

# Swot and pestel analysis of the automobile industry

[Business](#), [Industries](#)



At the beginning the gas price and economy were stable, this create conducive environment for car manufacturers, Vehicle sale has become stronger in the market, than it was anticipated due to expected economic growth, where by industry marketing expenditure were flat at \$ 1, 505 million and later increased \$39 ml to 1544 ml due to aggressive advertising and promotion increase despite growing sales, oil prices were doubled in the December, and raise concerned about the en next year, also marketing industry expenditure increased \$232 million to \$, 705 million, due to eave and also many firms decided to upgrade their car to meet difference taste and preferences

### Strategic Choices

Strategy is the direction and scope of an organization over the long term, which achieves advantage, in changing environment through its formation, resource and competences with the aim of fulfilling stakeholders expectations, strategic decision are therefore likely to be complex in interrelation et al, 2006; 61) Strong business strategies are built on good business decision so success depends on whether management has solid understanding of the micro environment, the industry in which its operates

### Strategic Analysis Mission & Vision

The business overall vision is to become the leading manufacturer to economy - oriented vehicle and become best in its class reflect different style and design in order to meet the test of different customers economy segment.

At the beginning all firms were started under same circumstances, the Primary strategy was to develop the vehicles, firm was original introduced (one of each categories, Economy Family and Truck), and the vehicle which were not performing better in a firm were upgraded to reflect the changing style and design to appeal with customers' expectations

The major target market, and particular attention was given to Economy vehicle, the Echo, Fizz and Egad Basic Strategy In simulation exercise every firm were started in identical situation, the initial strategy was to develop the cars that firm presented with (one in each in the Economy, Family and Truck classes) and measure their success.

And where by any vehicles which failed to perform better in the market would subsequently be discontinued and reinvest in other vehicle class..

#### External Analysis PESTLE

Political factors, the firm should be ware with all rules and regulation governing the reduction of cars, such as fuel efficiency cars which are highly emphasized, vehicle emissions, safety and standard issues should be given priority. Economic factor, at SWOT and PESTLE analysis of the automobile industry By evaluate the beginning to the simulation the economy were in g conditions, GAP growth were projected to raise from 1% to 1.5% in period 1 and inflation to decline from 2.5% to 1.5% these were fluctuation hence economy decline at end of simulation.

Social Factors, cars is one of agent which pollute environments due to emission of co and Jose, large cities, has affected with these emission and lead to diseases related to breath and skin. Many traffic Jams which are time-consuming, and increasing road accidents.

Legal Factors, the firm should comply with all laws and regulation with its operations, such as gas emission laws, safety and standard issues, vehicles regulations, compatibility spares manufactures Technological factors, Cars manufactures are starting to introduce Alternative Energy Vehicles, which are using electricity only (rechargeable batteries), fuel cell, hydrogen, solar or hybrid.

Despite of TTS expensiveness it will be solution to energy efficiency and lowering pollution, but during simulation we were not accessed to develop purely cars, or hybrid models despite of its existence. Other technologies such as synthetic materials, web procurement technologies, SIT

Management, advanced logistics computer-aided design software, increase efficiency and save money

Environmental factors, Environment pollution, is one of challenging issues threatening the world, car manufactures should pay attention in it issues, by transforming their technology into alternative energy vehicles, reduce emissions Today's customers are ones of victims of co emissions, hence in a future customer will prefer alternative energy vehicles to preserve the environments. You may be interested in PESTLE Analysis Turkey

SWOT-TO Opportunities, growing of economy this led to increase on purchasing power customers as well as growing of emerging markets  
Threats, New laws might imposed regarding to gas emission and safety issues, increasing competitions from other firms, introduction of new technologies, as well as global economy downturn, development of hybrid technologies might be threat for car manufactures

Strength, At foundation of the simulation, all firms started with one car in each at the Economy, Family and Truck, this give opportunity to fair competition due to the fact, all firms within simulation were started with zero competition, within these unexploited markets, hence the firms which is risk taker to possibly gain lions share compare to other firms which are risk averse.

Weakness, all firms were started with same situation simulation, hence another firms can move into our future vehicle class before our firm decide to move

Critical success

Factors, are those that differentiate one products or services from another in the eyes of consumes, can be threshold treasures and differentiators  
Threshold features, are those taken for granted to consumers in decision of buying such as, fuel consumption, engine capacity and durability whilst differentiators would be features such as music system, climate system, GPS, Bluetooth technology.

During simulation, were able to upgrade or downgrade threshold features depending how it perform in market despite for that there were few options in case of differentiators this lead to many vehicles ended being similar across all firms hence difficult to distinguish from one to another.