ANALISIS PORTER

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Tujuan

- Agar Mahasiswa Mengerti Perencanaan Strategi dengan Analisis Porter

Porter Analysis

- **Porter's 5 forces analysis** is a framework for the industry analysis and business strategy development developed by Michael E. Porter of Harvard Business School in 1979 . It uses concepts developed in Industrial Organization (IO) economics to derive **5 forces** that determine the competitive intensity and therefore attractiveness of a market. Attractiveness in this context refers to the overall industry profitability. An "unattractive" industry is one where the combination of forces acts to drive down overall profitability. A very unattractive industry would be one approaching "pure competition". Porter referred to these forces as the micro environment, to contrast it with the more general term macro environment

Porter Analysis

The threats of substitute product

- The existence of close substitute products increases the propensity of customers to switch to alternatives in response to price increases (high elasticity of demand).
- buyer propensity to substitute
- relative price performance of substitutes
- buyer switching costs
- perceived level of product differentiation

The threats of the entry new competitor

- Profitable markets that yield high returns will draw firms. The results is many new entrants, which will effectively decrease profitability. Unless the entry of new firms can be blocked by incumbents, the profit rate will fall towards a competitive level (perfect competition).
- the existence of barriers to entry (patents, rights, etc.)
- economies of product differences
- brand equity
- switching costs or sunk costs
- capital requirements
- access to distribution
- absolute cost advantages
- learning curve advantages
- expected retaliation by incumbents
- government policies

The intensity of competitive rivalry

- For most industries, this is the major determinant of the competitiveness of the industry. Sometimes rivals compete aggressively and sometimes rivals compete in non-price dimensions such as innovation, marketing, etc.
- number of competitors
- rate of industry growth
- intermittent industry overcapacity
- exit barriers
- diversity of competitors
- informational complexity and asymmetry
- fixed cost allocation per value added
- level of advertising expense
- Economies of scale
- Sustainable competitive advantage through improvisation

The bargaining power of customers

- Also described as the market of outputs. The ability of customers to put the firm under pressure and it also affects the customer's sensitivity to price changes.
- buyer concentration to firm concentration ratio
- bargaining leverage, particularly in industries with high fixed costs
- buyer volume
- buyer switching costs relative to firm switching costs
- buyer information availability
- ability to backward integrate
- availability of existing substitute products
- buyer price sensitivity
- differential advantage (uniqueness) of industry products
- RFM Analysis

The bargaining power of suppliers

- Also described as market of inputs. Suppliers of raw materials, components, and services (such as expertise) to the firm can be a source of power over the firm. Suppliers may refuse to work with the firm, or e.g. charge excessively high prices for unique resources.
- supplier switching costs relative to firm switching costs
- degree of differentiation of inputs
- presence of substitute inputs
- supplier concentration to firm concentration ratio
- threat of forward integration by suppliers relative to the threat of backward integration by firms
- cost of inputs relative to selling price of the product

If you lucky to produce porter analysis

This 5 forces analysis is just one part of the complete Porter strategic models. The other elements are the value chain and the generic strategies.