



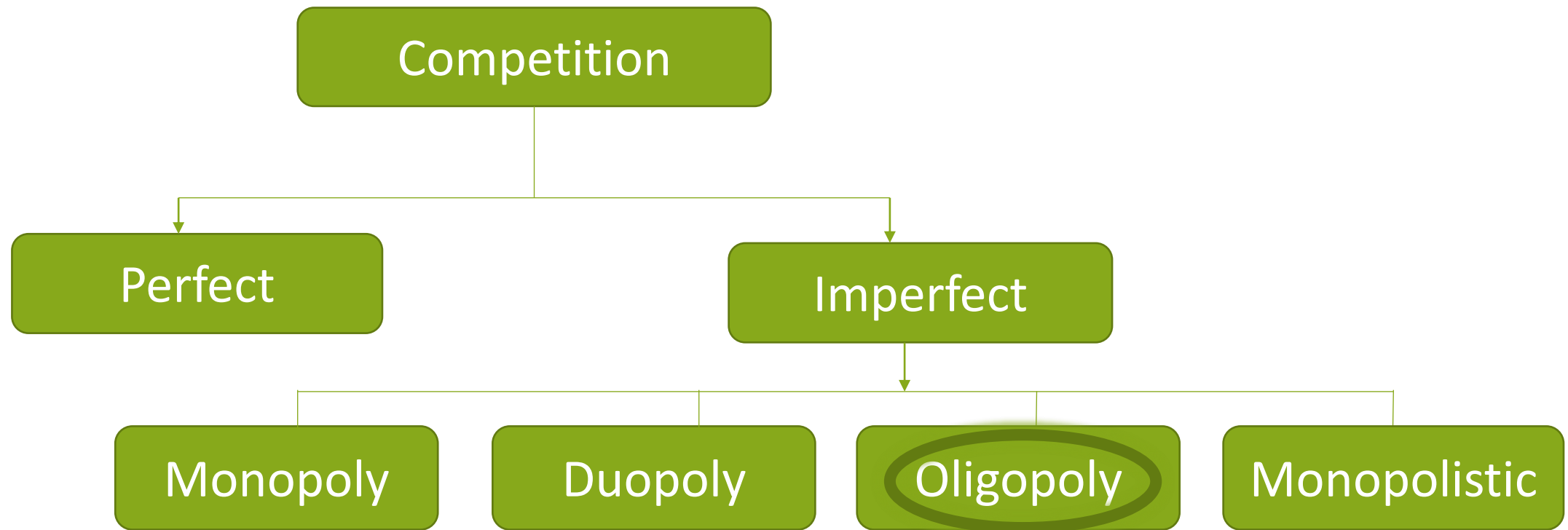
LATEX EXAMINATION GLOVES

MARKET ANALYSIS

PREFACE

- The presentation aims at market analysis of examination gloves.
- It contains classification of market on the basis of
 - Competition
 - Volume of business
 - Area

MARKET STRUCTURE ON BASIS OF COMPETATION



REASONS FOR OLIGOPOLY

- i. Few firms
- ii. Interdependence
- iii. Existence of Price Rigidity
- iv. Non-price competition
- v. Barriers to entry of firms



i. FEW FIRMS

- In Ahmedabad , there are only 5-7 firms in the market e.g SafeLife , Gammex , NuLife , MediGrip and etc.
- Each firm has substantial market control.
- There exists severe competition among different firms and each firm try to manipulate both prices and volume of production to outsmart each other.
- In this gloves market , the number of firms are few. So, an action by any one firm is likely to affect the rival firms. That's why every firm keeps a close watch on the activities of rival firms.

ii. PRICE RIGIDITY

- All firms are in a position to influence the price but they try to avoid price war and follow the policy of price rigidity.
- Prices tend to be rigid and sticky but when a firm tries to reduce the price, the rivals will also react by reducing their prices.
- MediGrip(Name of a company) reduced price to clear excessive stock, that led other companies to reduce their price to be in competition.
- However, if a firm tries to raise the price, other firms might not do so.

iii. INTERDEPENDENT

- In examination gloves market , all firms are interdependent in making decisions.
- They are interdependent because the number of competition is few and any change in price & quality of a product by any firm will have a direct influence on the fortune of other firms.
- Because of interdependence firms prefer group decisions that will protect the interest of all the firms

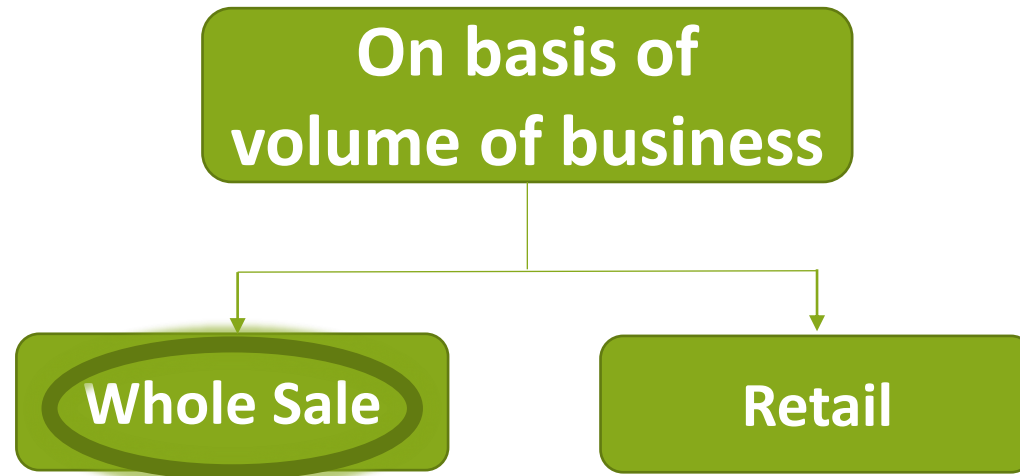
iv. NON-PRICE COMPETITION

- As price tend to be rigid and sticky for long time in market , there is non-price competition among safelife, medigrip and other firms.
- In gloves market firms use other methods like advertising ,better services to customers , good quality , various schemes , etc. to compete with each other.
- Selling costs is important factor in this market
- Maintaining their goodwill is necessity in this market.

V. BARRIERS TO ENTRY OF FIRMS

- As There is keen competition in gloves market , there are various barriers to entry into the market
- Requirement of large capital, control over raw materials , etc. are barriers for new firms willing entry into this market.
- Only those firms enter into the market which is able to cross these barriers.
- This can be reason for having few firms in this kind of market
- Here entry is restricted by such barriers, firms in market can earn long run supernormal profits.

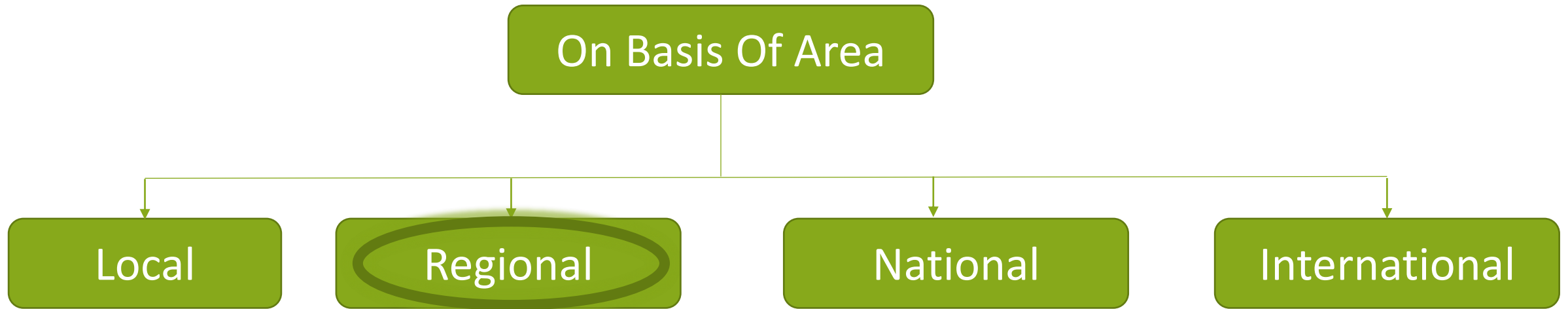
ON BASIS OF VOLUME OF BUSINESS



ON BASIS OF VOLUME OF BUSINESS - WHOLESALE

- Market for examination gloves tend to be wholesale market.
- Large amount of examination gloves are used in hospitals , clinics etc. on daily basis
- So they buy large quantity of gloves from wholesaler and store it for some days
- Thus , Examination gloves market is featured by large volume of business and wholesalers.
- That's why it is **wholesale market**

ON BASIS OF AREA



ON BASIS OF AREA - REGIONAL MARKET

- Examination gloves are necessity product for pharmaceutical industry , doctor , paramedical staff , dentist , etc.
- Generally , hospitals buy it from firm in their district or state.
- This transaction takes place on district or state level.
- So, we can say that examination gloves market is not limited to a certain place but expanded in district , state or inner-state
- Thus , It has **regional market**.

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THANK YOU