





Entrants

Determinants of Entry Barriers —

Economies of Scale
Proprietary Product Differences
Brand Identity
Switching Costs
Capital Requirements
Access to Distribution

Absolute Cost Advantages
• Proprietary Learning Curve
• Access to Necessary Inputs
• Proprietary Low-Cost Product Design
Government Policy
Expected Retaliation

Suppliers

Determinants of Supplier Power —

Differentiation of Inputs
Switching Costs of Suppliers and
Firms in the Industry
Presence of Substitute Inputs
Supplier Concentration
Importance of Volume to Supplier

Cost Relative to Total Purchases in the
Industry
Impact of Inputs on Cost or Differentiation
Threat of Forward Integration Relative to
Threat of Backward Integration
by Firms in the Industry.

Substitutes

Determinants of Substitution Threat —

Relative Price Performance
of Substitute
Switching Costs
Buyer Propensity to Substitute

Replacement Innovations / Uses

Buyers

Determinants of Buyer Power —

Buyer Concentration vs. Firm
Concentration
Buyer Volume
Buyer Information
Ability to Backward Integrate
Substitute Products
Pull-Through

Buyer Switching Costs Relative to Firm
Switching Costs
Price / Total Purchases
Product Differences
Brand Identity
Impact on Quality / Performance
Buyer Profits
Decision Makers' Incentives

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Industry Rivalry

Determinants of Rivalry —

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|--|---------------------------|
| Industry Growth | Switching Costs |
| Fixed (or Storage) Costs / Value Added | Concentration and Balance |
| Intermittent Overcapacity | Informational Complexity |
| Product Differences | Diversity of Competitors |
| Brand Identity | Corporate Stakes |
| | Exit Barriers |

Individual Competitor

Determinants of Individual Competitor Analysis —

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|------------------------------------|---------------------------------|
| Identification of Competitor | Competitor Future Behavior |
| • Primary and Secondary | Competitor Objectives |
| Growth and Size of Competitor | Competitor Strategy |
| Competitor Share of Market | Competitor Success to Date |
| Competitor Strengths / Weaknesses | |
| Competitor Past Retaliatory Action | Competitor Marketing Activities |



References

Page Ee.1-3: Elements of Industry Structure

*Competitive Advantage: Creating and Sustaining
The Free Press: 1985
Michael E. Porter
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