

Introduction developing nowadays and it affects the

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



Introduction This assignment examines the performance of a business named Emirates. Established in 1985 by Dubai's government, Emirates is one of the best airlines in the world nowadays, Emirates first appeared in 1985 and faster grew up in the industry. Emirates got lots of awards for the best airlines, best in-flight entertainment or the best safety airlines, etc. (Zhang, 2017). Emirates' success all depends on their ability to bring the passengers across continents with the best in-flight entertainment and service that they said to the public.

There are a lot of difficulties Emirates has to face with but the most difficult problem is how to get more profit. In total Emirates has 101 A380 aircrafts are in-service but in 2018 Emirates is waiting for 41 A380 aircrafts that they already ordered. Moreover, A380 aircraft can handle up to 600 passengers. However, if the airlines can fill all up, they can acquire great profits but if they cannot fill all up so they cannot create any profit, so what should Emirates do to solve the problem? (Gorenstein, 2015). This assignment will cover the general information of Emirates as well as Porter's Five Forces Analysis and the PESTEL Analysis Emirates. Last but not least, some strategic recommendations will be given.

2.0 PESTEL Analysis

It stands for Political, Economic, Social, Technological, Environmental and Legal.

PESTEL is a tool or framework used to analyze the macro-environmental factors that impact on a business.

2.1 Explanation of PESTEL

Analysis Political This is a factor that affects all businesses because they have to follow the regulations and the policies of the government. There is some example which is included in this factor such as political stability, trading

policies, safety regulations, employment laws and more. EconomicThe local businessesare affected by the local economic conditions.

There are some factors includesuch as inflation, economic growth, interest rates, policies, the unemploymentrate and so on. SocialAll companies have tounderstand the customers' wants and needs. Social factors could include gender, age, population, culture, lifestyle and so on. Technological Technology isdeveloping nowadays and it affects the companies, but it also helps thecompanies to achieve the goals faster.

Moreover, the technology can help thebusinesses have better products and services. EnvironmentalEnvironmental factordiscloses to the environmental aspect that affects the company performance andthe business's demand, which are include sustainability, environmentaladjustments, ecological arrangements and more. LegalThe governmentpolicies and actions will impact the businesses. This factor includes all legalparts such as employment, taxation, imports or exports, quotas, and so on. 2. 2 The impact of PESTLE to Emirates Political Emirates has tofollow all the political factors. The airlines' industry is affected by theunstable political changes, also wars and terrorism will affect the airline'sservice. The global political factors should be considered as a serious problembecause airlines companies are not confined to a country.

Economic Emirates is one ofthe world's largest international airlines so the profit is collected bydifferent currencies, which means any movement of exchange rate may changingthe revenue. The economy of United Arab

Emirates is growing fast mostly because of the oil industry. However, if the oil price decreases so it will be the good news for Emirates and other airlines companies. Social This factor includes the taste and need of people, the changes of social will affect the service of Emirates such as demographic changes and there will be threats to them.

The population is also one of the factors that help Emirates or other airlines companies getting more profit. Moreover, increase in population which means more people will travel to other countries and airlines companies will get more profit. Technological Technology is developing faster and affects to Emirates. Therefore, Emirates is keeping up and using the newest technology to attract more customers. Nowadays, Emirates are putting the internet and smart technologies into operation on their aircraft such as free Wi-Fi, TV screen which included lots of entertaining channels. For example, games, movies, TV channels, etc.

so the passengers can feel free to access to their favorite channel. Environmental Environmental changes can affect Emirates' service and other airlines companies. For example: if the weather is too cold and appears dense snow so they may not take-off and they need to delay the flight which means it will affect their service. All the airlines' businesses, they have to make strategies to give the passengers the best service as possible. Emirates do not face any environmental problems within their country because The UAE is a warm and dry climate country so this will be one of the advantages for them. Legal The government provided regulations and policies for both international and local airlines companies to make sure their

actions are legal and they do not break the policies. All the actions of Emirates are legal and right standards.

However, Emirates should care about legislation, for example, competition, employment, and safety legislation in the future so if any changes they can easily to handle and do their works legally.

3. 0 Porter's Five Forces

The Porter's Five Forces is a simple tool to help to understand

3. 1 Explanation of Porter's Five Forces

Competitive Rivalry in the industry

The number of competitors and their ability can affect to a company that in the same industry. The more number of competitors so the less a company can have the opportunity to grow faster. A business should figure out to improve their services and products so they can have a place in the industry and make more profit.

Threat of new entrants

How simple or challenging it is for new entrants will join them in the business continuously inspected. The simpler it will be to a rival with joining the marketplace, the more terrific the danger of a business's business sector allotment continuously exhausted. Obstructions to passage incorporate outright expense advantages, get should input, economies from claiming scale.

Threat of substitute products or services

Bargaining powers of suppliers

In some situations, the suppliers can increase the price of products and services easily. If there are not many suppliers so businesses have to depend on the suppliers which means the more power of suppliers can hold.

Bargaining powers of customers

3. 2 The impact of Porter's Five Forces on Emirates

Bargaining Power of Customers

The Bargaining Power of Customers is moderate.

There are some new technologies are e-ticketing ore-booking so the customers can have chance and flexibility to check the ticketfor cheaper costs and services. However, Emirates' passengers are not sensitiveto the pricing. Bargaining Power of Suppliers The Bargaining Powerof Suppliers is high. There are two main suppliers for Emirates are Airbus andBoeing, as a big buyer Emirates may have to face with paying a higher price ordelivery delay. Emirates depends a lot on these suppliers as appropriateproducts are differentiated while the suppliers have high expertise.

Threat of Substitute Products or Services The Threat ofSubstitute Products is moderate. There are two types of players in the market, which is budget, and luxury. This leads to the differences pricing. However, inluxury parts, Emirates leads the market with the courteous crew, gourmet foodwith at least 3 meals for the business class and above, Emirates also owns theworld-class newest private terminal and the fleet of new latest technologyinside the aircrafts.

Threat of New Entrants The Threat of NewEntrants is low as comparatively barrier is high. There are a few challengesfor the new entrants such as capital needs but if part of Emirates so thecapital is not a big issue or the barriers to entry (rights, patents, etc.) butas Emirates is a national airline so they will get a lot of benefits of their country. Competitive Rivalry in Industry The CompetitiveRivalry in Industry is moderate.

There are more than 36 airlines fly to Dubai. Nowadays, a lot of airlines give the passengers a new service suchas onboard spa, shower room, fully

reclining seats, TV and others entertaining devices. Emirates is one of the airlines to have these devices in-flights.