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[Date]

GLOBAL BUSINESS ENVIRONMENT

STUDENT : Matteo Rubolino (1715315)

LECTURER : REXON NTING

ASSIGNMENT : Individual 1

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1. INTRODUCTION

The term environment refers to ever-changing situation where a company operates. This concept inculcates every changing environment to help an organisation needs for better improvement and high level of quality (Checchinato and et.al., 2018). This report will be focusing on the two most important factors of a business environment such as PESTLE and Porter's Five-Force Model. This report is based on auto-mobile industries, which is in Eastern Europe. Moreover, report will focus on Global Auto-mobile business enterprise using Porter's Five Forces factors and in relation with the actual news in this industry.

2. MAIN BODY

1. A. PESTLE Study

The automobile industry is still one of the biggest manufacturing sectors, but it goes through different business environmental factors such as technological factors. In this context, little emphasis within its industry and consultancy. Pestle environment is described as the different framework of the macro environment. It is a tool used by marketing department to examine and monitor different macro environment factors, which have an impact on the company (Reyes and et.al., 2018). This influences marketing and relationship of organisation performance with different countries in market price. As per the change in time or other factor, it may help to improve and make better decision making for an organisation.

Nowadays, automobile sector is more durable, safe and less costly as compared to pastime period. The automobile is entered into some new market with the help of technical and innovation sector. The result of all macro environment factors, which is used to identify weaknesses and threats to overcome any issues. In this way, such industry will give direct impact through macro environment. In addition, analysis of macro environmental factors will help to develop future changes in auto - mobile sector and make some appropriate strategies.

macro environmental factors are as follows:

- **Political factor:** In this context, automobile sector is one of the most growing sectors. This is the biggest source of revenue for government departments and transformation of auto- mobile sector. It includes government regulations and identifies rules for industry. In addition, successful nation in terms of application of rules of law and control level of corruption. All such political factors will help to provide quality of work in automobile sectors. On the other hand, political sector also maintains the monitoring system of automobile sector. As per the case study, overall growth will be based on political factors in relation with different countries. Political factor will help in continues betterment in automobile sector and provides mix job opportunities from lower based and local people (Roberts and et.al., 2017).
- **Economical sector:** In economical sector, influential factors on economy are high unemployment levels, which reduce demand of many kinds of goods. Moreover, economic factor is based on different rates like foreign direct investment rate, direct tax rate, indirect tax rate and interest rate or growth pattern rate. Macro economic factor deal with management of demand in given economic conditions. With the help of government department rates will be update as per change in economic conditions. Further, consumer and business have easy access to credit facility and affect auto-mobile industry. All such kind of rate will be affecting the auto-mobile sector to improve current market share. In economic conditions, tax rate will be altered as per the change in economic condition level.
- **Social factor:** Auto-mobile sector is largely affected by social sector. It inculcated study of demographic as well target a range of customers. Social factors will focus on the size of market, age distribution level. In addition, social factor is identified emerging trends and help marketer to understand the customer needs and wants. Nowadays, customers are more concise about price and every changing environment (Lewis and Sweatman, 2017). On the other hand, social factor depends on culture to culture, people's style and preferences also different at market place. Factors include changing family demographics, education levels, cultural trends, attitude changes and changes in lifestyles. In addition, social media and new trends are to be giving direct impact on changing trends. Further, may sometimes make the older models obsolete or go out of fashion. Some time customer will be focus on durable and long-term investment system in market place. This is the only factor, which helps to increase demand and improve future performance level of auto-mobile sector. This social factor is also conditioned by the new green energy concept, the people want to use a sustainable way to produce the cars protecting the environment and the future generations.
- **Technology:** Nowadays, overall market will depend on technological factor and improvement must be changes are based on technological factor. In addition,

more and more innovation are helping to improve current environment as well as capture new market place. With the help of research and development to be find out some new factors about automobile sector, and then make some changes on it. There are some new technological sectors that play the most important role as per the needs of current environment. This will help to manage the work as per the need of technological changes on it. There is often a tendency to focus on developments only in digital technology, but consideration to be focus on new method of distribution, manufacturing and logistics as well. (Luthans and et.al., 2018). On the other hand, promotion sector will use new technology, so attract more customers. It will be helpful to change the future conditions of market place. Technology factor will give direct impact on operation and services industry for improvement in market share. In the same way, innovation helps to attract more and more customers as well as future updated technology so improve some level of changes in securities industry place. The government department is also helped to technology factor at the time of different types of research and development work. This will be helping to find out new facts about auto-mobile sector and improve market conditions. One concrete example of how the technology developed this industry is the new rebranding of Tesla motors that create a new way to see the cars, that doesn't need any kind of petrol or gasoline but just need energy and system of new engineering.

- **Environmental sector:** The environment factor is playing the most important part for auto-mobile industry. This factor is to be consider the internal and external and link with micro environment related to auto-mobile sector. The external or macro-economic events include embargoes, interest rates, economic growth, inflation rate, , minimum wage, wage rates, unemployment, cost of living, working hours, financing availability, etc. All such kind of interest rate must be improving auto-mobile industry and their market structure, is normal to see how the impact of the car industry affected the global environment, extraction, production of petrol, gasoline doesn't help the environment but increase the ambient diseases and risk for the new generations.
- **Legal factor:** Legal factor is to be following all rules and regulations prepared by government for auto-mobile department. This sector is work under different law must be used for important factor and use time to time. In addition, price does new change according to auto-mobile organisation. Price is to be fixing by government sector and set as per condition of market (Brannen and Tietze 2017). They also must be aware of any of legalisation and impact of business operation level. Some time law is not very much important in auto-mobile industry. New rules must be inserted in this global world exhausted of this old way of production, some company are trying to develop their departments and stay in the wave of the new needs and new futuristic ideas about this industry. Terms and conditions of safety and securities. Therefore, organisation must use laws to improve current environment. The overall law is based on product safety that is the most important factor for buyers and help in enhancing customers. Some factors inculcated consumer law, health and safety and employment legalisation. Moreover, environment law, tax law, transportation law and other law related to manufacturing industry. There is accidental case is giving negative impact on auto-mobile industry.

2. B. Porter's five force model

This is Porter's Five Forces analysis is to be focused on the development of porter's development of auto-mobile industry in different market. In this context, such kind of factors is to be determining competitive intensity and attract the number of markets. This model is focused on attracts number of new customers and identify competitive environment. To be used most attracting technology and designs focus on environmentally friendly safety and competition in the market. The Organisation must be tracked on competition and improve the competitive environment in market place.

This structure influence to serve the clients and customers and make a benefit. The model is broadly utilized for ventures and business structure to quantify the opposition force. Five powers used to quantify quality and productivity of the business association (Charter and et.al., 2017). They are to be focus on strength of the competitive market and understand the organisation power ion different market. This is very useful for overall auto-mobile sector, because it helps to understand the current weakness and strength of business level. It will help to take the best decision of business and avoid the wrong step, which can affect the overall business level. It additionally encourages in comprehending new items and administrations are possibly gainful. Five powers system is exceptionally business procedure investigation instrument. This assistance ventures and business taking a gander at their chances and decreasing the aggressive weight. Porter established this demand and projected a framework which examine the basic construction which can be long to every industry.

Threats of new entry: It is very difficult to enter new auto-mobile industry because investment is required. In addition, high competition and hiring of skilled staff are the most important part at work place. All such kind of staff members is guided to attract customers in market place. To improve overall working environment and increase future condition must be change for it. Profitable products and markets pull in new section which influenced by individuals' capacity and request. Settle can likewise confront aggressive weight from their rivals (Langfield and Thorne, 2017). Five powers help in the key reasoning of the auto-mobile sector. Consumer will decidedly modification their brain and select the new commodity. So, in the marketplace there are the danger of new entrants. Low standard of capital is compulsory to enter in the market. The new entrants convey extra capability into a commercial enterprise. It is a warning as the existent business concern may lose the marketplace stock certificate.

- **Bargaining power of supplier:** In this context, to be focus on supplier is play a most important role in auto-mobile industries. Supplier cans determinant the gainfulness of a firm by use pressure level for higher damage or by reduction the choice. If there are lots of supplier in the market, the business concern man prefers for the best prize material for same intention which expenditure the low-level. The measure of purchaser and shopper are the quality of the auto mobile industries. Intensity of client is higher in the discount shoppers. Settle has high client unwariness. It is influenced by purchasers or buyers an organization has. They can select the businessperson who supply the more net profit perimeter for the commercial enterprise. Because every business became success when they raise their profit. On the other hand, bargaining power of supplier is considerable low in market place.
- **Bargaining power of buyer:** In this context, bargaining power of buyer will buy one single vehicle at a time. It will be depending on cost of the customer switch form one supplier to other. All such condition will be based on profit margin, if the customer collect more profit to customer form one supplier it creates some other product.

(Cook, 2017). The nature of providers is likewise depicted as the market inputs. In auto- mobile sector buyer, because they can switch low price. To be focus on boost sales volume, commercial enterprise, as per follow ever-changing user tendency.

- **Threats of substitution:** Threats of substitution depend on price performance and different types of services and product will be offered. There are some alternative modes that are available in the market. Will give negative impact on overall market place (Kirtan and Trebilcock 2017). The intensity of auto-mobile industries is likewise influenced by the new participants into the market. There is some product demand is affected and when switch cost market. The new contestants barely enter the market because of solid contenders and high cost of merchandising. Product distribution is helping to reduce the threats of substitution, so that each organisation is use curve out unique product.
- **Competitive rivalry:** The level of customer loyalty is one of the most important parts to improve current market share. Sometimes customer will be offer same product or services to the organisation. Competitive factor will be focus on price, advertisement and other factors. (Laszlo and Cescau 2017). Numerous contenders offering undifferentiated administrations and items in the commercial centre which cause the market engaging quality. Aggressive competition lessens both customers and providers. There are some different promotional activities and marketing strategies for improving market share. Rivalry among competitors can reduce the profitability but may good for customer in market place. A flourishing their gross sales, another institution will endeavour to down there merchandising. For this they spend more cost on gross revenue promotional material campaigns.

3. CONCLUSION

This report is concluded that competitive environment in market place as per case study Five Forces Framework is a straightforward device yet ground-breaking business device it is dissecting the competition in the business, intensity of clients and providers and understanding the quality of the organizations. The report is concluded that porter's five force model is help to every changing business and increase more and more profit or reduce level of competition in market place. Form the above report is focus on business taking a gander at their chances and decreasing the aggressive weight. The five powers help where the power lies in the business association.

After this case of study and the program of Business Environment is clearer how to use this kind of analysis to establish a report about a subject, this is also an actual theme to discuss and can really open the mind of a student to understand how the Business work and is always in development.

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