**Industry Research Using Porter’s 5 Forces**

**Instruction Activity**:

Discuss one or all five forces to help students locate industry information using business databases and/or websites. This activity may be conducted on the individual level or in teams.

**Pre-Activity**: Ask participants to identify industry name and/or [NAICS code](https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017).

|  |
| --- |
| **Activity #1: Competition in the Industry** |
| ***Discussion***: | What information would you gather to learn more about your company’s competitors?***Example***: List of competitors, competitors’ financials, market share, product differences, brand identity, industry growth, etc.  |
| ***Recommended Research Approach***: | * Use Mergent Online to create competitor list.
* Use Business Source Complete and/or ABI/INFORM Collection to locate company profiles (includes information on competitors).
* Use IBISWorld to learn about competition concentration.
 |

|  |
| --- |
| **Activity #2: Threat of New Entry** |
| ***Discussion***: | What threats do new companies face in entering your industry?***Example***: Economies of scale, strong brand identities, high switching costs, capital requirements, government policy, etc.  |
| ***Recommended Research Approach***: | * Use Business Insights: Global to locate industry essays and market share reports.
* Use IBISWorld to locate the barriers to entry and operating conditions.
 |

|  |
| --- |
| **Activity #3: Threat of Substitutes** |
| ***Discussion***: | What product or service may substitute your company’s current product or service?***Example***: Uber as substitute to traditional taxi services |
| ***Recommended Research Approach***: | * Form key words to search news articles and trade publications (Business Source Complete and/or ABI/INFORM Collection)
 |

|  |
| --- |
| **Activity #4: Power of Suppliers** |
| ***Discussion***: | How do you determine the power of a supplier?***Example***: Supplier concentration, lack of supplier competition, switching costs, uniqueness of process and/or material, etc.  |
| ***Recommended Research Approach***: | * Use the company’s (public) investor relations page to identify its suppliers.
* Use IBISWorld to identify the industry supply chain.
 |

|  |
| --- |
| **Activity #5: Power of Buyers** |
| ***Discussion***: | How do you determine the power of the buyers?***Example***: Buyer concentration, buyer switching costs, brand loyalty, availability of substitutes, etc.  |
| ***Recommended Research Approach***: | * Form key words to search news articles and trade publications (Business Source Complete and/or ABI/INFORM Collection)
 |

**\*\*Note**: MarketLine Industry Profiles in Business Source Complete includes Porter’s 5 Forces Analysis