

COMPETITIVE RIVALRY



# PORTER'S FIVE FORCES ANALYSIS EXAMPLE

THREAT of NEW ENTRY

**POWER of BUYERS** 

THREAT of SUBSTITUTES

**POWER of SUPPLIERS** 



### THREAT OF NEW ENTRY

Consider how much money,

time, and effort it would take

for a company to displace

you.

# POWER OF BUYERS

If you have many customers, you have the power. Otherwise, buyers can negotiate more advantageous deals

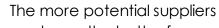
elsewhere or find sources other than yours. Consider how you would treat that situation.



## THREAT OF SUBSTITUTES

A competitor could create a product or model that replaces yours. On the other hand, a new product or service could also complement yours, which would create a symbiotic sales situation. Complements are sometimes considered the

sixth force in the model.



POWER OF SUPPLIERS

you have, the better for you. Consider how having fewer suppliers might impact your operation.





# COMPETITIVE RIVALRY

Determine who your competitors are, who the closest competitors are, and their products, prices, and quality. Fewer rivals mean more opportunity for your unique qualities to shine; many rivals mean more competitors to steal your customers and potentially better deals to lead customers elsewhere.



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