loyal Nissan users who are interested in the brand

and prefer their products at relatively high prices than a substitute for the brand. Nissan needs to innovate in the automotive industry and will be able to offer customers benefits that they would not replace with substitutes, which will help them expand their customer base.

- Rival of existing players

The global car market is based on strong competition, with the Nissan brand among them. It competes both in the domestic market and in the international market with Toyota, Honda and others. Nissan has had considerable success and is one of the leading car companies. The strategic alliance of the two companies Nissan and Renault faces competition with a high and powerful barrier.

6. PESTEL

PESTEL analysis can be used to analyze a firm's current the future environment as part of strategic management process. The environment comprises a wide range of influences – economic, demographic, social, political, legal, technological, environment, etc. – which affect business activity in a variety of ways and which can impinge not only on the transformation process itself but also on the process of resources acquisition and on the creation and consumption of output.” says Adrian Palmer, Bob Hartley.

➤ Political

The political factors that influence the company and its profitability are diverse. Political risks range from abrupt changes in existing political regimes to civil unrest to major government decisions. The policy system can put Nissan at risk and for this reason, they analyze and have the expected factors for quick decisions.

They operate on the world market and must, therefore, be well acquainted with the policies of the countries with which they trade. An important factor for the development of their business is the political stability of the country in recent years.

Trade barriers for which the business has pros and cons, for example, if the host country has trade barriers, would protect; however, if there are trade barriers with countries with potential trading partners, they would harm companies by hindering potential exports.

Another important factor in raising the level of taxation, as the results can be negative and demotivate companies by increasing their profits.

Fiscal policies and tariffs for U.S. tax policies require consideration. The company has a politically stable environment in Japan and the United States.

➤ Economic

Another important factor in the PESTEL survey is related to the economic conditions and state of the country, which affect changes such as inflation, interest rates, unemployment, recession, exchange rate, gross domestic product and current state of the economic cycle. The combination of a number of economic factors influences the business climate, investment and product demand, which can lead companies to success or cause loss.

➤ Social

The company provides consumers with environmentally-friendly transportation, with which we can highlight the future started today. Nissan is a global automotive company undergoing an important phase of transformation. The company is moving to an important stage because today we live in a technological time and the information reaches consumers in a very short time and this is a factor because customers are informed and aware of the negative impact of fossil fuels on the environment. More and more consumers have a direction and demand for purchases of electric and hybrid vehicles. Nissan is taking advantage of the adoption and success of the Nissan Life electric car in the US and Japanese markets.

➤ Technological

Technological trends in the global market are dynamic and brand leaders in the automotive industry rely on innovations that are constantly evolving. Nissan is highly competitive in the market with the technological development of innovative cars with a wide range of digital functions. The impact of technological factors, such as external influence, is uncontrollable by the company, but the strategic plan is to invest in technological innovations, which today increase demand at a rapid pace from consumers and the result is increased profits.

➤ Environment

Nissan must comply with various environmental regulations from the institutions of each country in which it trades. Its transformation into electric and hybrid cars has positive environmental benefits. With more efficient production techniques, Nissan brands regulate the quantity of harmful emissions and these policies are acceptable

to countries with environmental benefits and this brings benefits to the company, being supported by countries for environmental protection.

➤ Legal

The company must comply with the rules, laws and regulations in each country in which it trades. The company observes and complies with the policies of each country, not only for trade but also for the protection of employees, which ensures the security of skilled and talented workers.

7. Global influence for company

“In an increasingly globalized business environment, ‘going global’ is no longer an additional activity that companies may decide to become involved in. The reality for more and more companies is that they are already part of the globalized business environment. Even if they are not taking their products to overseas customers, they are quite likely to be facing competitions from companies that are based abroad.” says Palmer A, H. Bob.

Nissan’s core values encompass four strategic technology fields – the environment, safety, life on board and dynamic performance. Click on the diagram above for a full description of Nissan’s “orchard” approach to technology

Note the similarity in design features of the two headquarters buildings. The window louvers, common to both, control light and improve energy efficiency. “Nissan is committed to a “symbiosis of people, vehicles and nature” as evidenced by its commitment to green buildings and manufacturing. Click on the pictures, as well as the Nissan Green Program and Energy Star symbols to learn more.

The auto industry is subject to significant regulations worldwide. These regulations deal with manufacturing safety and quality, financial reporting and social concerns including emissions, fuel economy, noise levels and safety. Nissan seeks to comply with all applicable regulations.

Nissan has participated in the United Nations Global Compact since 2004. The Compact strives to support standards for human rights, labor, the environment and anti-corruption. Click on the symbol for additional information about the UN Global Compact.

A key component to Nissan’s corporate governance is maintaining trust through transparency. In this effort, Nissan uses the principals of the “Nissan Way” in developing: a distinctive corporate culture, the individual and internal control and

compliance systems. The chart below outlines Nissan's corporate governance system.

Governments drive business revenue is a way to drive revenue. This method of government taxation does not is the only one to collect business revenue. Tax levies can be used for various purposes, such as to stimulate employment and investment. This is part of governments' strategies for attracting domestic investment.

The economic climate has a great influence on business. Consumer spending affects several factors, such as the level of prices, investment decisions and the number of workers that companies hire. The economic climate can affect government spending, but a small problem arises, governments do not have their own money. In order to spend money, the government must choose to either borrow it or increase it from taxation.

IV Conclusion

Automotive companies operating in the global marketplace face many challenges, from climate change to energy supply. It is important for Nissan to identify problems at all stages of value chains and look for the best approaches to deal with them.

The company relies on the value of the chain that promotes consistency in procurement activities, starting with sharing its vision for the future and the principles and their engagement with business partners with whom they cooperate.

Nissan has built a powerful alliance with the Renault car company, and their mutual trust builds sustainable growth in the global marketplace. The company offers good and friendly relationships with suppliers and dealers, Nissan strives to apply the best for business and be competitive.

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