



Case Study on Environmental Audit of Jaguar Automotive in United Kingdom

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INTERNAL AND EXTERNAL ENVIRONMENTAL AUDIT OF JAGUAR

DEFINITION & ITS STUDY ANALYSIS

PESTEL stands for Political, Economical, Social, Technological, Environmental and Legal and Forms of Analysis of the macro-environment of the organization.

Politico Parameters

- Politico-Globalised stability
- Peer groups influence
- Interventions by the Government.
- Administrative barriers
- Inter-political relationships
- The external ownership norms and the expansion of resources
- Advancements and up gradations in existing influential politico-economic blocks
- The flip of politico programme of government in authority.
- Government's golden share
- British industry highly unionized, major stakeholders

Economic Factors

- The target market size, maturity and the growth potential
- Era of Economic Development
- Currency stability
- Emergence of new markets
- New economic blocks and union cost
- Price of the oil
- Concentration proportions stumpy
- Improvements in Customary corporeal
- Squat assets overheads
- Altercation proportion vacillations
- Capital intensiveness
- Legal formalities

Social Factors

- Demographic changes
- Fashion cycles and style statements (demand curve for SUV)
- Psychographic parameters
- Inter-Country Cultural differences
- Literacy rate
- Leisure interests and activities
- Awareness and growth parameters

Technological Factors

- Car manufacturers with explicitly exploiting technical/engineering advantages
- Availability of technological innovations (falling) in the domain of competitors
- Technological diversification
- The development and demand of new Supply chain collaborations
- Techno-ability of operational country
- The influence of techno-commercial improvements on product life cycle
- The techno-distribution collision
- Diffusion rate of pioneering products and goods manufactured
- The concentration of technological spillages
- Awareness about technological feasibility
- Internet world
- Era of Globalization

Environmental Factors

- High demand of eco- friendly automobiles.
- Awareness and concern towards the environment
- Low costs of environmental friendly cars
- Environmental laws
- New emission standards in UK

Legal Factors

- Legislation move in UK
- Higher demand of luxury cars in Japan (opening up)
- Labor intensified laws

PORTER'S FIVE FORCES

The assessment of mini forces

Market Negotiation Authority and Competitive Rivalry:

- Lower chances in UK
- Influential effect on various parts of demography
- Product differentiation and price wars
- The continuous shift of market power by the parties in competition (industry alliances, joint ventures, industry consolidation)
- Influence of various cultures
- Consumer trends (niche markets)
- Market fragmentation and differentiation
- Increasing promotional and R&D, propagation of segmentation, idealism, macro-capacitation, important pricing coercion, highly demanding customers and market innovations
- Saturation in the market
- Higher demand of profits by shareholders

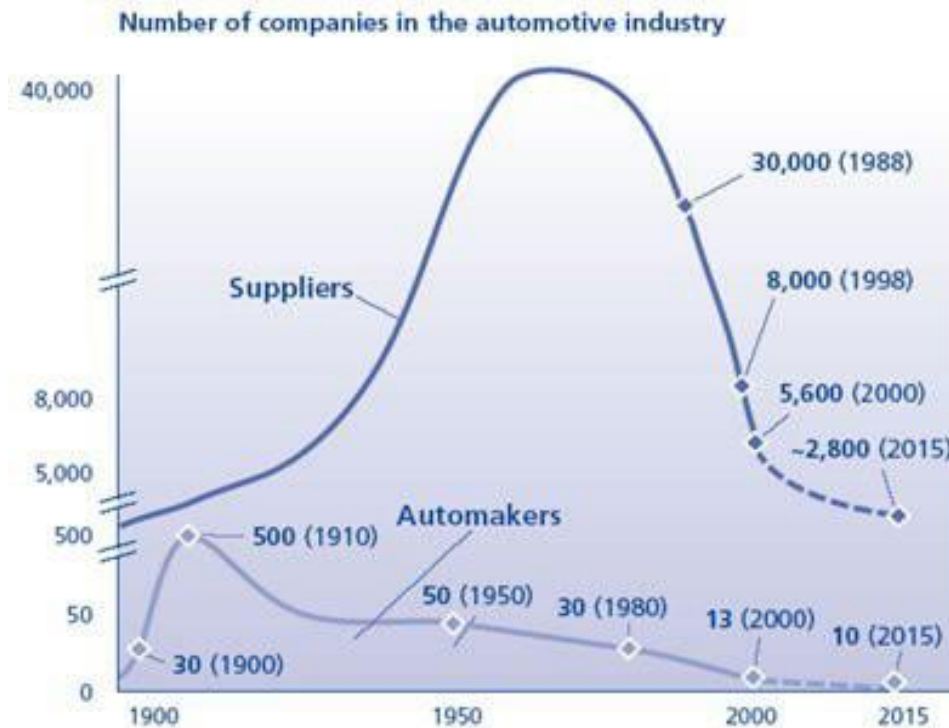
2. Buyer's bargaining power

- Higher demand of excellence in terms of brand, quality, low price, after sales-service
- Acquisitions lead to horizontal integration
- Higher intensified globalised competition and increase in overcapacity in markets
- Presence of informative channels and service providers
- Style statement of branded, wealthy SUV and luxurious cars

3. Suppliers' bargaining power

- The consolidation in this sector has led to and impacted the further consolidations of supplier groups: specially 1st, 2nd and 3rd tiers
- Corporation with Guest Keen Nettlefolds Snaky for manufacturing produce frame coercions - Retrograde incorporation
- Attrition of the vehicular production and its influence on the supplying modality. (Fig)

Figure 6 - The consolidation of Vehicle manufacturers and suppliers



Adopted from Dannenberg & Kleinhaus (2004)

- Intensified competition and rivalry, market with over-ability of component makers and suppliers
- Hence, bargaining power balance and higher quality through techno-innovative requirements and urge in well-collaborative behaviour. (No compulsive attitude)

4. The Threat and Higher Demand of Substitutes

- Various modes of transportation
- Higher Volume of car manufacturers.
- Customers approaches towards fashion statements and styles.
- Threat from public vehicles, transport services.
- Rising voice of customers about environmental issues and their concern.
- Direct transportation and usage of public utility vehicles (public transportation)
- Lesser awareness about luxury cars, poor purchasing power of customers

5. Threat of New Entrants

- Potential entrants: Japanese
- *Economies of Scale*: The current manufacturers and players enjoy large economies of scale and there is higher investment and higher chances of barriers in exit
- *Product differentiation*: Customers preferences for other variants
- *Capital requirements*: Capital intensified
- *Access to distribution channels*: Higher access of up gradation in marketing media.

SWOT Analysis**Strengths:**

- Accommodating to the Quality/culture identity of the brand
- Well cultured history (Pre- historic Years)
- Image branding
- Re-entry into international sports and vintage car races
- Value added Supply Chain Management
- Highly advanced channels of distribution
- Long history of Jaguar's brand
- Higher operational and capability scale

Weaknesses:

- Less capital intensive for marketing activities
- Opaqueness in lieu of accountability of Pacific Alliance Group
- Issues in Brand -Positioning
- Higher questions raising for quality
- Other upcoming brands
- Shortcomings in Engineering/R&D
- Concerns in Labor-unions
- Poor networking
- Inability and incapability of Jaguar to become a change agent in designing of cars
- Disadvantaged and highly dissatisfied economies of scale

Opportunities:

- Expansion in Asia Pacific markets and UK luxury and SUV automobiles.
- Innovating concerted effort .
- Era of Economization
- Entering in Japanese, Chinese and Korean markets
- Techno-commercial innovations and their availability
- US\$ exchange rate vis-à-vis Pound
- Competitive advantage

Threats:

- Competition from Mercedes, Porsche & BMW
- Entrants by Japanese sector
- Substitutes of smaller vehicles
- Fluctuations in exchange rates
- Labor legislation in UK
- Environmental pressures and concern
- Threats from potential brands
- Capital intensiveness
- The reduction of demand for various models of Jaguar in UK
- Liquidity issues and the heavy developmental investment requirements
- Changing consumer preferences, styles, moods and trends
- Consumer adapting to existing brands and brand recovery on slower pace
- Shareholders' disapproval of Jaguar's capacity

CONCLUSION:

- So the research paper inculcate the authority decisiveness by the scenic maneuvers will be giving insights neither by parleys supremacy gauges nor by intensification rather the innovation of furnishing modality to amalgamate.