

Task sheet - Porter's 5-Forces

A) Use Porter's theory to explain;

1. how barriers to entry have resulted in very few new competitors to Coke & Pepsi in the soft drinks industry.
2. how the threat of substitutes has led to so much competition in the discount clothing market opposite Nanjing International School.
3. how the strong bargaining power of companies like Nike that buy shoes and clothes from suppliers are able to keep costs down and increase profits.
4. how Microsoft's strong bargaining power as a supplier has enabled it to maintain its profitability.
5. how intensity of rivalry in the airline industry has made it difficult for many airlines to remain profitable.

B) How easy would it be to open a new international school in Nanjing?
Conduct an analysis using Porter's five forces.