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Strategic Management and Sustainability

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COMPONENT 1

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Executive Summary

This report analyses Bentley Motors Ltd. strategic position within the UK automotive sector that focus on sustainability, innovation and competitive advantages. The use of PESTLE, Porter's five forces and internal analysis models help to identify Bentley's strengths in brand heritage, craftsmanship and sustainable operations. This report also analyses strategic recommendations including accelerating EV development, enhancing digital transformation, diversifying in global markets, investing in talent development and focus to form strategic alliances with tech development firms. However, these initiatives will enable Bentley to achieve sustainable growth and reinforce its position as a global leader in the luxury automobile industry in the UK.

Introduction

According to the analysis of Pettigrew *et al.* (2023), it has been examined that strategic management has become a fundamental component within the UK automotive industry through which organisations align their operations, resources and long term objectives in an increasingly competitive and environmentally conscious global market. However, in the UK the automotive sector continuously supports innovation, becomes highly adaptable and involves sustainable approaches with growing pressure like electrification, shift of consumer preferences and a focus to meet regulatory demands. Hence, this report focuses on Bentley Motors Ltd., a British luxury car manufacturer and well known for its hand crafted luxury vehicles that embody prestige and technological excellence (Bentley Motors, 2025). This brand was established in 1919 and gradually established its headquarter in Crew, England. The company has developed a vision to become world's most sustainable luxury mobility company while its mission focuses on delivering extraordinary customer experiences through craftsmanship, innovation and responsibility (Bentley Motors, 2025a). Moreover, the company has established objectives to develop a strategic roadmap with "***Beyond100***" that outlines its commitment for full electrification of vehicles by 2030 and participate in carbon neutral operations by this time as well. Thus, it can be identified that strategic management enables Bentley Motors to implement a balance in between its innovation and heritage, focus to navigate industry wide transformations and focus to become a sustainable luxury mobility industry with introducing evolving premium electric vehicle segments (Yardim and Pedgley, 2023). This report focuses on exploring the external environment, internal environment and conducting SWOT analysis to analyse the strategic movement of this company. It also focuses on providing suitable alternatives to enhance company's market position and implement long term sustainable growth while providing a range of recommendations.

Strategy analysis

External environment analysis

PESTLE analysis

<i>Political factors</i>	● The UK Government's commitments to achieve net zero carbon emission and ban of petrol and diesel car sales by 2035 has implemented direct influence on Bentley's strategic directions (Shahzad <i>et al.</i>, 2024). ● The government also implements policies to promote infrastructure of electric vehicles and include <i>automotive transformation funds</i> that provide incentives to the luxury car manufacturers like Bentley to innovate successfully (Sheketa, 2025). ● On the other hand, involvement of post Brexit trade complexities enhance import and export tariffs that implements logistical and cost related challenges within Bentley's supply chain.
<i>Economic factors</i>	● The involvement of global inflation, rising material costs and currency volatility enhance production expenses with affecting high net worth consumers that implements a direct impact on Bentley's sales (Diaz <i>et al.</i>, 2024). ● The company benefits from the high resilience of luxury markets like the

	USA, China and Middle East and its parent company Volkswagen provides financial stability to support technological innovation and electrification.
<i>Social factors</i>	• Modern consumers value the brand that imposes environmental responsibility with definite prestige and performance that focus on shaping Bentley's strategy. • This trend initiates the company to include Beyond 100 initiatives that focus on sustainable manufacturing, vegan friendly interior and involve recyclable materials in car manufacturing process (Bentley Motors, 2025b)
<i>Technological factors</i>	• Technological innovation is the core strategy of Bentley Motors as it invests heavily on electric powertrains, digital connectivity and in advanced driver assistance systems. • The collaboration of Bentley with Volkswagen Group enabled the company to access cutting edge EV platforms and shared R&D resources. However, the company Bentley involves rapid

	advancements in the EV sector that requires continuous investment to stay competitive (Winkelhake, 2025).
<i>Legal factors</i>	● Bentley needs to follow EU and UK regulations in terms of vehicle emissions, sustainability reporting and safety standards. ● The company also needs to follow data protection and intellectual property law with evolving labour and environmental legislation that ensures sustainable practices of the brand (Stobbs <i>et al.</i>, 2022).
<i>Environmental factors</i>	● The company has implemented an aim for carbon neutrality by 2030 that is directly aligned with global sustainability frameworks. ● The involvement of the Crewe facility has enabled the brand to achieve carbon neutral certification but yet the company face challenges for battery recycling, resource scarcity and lifecycle emissions (Skidmore, 2023).

Porter's five forces

Threats of new entrants

The UK luxury automotive sector requires a high amount of investments, including advanced technology, requires strong brand heritage and has to face multiple entry barriers (Stoma *et al.*, 2021). Thus, the threat of new entrants is comparatively low for Bentley Motors and as it involves a definite brand heritage it helps the brand to get more competitive advantages.

Bargaining power of suppliers

Bentley Motors relies on specialised suppliers as they focus to provide high quality materials and advanced components (Triantafyllou *et al.*, 2024). However, this dependency enhances influence of suppliers and Bentley focus to mitigate supply chain risks through its Volkswagen Group network and focus to implement long term contracts.

Bargaining power of buyers

Luxury car buyers prioritised the brands that value exclusive products. As the brand prestige is highly emphasised Bentley Motors face the growing competition from brands like Rolls Royce, Tesla etc. that provide luxury EV range that empowers buyers with providing more options (Volkswagen Group, 2025). Thus, bargaining power of buyers seems to be moderate to high for which the brand needs to provide an exclusive product range with multiple offers.

Threat of substitutes

The other competitors of luxury brands in UK automotive provide options like electric SUV, premium ride hailing services and prioritise more on environmentally conscious strategies that enhance the risks of substitute for the brand Bentley Motors. However, the strong craftsmanship and brand heritage of Bentley focus to reduce this threat and focus to provide customer satisfaction more (ROBERTS, 2022).

Threats of existing competitors

Competition in the UK luxury automotive sector is extremely high as it is driven by innovation, brand image and sustainability performance (Yeung, 2024). Rivalries like Rolls Royce, Mercedes, Porsche etc. influence Bentley Motors to continuously innovate and differentiate the brand through innovative design, technology and electrification strategies.

Internal environment analysis

Value Chain analysis

Inbound logistics: Bentley Motors use the premium materials like leather, wood veneers and aluminium and collect it from the global suppliers. The company also uses a transitioning strategy like Beyond100 in which the company uses ethically sourced materials, vegan alternatives and recycled components (Schweizer *et al.*, 2025). The company also involves strong collaboration with Volkswagen Group that allows the company to benefit from an optimised global supply chain network, though dependency on high quality suppliers may enhance vulnerabilities and may form supply chain disruptions.

Operations: The involvement of Crewe manufacturing facility enabled the brand to be recognised as the world's first carbon neutral luxury car factory that effectively integrated renewable energy, water recycling and digital production systems (Liao and Gicquel, 2024). However, the involvement of handcrafted production acts as a differentiator for the brand as it combines traditional British craftsmanship with advanced technologies. Thus, Bentley's "Dream Factory" initiatives enhance more efficiency and align the company's operations with sustainability goals.

Outbound Logistics: Bentley's vehicles are distributed globally through an exclusive dealer network in more than 60 countries. The brand has involved an effective logistics system that ensures the vehicles reach the global markets while maintaining the customisation offers for its customers (Bae, 2025). However, the brand imposes continuous efforts to reduce logistic related emissions that enable the brand to meet carbon-neutral commitment.

Marketing and sales: Bentley's marketing strategies prioritised extraordinary journey of the customers and involvement of sustainable luxury. The brand communication blends heritage with innovation, and creates attractive strategies for the consumers who value exclusivity and environmental consciousness approach. However, Bentley actively uses digital engagement platforms and bespoke customer experiences in order to strengthen brand loyalty while maintaining its premium positioning (Balaji *et al.*, 2023).

Service: Bentley involves after sales service that can be recognised as the key components for the brand's value proposition. These services include personalised maintenance, connected vehicles update and sustainability focussed initiatives (Johnson, 2022). However, the involvement of advanced diagnostic technologies enhances customer satisfaction and long term loyalty.

Resource Based View (RBV)

Bentley Motors gained its competitive advantages from its unique tangible and intangible resources. Tangible assets include its art manufacturing plant, advanced engineering capabilities and Volkswagen's shared R&D infrastructure. On the other hand, intangible assets encompass brand equity, heritage, craftsmanship expertise and brand reputation for technological and sustainable innovation (Bentley Motors, 2025c).

Apart from this, human resource plays a significant role as more than 4000 skilled employees are actively engaged within the luxury segment. The company's culture is highly committed towards innovation and sustainability initiatives that focus on strengthening the brand's internal capabilities (Bentley Motors, 2025d). On the other hand, Bentley's integration with Volkswagen Group provides financial strength to the brand and provides access to advanced EV technology platforms.

VRIO framework

<i>Resource</i>	<i>Valuable</i>	<i>Rare</i>	<i>Inimitable</i>	<i>Organisation</i>	<i>Competitive advantages</i>
Brand heritage and prestige	✓	✓	✓	✓	Develop sustainable competitive advantages
Access to Volkswagen R&D	✓	✓	✗	✓	Provide temporary advantages
Craftsmanship expertise	✓	✓	✓	✓	Create differentiation for the brand
Skilled workforce	✓	✓	✓	✓	Sustainable advantage
Customer experience	✓	✓	✗	✓	Temporary advantage and enhance brand reputation

Hence, in this framework it has been examined that Bentley's brand heritage, craftsmanship, and sustainable innovation determine long term competitive advantage of the brand. It has

also been examined that these capabilities are strongly embedded, rare and difficult to imitate due to Bentley's long term legacy and commitment for artisanal excellence.

SWOT analysis

Strengths

Bentley has a strong brand heritage representing a century of luxury, performance and British craftsmanship and this strong brand equity creates customer loyalty and positions Bentley as a strong leader in the luxury automotive sector. Its integration with Volkswagen Group enables the brand to access financial resources, enhance global distribution networks and involve advanced technologies that facilitate the development of electric vehicles (James Roberts, 2020). The involvement of skilled workforce and customisation facilities enhance customer satisfaction and encourage the brand to produce exclusive products.

Weakness

The limited production volumes and high operational costs restrict economies of scale of the company in comparison to other competitors. The company's dependency on internal combustion engine sales still implements a strong challenge for the brand (Ye *et al.*, 2025). Moreover, Bentley's product portfolio is comparatively narrow that reflects limited diversification of the product's range.

Opportunities

The global shift towards sustainable mobility and green luxury consumption among the consumers creates opportunities for the development of Bentley Motors. The company implements ongoing investment in EV technology that position it to lead the luxury EV segment. However, the brand's expansion towards digital customer experience and leveraging data analytics for personalisation strengthen global engagement and brand loyalty (Hou, 2025). On the other hand, partnerships with Volkswagen Groups also present opportunities for advanced research in AI driven mobility, autonomous features and eco-material design.

Threats

Bentley operates in a highly competitive market that is intensified with different luxury brands like Rolls Royce, Mercedes, Aston Martin and Tesla. The rapid pace of technological change in the EV industry poses a constant innovation pressure that also demands for

continuous investment (Van Dijk, 2025). On the other hand, regulatory uncertainties also affect costs and market access and rising sustainability pressure with failure to meet goals may damage Bentley's brand image.

Involvement of strategic alternatives to enhance company's market position and ensure sustainable growth

In order to strengthen the market position and to enhance sustainable growth, Bentley Motors need to strategically balance its craftsmanship legacy with industry's transformation towards electrification, digitalisation and sustainability. In this scenario, the following strategic alternatives have been proposed:

Accelerate electrification and technological innovation

Bentley should accelerate its transition towards an all-electric portfolio by 2030 with deeper integration with Volkswagen Group. In this context, the company needs to invest in battery efficiency, lightweight materials and advanced energy management systems that may develop Bentley's position as a leader in sustainable mobility (Braidy *et al.*, 2025). Moreover, partnerships with technology providers enable the brand to implement AI based predictive maintenance, form over the air updates and involve digital twins that may enhance vehicle performance and customer experience as well.

Sustainable supply chain and circular economy initiatives

Bentley can enhance its competitive advantages by embedding circular economy principles in its supply chain networks. This reflects the adoption of closed loop production systems, prioritising recycled use of aluminium and sustainable materials and including vehicle recycling programmes (Barderi and de Souza, 2024). Collaboration with diverse suppliers in order to achieve carbon neutral sourcing strengthens the brand's reputation and enable the brand to successfully follow environmental compliances. However, these initiatives also get aligned with UN SDG goals and it also supports long term operational efficiencies.

Market diversification and global expansion

Bentley's expansion in the USA, China and emerging markets like Asia-Pacific and Middle East implements substantial growth of the brand in global landscapes. By expansion of dealership networks and customisation studios within these regions enable the brand Bentley

to capture high net worth population who are seeking for sustainable luxury cars (Madić *et al.*, 2021). Apart from this, introducing bespoke EV models with regional preferences can enhance brand relevance and revenue diversification of Bentley Motors.

Digital transformation and customer experience enhancement

Bentley needs to leverage more digital platforms and data analytics tools in order to create a more personalised, seamless customer journey. The development of an integrated digital system is also beneficial as it may reinforce brand loyalty with enhancing strong customer engagement. However, introduction of virtual showrooms, AR based vehicle configuration and involvement of blockchain technologies also focus to differentiate Bentley within the luxury segments (Winkelhake, 2025).

Conclusion and Recommendations

This report concludes with proper analysis of Bentley Motors and its strategic approaches that reflects a proper balance in between its craftsmanship legacy including the need for sustainability, electrification and innovation. It involves a complete analysis of external and internal environment with having a complete reflection on its SWOT. It has been examined that the external environment both poses challenges and opportunities while it includes regulatory pressures, technological disruption and intense competition implements threats whereas Bentley's strong brand heritage, access to Volkswagen resources and proactive sustainability commitments enable the company to get success in future growth. On the other hand, carbon neutral manufacturing, skilled workforce and dedication to high quality craftsmanship reinforce Bentley's position as the global leader in sustainable luxury automotive brand.

In order to enhance Bentley's performance following recommendations have proposed:

- The brand needs to strengthen its electric vehicle models by 2030 with continuous R&D investment in battery efficiency and energy storage systems.
- The brand needs to extend digitalised platforms for personalised services that needs to include predictive maintenance, AI assisted design options and involve blockchain technology to develop brand loyalty.
- The brand needs to expand its operations in emerging economies with offering EV models and optimise diverse luxury consumer profiles.

- The brand also needs to implement continuous investment in training programmes that focus on green manufacturing, digital engineering, strong knowledge and skills and strong leadership to develop the future workplace.
- The partnerships with more technology firms and sustainable suppliers is highly required in order to accelerate innovation, reduce costs and enhance competitiveness of the brand in the UK luxury automotive sector.

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