**Exercise 2: Porter Five Forces Model**

**Introduction:** The Porter Five Forces Model is a commonly used tool to help evaluate market attractiveness and aid in product management decision-making and planning.

**Objectives:**

* Review the Car Cam product development scenario
* Determine how the Five Forces are impacting product planning positively or negatively
* Develop an appropriate strategy to deal with the Five Forces

**Part I: Determine how the Five Forces positively or negatively impact product planning. Annotate your findings in Appendix A.**

Perform a Five Forces analysis and determine the optimal strategy to plan and deliver a successful product. Remember the Five Forces include:

1. Entry
2. Threat of Substitution
3. Bargaining Power of Buyers
4. Bargaining Power of Suppliers
5. Rivalry Among Current Competitors

**Part II: Develop an appropriate strategy or strategies to deal with the five forces. Annotate your findings in Appendix B.**

Use knowledge learned throughout this course. What major issues impact the Five Forces, and what do you recommend?

**Summary:** Save your spreadsheet with a unique naming convention. This spreadsheet will be part of a peer review and will be submitted at the end of the course.

**Appendix A: The Five Forces**

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| --- | --- |
| Force | Major Issues |
| Entry | The industry is highly competitive, with every company fighting for the largest share of the market. The market expansion is significantly impacted by intense rivalry, frequent law and government regulation changes, and other factors. |
| Threat of Substitution | Substitution Car Cams are constantly entering the market. DC LLC will need to perform aggressive marketing to win market share. |
| Bargaining Power of Buyers | Consumers are always looking for a quality Car Cam at a reasonable price. |
| Bargaining Power of Suppliers | Some supplies may be complex to procure and more expensive due to supply chain issues still being addressed by the industry |
| Rivalry Among Current Competitors | The industry is highly competitive, with every company fighting for the largest share of the market. |

**Appendix B: Your Recommendations**

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| --- | --- |
| Major Issue | Recommendations |
| Entry | Position product strategically by communicating its innovative features at the lower price through proper marketing plans |
| Threat of Substitution | Once product has been properly positioned customers would evaluate features and price and would buy the product to get benefitted by its overall quality instead of choosing any substitution. |
| Bargaining Power of Buyers | When buyers evaluate that they are not able to find any other car cam at this great price with such innovative features, they would buy the product and would less bargain. |
| Bargaining Power of Suppliers | Suppliers should be given some after sales benefit by communicating the value of the product. This strategy might help in procuring supplies at the lower price with ease |
| Rivalry Among Current Competitors | Rivalry could be addressed by proper marketing and communication of the values that the product would give to the end users. Customer base would be ready before the product launch if proper marking and PR strategies are applied |
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