APPENDIX II

Following are the statements of questionnaire where weights were reordered.

**Bargaining Power of Suppliers**
- There are a large number of potential input suppliers
- You can easily switch to substitute products from other suppliers
- It be difficult for your suppliers to enter your business, sell directly to your customers, and become your direct competitor
- You well informed about your supplier’s product and market

**Bargaining Power of Buyers**
- You have enough customers such that losing one isn’t critical to your success
- Your product is unique
- It would be difficult for buyers to integrate backward in the supply chain, purchase a competitor providing the products you provide, and compete directly with you
- It difficult for customers to switch from your product to your competitors’ products

**Threat of New Entrants**
The weights of all the statements were reordered.

**Threat of Substitutes**
- Customers are loyal to existing products
- Your product compares favorably to possible substitutes

**Rivalry among Competitors**
- It is difficult for customers to switch between your product and your competitors
- Your market is growing
- There are a small number of competitors
APPENDIX II

Appendix III Combining the five force model with Generic strategy

<table>
<thead>
<tr>
<th>Force</th>
<th>How to mitigate the impact of this force</th>
<th>Generic strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Potential Entrants</strong></td>
<td>Build barriers to entry to deter new rivals.</td>
<td>Economies of scale and lowest unit cost are barriers to entry (cost leadership), as are powerful brands and loyal customers (differentiation).</td>
</tr>
<tr>
<td><strong>Buyer Power</strong></td>
<td>Either tie in your buyers through contracts or loyalty, or increase the number of buyers so that you're fewer dependants on any one.</td>
<td>Buyers are less likely to leave you if they clearly value what you’re offering – e.g. low prices (cost leadership) or high quality (differentiation).</td>
</tr>
<tr>
<td><strong>Substitutes</strong></td>
<td>Ensure that your product is unique and, therefore, hard to substitute.</td>
<td>Quality / innovation – e.g. patents – are hard to copy (differentiation)</td>
</tr>
<tr>
<td><strong>Supplier Power</strong></td>
<td>Either uses only raw materials that are available from a range of suppliers, or widen your pool of suppliers.</td>
<td>Cost leaders tens to be large owing to the economies of scale needed for this, which reduces supplier power. By using only undifferentiated suppliers, you can easily switch suppliers, thereby reducing their bargaining power.</td>
</tr>
<tr>
<td><strong>Competitive Rivalry</strong></td>
<td>Win competitive battles with rivals</td>
<td>Cost leadership gives you the upper hand in any price war, if customers believe your product to be differentiated; they will not see your competitors’ products as viable alternatives.</td>
</tr>
</tbody>
</table>