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Introduction

The global business environment is embracing new ideas of business to constantly focusing on customer preferences and environmental needs. Global cars representatives are transforming powertrain portfolio from traditional Internal Combustion Engine (ICE) to Electrification. It has been considered that we are now in the early adopters of Electric Vehicles and consumers are growing familiarity and willingness to buy the EV despite the market of EV is below 1% in the EU. Hence this essay aims to articulate those potential opportunities of businesses to the entrepreneurs and to identify businesses that have a short span of life in the long run.

1. New and Emerging Business Opportunities that Electric Vehicles May Present to the Entrepreneurs and the Business Executives

Electric Vehicles are now transforming traditional gas filling powertrain thus the existing businesses are exposed to the transformation of new business opportunities. If the industry is being observed there is a significant upward moving of scale of the EV adoption by the automotive industry players. There is significant growth from 2010 and it doubled in 2013 from 2012.

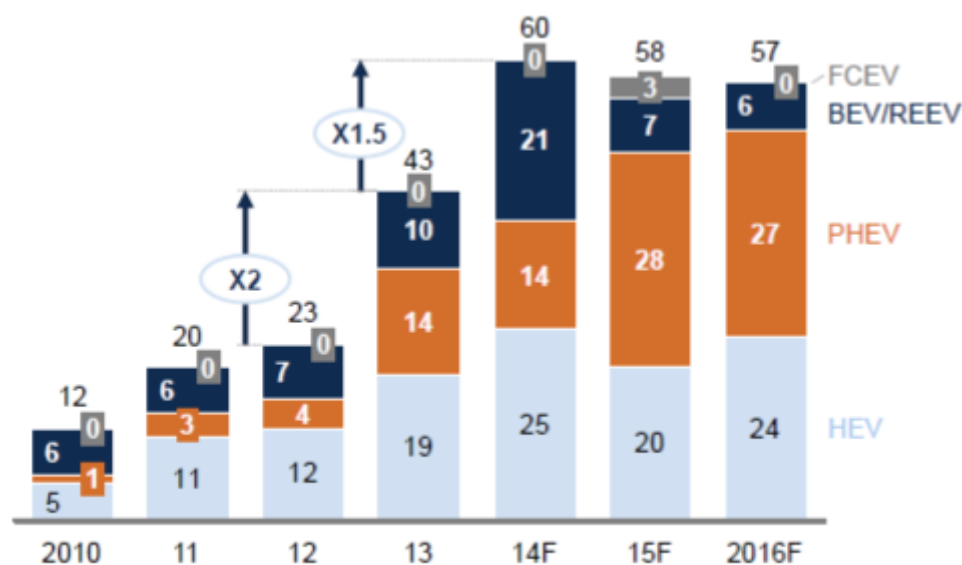


Figure 1: Early adoption of EV

Source: (McKinsey & Company, 2020)

And current sales shows that Hybrid electric vehicle (PHEV) and Battery electric vehicle (BEV) will be the dominant EV powertrain in future and to attract more customers all the supportive businesses and the automotive industry will assemble more EV cars in future. Thus the adoption of EV can create new business opportunities for the entrepreneurs. It has been prioritised that the gas filling stations are too costly to transform in **EV powertrain charging stations** for which new business models for charging infrastructure can create a new business model for the entrepreneurs (World Benchmarking Alliance, 2020). **Cars and components business, recycling businesses, and new mobility businesses** such as **car-sharing** businesses may present to the business executives.

PESTLE Analysis

The macro-environment for the automotive industry has been a serious concern over the years of the UK market and also for the European Union. Here an overview of the existing macro-environment for the automotive industry is given below:

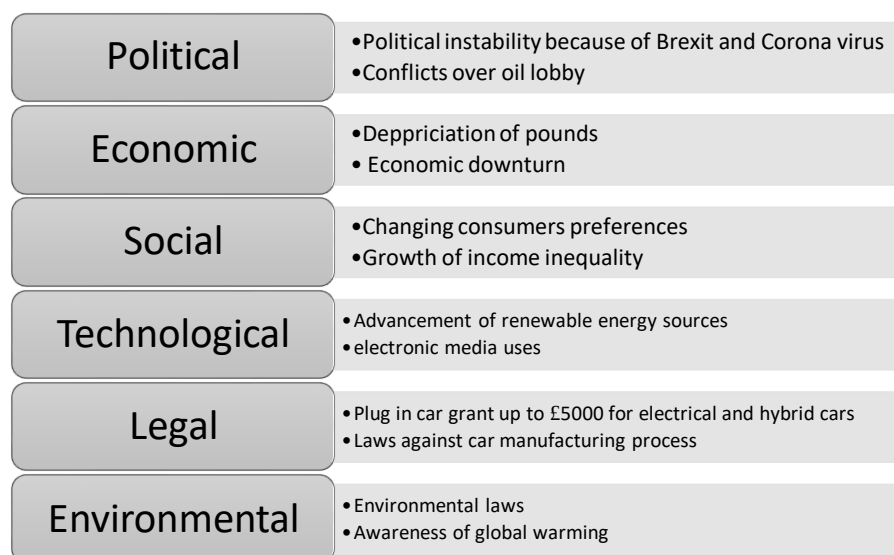


Figure 2: PESTLE Analysis of AUTOMOTIVE INDUSTRY

Source: (Bailey and De Propris, 2017)

Political instability increases because of Brexit and Coronavirus issues. Election of Donald Trump, Marine le Pen creates an instable atmosphere around the world. The most affected businesses in the automotive industry due to coronavirus and the lowest sales have been recorded for cars in march 2020 and the fell is 44% for new car registration in the UK. The virus has depreciated the value of pounds which is the lowest in 35 years against dollars (Giampieri et al., 2019). The growing inequality in the UK is becoming a concern for the automotive industry due to this pandemic. The overall economic downturn is the result of this pandemic issue. Consumers' taste preferences are changes as people want innovations in products. The users of cars are driven more tech advancement and eco-friendly cars which will be EV model and the analyst said that the rate is 35% (Giampieri et al., 2019). The government also lends money on buying EV and imposes carbon laws against traditional car manufacturing companies. Environmental laws are now more EV focus and raising the concern for global warming. Still, there is a growth of businesses related to the EV

developments such as car sharing, charging station, recycling businesses, car components businesses which are discussed below:

Car Sharing Business: Car sharing business is the new trend of sharing equal rights of using the car for the traveler. Mckinsey says in his market survey that due to urbanisation 40% of Urban residents in Germany share their car for quick access in the city. This car-sharing idea can create a platform for the individual car owner to earn money by accepting the car2go concept (Schmidt, 2018). Car rental agencies are already developed in Germany as Electric vehicles are easier to operate and navigate from the user point.

Navigation software and apps services: since the infrastructure of EV is still not up to the level of municipalities reach several service businesses can be developed for EV (Smolij, 2019). EV drivers need to navigate their preferred location of the charging station according to their vehicle models.

Charging Services: Making payment, access, and registration for charging EVs, the need for the charging service provider is increasing. The provider will give RFID pass for charging the car, will make transactions so that the car driver can get easy access to the station.

Charging point services: Charging point services give private installation and charging services at customers' preferred point. This service provider also provides maintenance services as well (Smolij, 2019). And the government has given tax exemption for such kind of businesses to make it more user friendly.

Charging station operator: Like the traditional operators for gas, petrol filling stations who control the stations the new EV structure is also needed for operators so that there can create a retail network in the highway for first track services (Wu et al, 2019). Estonia ha installed nearly 165 power charging points for the 5000 inhabitants.

Battery Swapping: The electronic vehicles can create a new business for their charging as first as possible which can create battery swapping businesses. Barter of battery is a very profitable business can be for the new intruders in this industry.

Porters Value Chain Analysis

Value chain analysis has been developed by Michel porter, according to value chain analysis, two types of collection of activities are performed by the company to create value for the customers. Here the marketers will bring changes for EV is given below:



Figure 3: Porters Value Chain

Source: (Robben and Probert, 2018)

It brings product conception to a product and does activities in between. The primary and secondary activities are performed to create maximum value for the customers using the infrastructural resources (Robben and Probert, 2018). The transformation of the Electronic Vehicle has lots of changes in the value chain. Here an overview of changes in this analysis is given below:



Figure 4: Powertrain Transformation on Value Chain

Source: (McKinsey & Company, 2020)

Power train transformation has developed electronic mobility and new business innovation to create value for customers. The traditional value chain for the automotive industry is needed to change for providing the EV to customers as the use of PHEV and BEV is increasing. The main changes in the porter's value chain will be the infrastructure innovation on EV as the ICE structure needed to change for new automotive industry trends (Robert, 2019). For new infrastructure charging stations are needed to build for customers' access to every locality. EV production manufacturer will need copper and neodymium, and high investment but there will befall of after-sales service and the car supplier will come into production for which the existing supplier will leave vacant for outbound logistics.

2. The businesses will not be Profitable in the Long Run Linked to Global Automotive Industry

It's the law of businesses that emerging new businesses will cut the longevity of the existing business and will create obstacles for them. There are lots of associated business of automotive industry which will suffer in the long run are described below:

Power infrastructure: For large scale EV charging, power infrastructure should be developed as a renewable source for which the traditional businesses which are offering gas filling services will be lost their market in the future. Though there is a scarcity of not renewable resources the infrastructure of the gas, petrol filling station has already been created to serve the existing market product that will be suffered in the long run (Robert, 2019). But due to the supply volatility of energy the wind and solar panel are not also consistent for the new business model which can restrict the growth of the EV model itself.

Charging station: The traditional car service provider in the charging station can no longer exist if the new model for EV can be developed. As the customers will have access to their automobile and the power demand can be easily handled by the customers as the charging can be installed in the house of owners the charging station can be no longer profitable for the businessman (Chase et al, 2012). The charging stations will be extinct if this infrastructure can be developed. The charging station operator will not be viable for the longer-term as well as the other charging station.

Product Life Cycle

If the Product life cycle concept is being considered for the long term of charging station services then it is noticeable that the product adoption phase is already crossed the stage 1 as people are now forwarding for mobility and fast track services. Cars are now driverless, using batteries, and it is estimated that the trends of using eco-friendly EV cars will capture the 50% market by the end of 2023. Tesla, Volvo, Toyota, and other car manufacturers are now more EV involved than before.

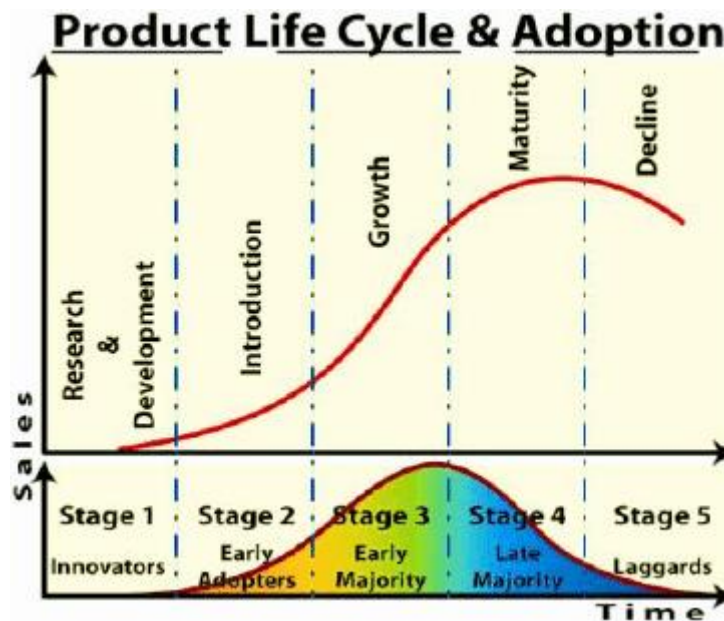


Figure 5: Product Life Cycle

Source: (Onkvisit and Shaw, 2012)

The press of Volvo about transforming EV has created the era of depending on Electronic energy. Which means the technological advancement will create a private power charging station for the car users, and the business of charging station is considered to be a non-profitable business soon for giving greater customers experience.

Power train market: The power train market is following very strict regulation due to environmental concern and gas lobbying from different countries. The developed countries have invested billions of dollars on gasoline businesses and will not permit and give scope to change power train to EV as long as the profit will not be gained (Club of Amsterdam.com, 2020). It has been estimated that ICE will remain the leader for 2035 and BEV will only be competitive if the infrastructure can be developed but due to political reasons the market is uncertain.

Car components businesses: Car components businesses like tires, gears, glass producers can no longer in the future due to the invention of EV. The EV infrastructure needs copper and rare earth products which is also an extinct species. These producers may lose their businesses in the future. The cars are becoming driverless and more user friendly by using artificial intelligence for which the use of drivers may not be seen soon.

Supplier businesses: The supplier businesses for automobile businesses can no longer be profitable in the future due to the advancement of EV. The suppliers will not make enough

money as the customers will have access and outbound logistics will become less profitable (Club of Amsterdam.com, 2020). Some inbound logistics partners will lose their jobs as the driver-friendly gear products will not be used, gasoline and patrols will not be required by the manufacturer.

Labor Market: The labor market is another concern in this manufacturing infrastructure. To make new generations cars more consummate and flawless robotics is going to be used soon. As the new generation car will be exclusive and with artificial intelligence the manual producers of a car will not be needed for carmakers.

Conclusion

Global business trends in the automotive industry are changing to adjust global warming issues. The new generation users of cars are more eco-friendly and want radical innovations for which the automotive industry needs more investment and acknowledgment. Due to this EV innovation, new businesses are going to emerge and some existing businesses will be extinct in the future. In this essay, the macro environment has been analysed for EV structure from the UK perspective and the new merging businesses are identified for the entrepreneurs. But there is a question for the longevity of this EV idea due to the Corona Crisis and political instability. A huge fall in the gasoline market may see a huge downfall for this new business model that may create thousands of jobless people around the world.

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