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For Class 12th Commerce

Lecture- 05 | Project Work

Business Environment

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TOPICS *to be covered*

1. Acknowledgement
2. **Certificate**
3. **Business Environment**

A PROJECT REPORT ON BUSINESS STUDIES – XII

'Business Environment'

Submitted to,

Submitted by,

ACKNOWLEDGMENT

I would like to convey my heartiest thanks to _____ (Name of the teacher), my Business Studies teacher who always gave me valuable suggestions and guidance during the competition of this project. She/ He has been a source of inspiration and helped me understand and remember important details of the project. My project has been a success only because of her/his guidance.

(Name of the student)

CERTIFICATE

This is to certify that …… of (Name of the student) of Class XII .....(Name of the school) has completed his/her project file under my supervision. He/ She has taken proper care and shown utmost sincerity in completion of the project. I certify that this project is up to my expectations and as per the guidelines issued by CBSE

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Meaning of Business Environment



The term 'business environment' refers to the totality of all people, organisations, and other forces that are beyond the control of industry but may influence its production. According to an anonymous writer, "Just like the universe, withhold the subset that describes the system, and the rest is the environment." As a result, the financial, cultural, governmental, technological, and other external forces that influence an enterprise are considered part of its environment. The environment of an enterprise includes individual customers or facing enterprises, as well as management, customer groups, competitors, media, courts, and other establishments that work outside of it.

Features of Business Environment

(A) The totality of External Forces

The business environment encompasses all external forces that directly or indirectly influence the operation of a business system. External forces are individuals and groups, also known as stakeholders, with whom a particular organisation has direct and frequent contact during its operations.

(B) Specific and General Forces

The business environment consists of both specific and general forces. Specific forces, such as investors, customers, competitors, and suppliers, have a direct and immediate impact on

individual businesses' daily operations. General forces such as social, political, legal, and technological conditions have an indirect impact on the business environment.

(C) Inter-relatedness

Different elements or parts of a business environment are inseparable. All the factors are related to each other in some ways.

(D) Dynamic Nature

The business environment is dynamic in nature, which means that it constantly changes due to technological advancements, shifts in consumer preferences, or the entry of new competitors into the market.

(E) Uncertainty

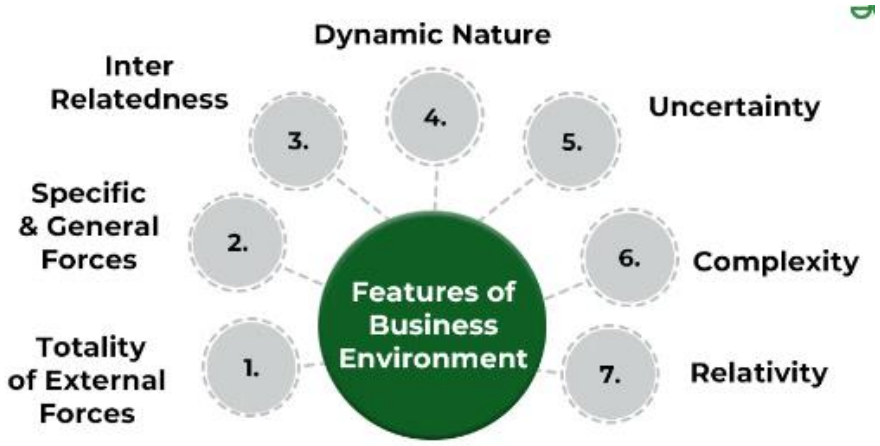
It is very difficult to predict the happenings in the future, especially when frequent changes are taking place in the environment.

(F) Complexity

The business environment is a complex phenomenon that is easier to understand in parts but difficult to grasp in its entirety. It is difficult to understand the constituents of a given environment because the business environment consists of various interconnected and dynamic forces.

(G) Relativity

The impact of the business environment varies from country to country, region to region, and firm to firm.



Importance of Business Environment

(A) It Helps in Identifying Opportunities and Making First Mover Advantage

A business environment offers numerous opportunities for the success of the company. In this context, opportunities refer to positive external changes or trends that will aid in improving the performance of the business enterprise, and early identification of environmental opportunities will assist the enterprise in capitalising or exploiting the opportunities by being the first to capitalise rather than losing them to competitors.

(B) It Helps the Firm Identify Threats and Early Warning Signals

A business environment, in addition to providing opportunities, can also present a variety of crisis risks. Threats are those trends or changes in the external environment that hinder the performance of the business enterprise. A proper understanding and awareness of the environment can assist business managers in recognising various threats in a timely manner, serving as a warning signal.

(C) It Helps in Tapping Useful Resources

The business environment is a source of various resources such as man, machine, money, raw materials, power, and so on. Understanding the business environment allows organizations to develop policies to acquire the necessary resources and convert them into the output that the environment requires.

(D) It Helps in Coping With Rapid Changes

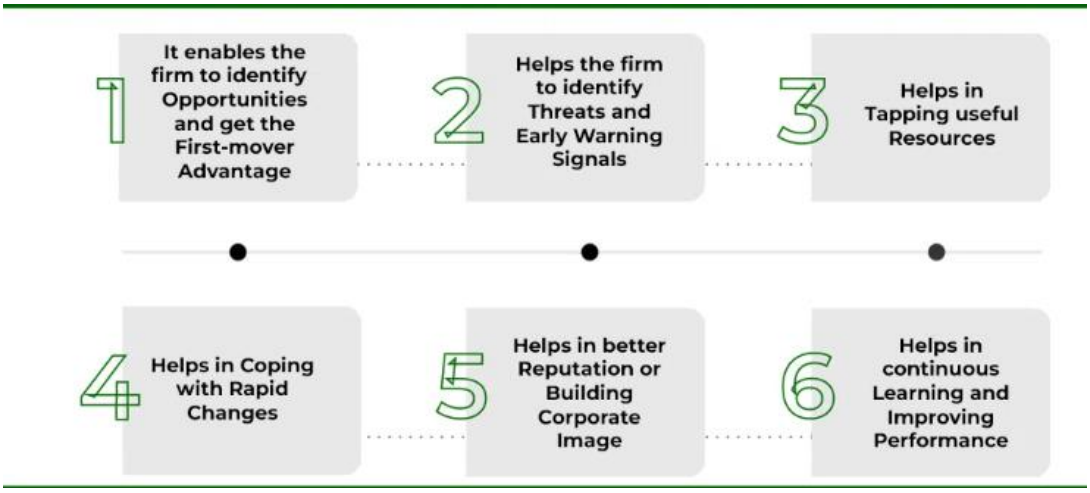
The business environment is highly dynamic, with rapid changes. Changes such as uncertain market conditions, lower brand loyalty, and so on. Managers must understand, examine, and develop a suitable course of action to deal with significant changes.

(E) It Helps in Assisting in Planning and Policy Formulation

Understanding and analyzing the business environment can serve as the foundation for organizational planning and policy formulation. Because the environment provides both opportunities and threats to a business, its knowledge and evaluation serve as the foundation for planning (determining the future course of action) and policy formulation (guidelines for decision-making).

(F) It Helps in Improving Performance

The enterprises that continuously monitor the environment and adopt suitable business practices are the ones that not only improve their performance but also continue to succeed in the market for a long period.



Dimension of Business Environment



LEGAL ENVIRONMENT

The legal environment includes a wide range of laws and regulations enacted by the government, administrative directives, judicial rulings, and judgments made by multiple commissions and agencies at all levels of government, whether it is national, state, or local. Business professionals have to conform to several legislations, making their expertise indispensable.

POLITICAL ENVIRONMENT

This includes the overall stability and peace inside a country, as well as the view that elected government officials have towards business. The presence of political stability promotes confidence among the business community, but political instability and a decline in law and order can introduce uncertainty into business operations.

ECONOMIC ENVIRONMENT

The economic environment has an immediate and direct influence on a firm. Economic factors such as interest rates, inflation rates, changes in disposable income, monetary policy, and stock market indices can impact business enterprises. Economic fluctuations can create favorable conditions or impose limitations on a company's operation.

SOCIAL ENVIRONMENT

The social environment includes several social elements, including conventions, beliefs, literacy rate, educational levels, lifestyle, and values. Societal developments provide a range of advantageous opportunities and potential risks to businesses. This environment mainly focuses on consumer preferences and their customs and traditions.

TECHNOLOGICAL ENVIRONMENT

The technological environment includes factors associated with scientific advancements and innovations that provide approaches to manufacturing products and services, as well as fresh techniques and strategies for conducting business operations. It is important for a businessman to carefully observe the technical advancements occurring in the industry, as this facilitates the ability to effectively compete and enhance the product's quality.

Coca-Cola in the 70's to Thumbs Up and Campa Cola in the 90's to Pepsi and Coke in 90's



INTRODUCTION

Soft drinks are increasingly popular in modern urban culture, particularly among younger generations. Soft drinks in a variety of flavours and tastes are popular among the urban population on various occasions such as dinners, parties, and weddings. The phrase'soft drinks' appeals to children of all ages.

The so-called competition for this product in the market differs from that of other products. In today's highly competitive market, two companies have dominated the sector. Pepsi Company Inc. is based in New York, and Coca-Cola is headquartered in Atlanta.

Across the globe, these major players have been competing for a larger share of the ever-expanding soft drink market. The battle between these two giants has also been witnessed in India.

COCA-COLA

On May 8, 1886, Dr. John Pemberton sold the first glass of Coca-Cola at Jacobs' Pharmacy in downtown Atlanta. In its first year, Coca-Cola served nine drinks per day, making it a new refreshment.

Coca-Cola, or Coke, is a carbonated soft drink produced by The Coca-Cola Company. Originally marketed as a temperance drink and intended as a patent medicine, it was invented in the late nineteenth century by John Stith Pemberton and purchased by businessman Asa Griggs Candler, whose marketing strategies propelled Coca-Cola to dominance in the global soft-drink market throughout the twentieth century. The drink's name comes from two of its original ingredients: coca leaves and kola nuts (which contain caffeine). The current Coca-Cola formula is a trade secret; however, several reported recipes and experimental recreations have been published. The drink has inspired imitators, resulting in a new category of soft drinks: colas.



THUMBS UP

Thums Up was founded in 1977, after the American company Coca-Cola withdrew from India due to regulations requiring it to disclose its formula and sell 60% of its equity to an Indian company as part of a government plan for foreign-owned companies to share stakes with domestic partners. The Chauhan brothers owned a portion of the Parle company and had two other soda brands, Limca and Gold Spot, that were popular in India at the time. Thums Up quickly became the most popular and nearly monopolised cola products in India during the 1980s, alongside Campa Cola, Double Seven, Dukes, and United Breweries Group's McDowell's Crush.



CAMPA COLA

Campa Cola was a beverage developed by the Pure Drinks Group in the 1970s.
Pure Drinks Group pioneered the Indian soft drink industry by introducing Coca-Cola to India in 1949, and they remained the sole manufacturers and distributors of Coca-Cola until the 1970s, when Coke was asked to leave. The Pure Drinks Group and Campa Beverages Pvt. Ltd. dominated the Indian soft drink industry for about 15 years before launching Campa Cola in the absence of foreign competition. The slogan "The Great Indian Taste" was an appeal to nationalism. It then marketed an orange-flavored drink called Campa Orange, with the "Campa" logo on the bottles.

During the 1980s, Campa Orange and Rush were India's two leading orange soft drinks, with large bottling plants in Mumbai (Worli) and Delhi. After foreign corporations returned to the soft drink market in the 1990s, Campa Cola's popularity dipped. In 2000-2001, the bottling plant and offices in Delhi were closed. In 2009, a small amount of product was still being bottled in the state of Haryana, but it was difficult to find. It has now been relaunched under the same brand name, Campa Cola, and is available in a few grocery stores.



PEPSI

Caleb Bradham, who owned a drugstore in New Bern, North Carolina, introduced Pepsi as 'Brad's Drink' in 1893.
It was renamed Pepsi-Cola in 1898, with 'Pepsi' referring to its advertised ability to relieve dyspepsia and 'Cola' referring to the Cola flavour. Some have suggested that the name 'Pepsi' may have referred to the drink's ability to aid digestion, similar to the digestive enzyme pepsin, but pepsin was never used as an ingredient in Pepsi-Cola.



THE COLA CHANGE

Following Coca-Cola's exit from the Indian market due to issues with the Indian government, the Indian government decided to launch a local brand to meet the country's soft drink demand. Padma Sri late Sardar Mohan Singh founded Pure Drinks Group in 1942, and in 1950, they began bottling Coca-Cola across India. Coca-Cola began bottling their own brand "Campa Cola" after leaving India in 1978. Thums Up was introduced in 1977 to offset The Coca-Cola Company's expulsion from India. The Parle brothers, Ramesh and Prakash Chauhan, along with Bhanu Vakil, introduced Thums Up as their flagship drink, joining their portfolio of older brands Limca (lime

flavour) and Gold Spot (orange flavour). Thums Up had a near monopoly with a much larger market share, frequently overshadowing domestic rivals like Campa Cola, Double Seven, Dukes, and United Breweries Group's McDowell's Crush. According to statistics, Parle's Thums Up market share has steadily increased from 43% in 1983 to 70% in 1990, while its main competitors' shares have declined.

Leading Brands in Indian Market

LIMCA

Limca is a lemon- and lime-flavoured carbonated soft drink made primarily in India and certain parts of the U.S. It contains 60 calories per 150ml can. The formula does not include fruit, relying instead on artificial flavours.



APPY

Appy Fizz is a product by Parle Agro, introduced in India in 2005. Appy Fizz consists of carbonated apple juice, and can be used as the basis for cocktails. It does not contain alcohol.



FROOTI

Frooti is a mango-flavoured drink sold in India. It is made with chemicals and no real mango is added in it. It is the flagship product and most successful drink product made by Parle Agro. Frooti was launched in 1985 in Tetra Pak packaging, and is now also sold in PET bottles and rectangular shaped packs.



MOUNTAIN DEW

Mountain Dew is a carbonated soft drink brand produced and owned by PepsiCo. The original formula was invented in 1940 by Tennessee beverage bottlers Barney and Ally Hartman. A revised formula was created by Bill Bridgforth in 1958. The rights to this formula were obtained by the Tip Corporation of Marion, Virginia.



Conclusion

There are still many issues that coke and Pepsi must address both in India and abroad. They both continue to represent the West, but they must improve their adaptability to the various environments in which they choose to participate. They must not only be able to effectively market their product; they must also demonstrate some responsibility when things begin to go wrong for them. Indians continue to buy and consume soft drinks. However, Indians, in general, consume a wide range of beverages. Coke and Pepsi should be willing to expand their options. They already have fruit sodas and bottled water on the market, but they should also offer fruit cocktails and other types of beverages. They continue to align themselves with brands, celebrities, sports, and lifestyles that Indians find attractive. Both companies must constantly monitor their products to ensure that they are safe and continue to be environmentally and morally responsible with their plants, operations, distribution, and products in general.


THANK
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