

Five Forces Worksheet

Key Barriers to Entry

List the **Possible New Entrants** in the CSD industry. Then, below the list, indicate a few factors that you feel influence the likelihood that a firm will enter. Make your assessment about the entry barriers of the industry.

Low entry barrier,
It's mentioned that it involves little capital investment in machinery.
Customer switching cost is low, customer can switch to another kind of drink easily.
The market share dropped from 71% in 1990 to 55% in 2009.

Supplier Power

List the **Suppliers** in the CSD industry- what are the key inputs that firms must rely on? Then, below the list, indicate a few factors that you feel drive the differences in their ability to charge high prices. Make your assessment of the power of suppliers.

Raw material covered in secret recipe (Sugar, Water), Concentrate container (Glass, Plastics)

Low bargaining power

Rivalry

List the **Rivals** in CSD industry. Put them in the order that you estimate they would compete more directly with Coca-Cola. Then, below the list, indicate a few factors that influence your assessment of the rivalry of the industry.

Exhibit 7 reflect existed competitors' market share in 2000 and 2004, though Coca-Cola's annual share decrease a little bit, it still has high market share.

Buyer Power

List the **buyers** in the CSD industry. Then, below the list, indicate a few factors that you feel drive the differences in willingness to pay. Make your assessment of the buyer power of the industry.

Retail Channels (Fountains: Food Stores, Convenience), Bottlers

Retail Channel: certain degree of bargaining power, but low

Bottlers: low bargaining power

Threat of Substitutes

List several types/categories of **Substitutes** for the CSD industry - what alternatives might buyers rely on? Then, below the list, indicate a few factors that you feel make some more comparable. Make your assessment of the level of the threat of substitutes for this industry.

Beer, Milk, Coffee, Bottled water...
Though the differentiation between products are high, there are massive kinds of substitute.