Barriers to entry

1. Supply-side economies of scale.

2. Demand-side benefits of scale.

3. Customer switching costs.

4. Capital requirements.

5. Incumbency advantages independent of size.

- Proprietary Technology

- Preferential Access to the Best Raw Material Sources

- Preemption of the Most Favorable Geographic Locations

- Established Brand Identities

- Cumulative Experience (Produce More Efficiently)

6. Unequal access to distribution channels.

7. Restrictive government policy.