

1. Potential entrants (Threats of new entrants/ barriers to entry)

- Economies of scale
- Product differentiation
- Capital requirements
- Cost disadvantages
- Access to distribution
- Government policy

How strong are the competitive pressures coming from the threat of entry of new rivals?	
Entry threats are stronger when:	Entry threats are weaker when :
<ul style="list-style-type: none">• Entry barriers are low;	<ul style="list-style-type: none">• Entry barriers are high since incumbents enjoy;
<ul style="list-style-type: none">• Industry members are unwilling or unable to strongly contest the entry of newcomers	<ul style="list-style-type: none">• Cost advantages due to economies of scale, experience, low fixed cost, access to lower cost inputs
<ul style="list-style-type: none">• Existing industry members are looking to expand their marketing reach by entering product segments or geographic areas where they do not have a presence	<ul style="list-style-type: none">• Strong product differentiation and brand loyalty• Strong network effects• High capital requirements• Preferential access to distribution channels• Restrictive government policies
<ul style="list-style-type: none">• Buyer demand is growing rapidly and newcomers can expect to earn attractive profits without inviting a strong reaction from incumbents	<ul style="list-style-type: none">• Industry members are willing and able to contest new entry• Industry outlook is risky and uncertain, discouraging entry