Industry and Competitor Analysis

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Industry and Competitor Analysis: SWOT

Consider
• Defining Your Industry
• Industry Rivalry
• Supplier Power
• Buyer Power
• Health of the Economy
• Government Regulations

Consider
• Defining Competitors
• New and Existing Competitors
• Substitute Products
• Competitor Knowledge
• Barriers to Entry and Exit
• General Environment

Porter’s Five Forces Analysis

Rivalry
• How many competitors will I have?
• Can they take my customers? If so, how?
Threat of Substitute Products

• Are there similar products in the market that fulfill my customers needs?
• How likely are my customers to switch to those products?

Bargaining Power of Customers

• How powerful are my customers?
• How easily can they switch to another business?
• How easily can they force me to change my prices?

Bargaining Power of Suppliers

• How easily can my suppliers drive up prices?
• How easily can I switch to another supplier?
• How easily can my supplier integrate forward?

Threat of New Entrants

• How easily is it for new businesses to enter and take my customers?
  • Barriers to entry can come from various sources:
    – Government
    – Patents and proprietary knowledge
    – Asset specificity
    – Organizational/inherent economies of scale
  • Exit barriers limit a firm’s ability to leave the market and can exacerbate rivalry.
Competitor Analysis

- Define your business
- Define your competitors
- Identify strengths and weaknesses
- Identify opportunities and threats

Quick Competitor Analysis

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<thead>
<tr>
<th>Customer Seeks</th>
<th>Competition Offers</th>
<th>You Offer</th>
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<tbody>
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<td>Quality</td>
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Other Presentations

- Business Plan Basics
- Evaluating New Ideas
- Communicating with Your Customer 3 Part Series