

Porters five forces persuasive essay



**ASSIGN
BUSTER**

University of Melbourne – Porters Five Forces 1853 When the University of Melbourne (UoM) was established in 1853, there was only one other competitor in Australia, the University of Sydney .

However due to the geographical distance between these two competitors, they appealed to different markets, Victorians and New South Welshmen.

Hence rivalry within the industry was nonexistent. Therefore rivalry among existing competitors was a minimal force and did not affect tertiary education in 1853. In order to found a university in 1853, large amounts of capital, competent staff and board, strong demand, land, and permission/legislation from the government in charge were all required.

All these factors made the threat of new entrants very low, this was demonstrated by zero competition until 1910 with establishment of education act that brought about an influx of TAFE and technical colleges. Thus, the threat of new entrants was low and had a negligible effect on tertiary education. The number of factors that were/are required to be combined to provide a high class university education, such as skilled staff, massive amounts of capital and teaching resources meant that the process was difficult to imitate and hence was relatively well protected from substitutes. The closest substitute in 1853, the mechanical institute of Victoria offered practical training and instruction for skilled labour in the workforce, yet lacked the superior educational combination offered by the UoM, which included advanced instruction and teaching in the classics and politics as well as complementary services such as the residential colleges set up on the university's perimeter . Such services as the colleges enhanced the functionality and cultural experience of the university, by offering

students food and board, extra tutoring, sports training and religious support, services that further made it an inimitable product.

The bargaining power of buyers during this time was low; as the UoM was only tertiary education operator in Victoria there existed no feasible alternatives for those wishing to attend university unless willing to travel to attend an interstate or overseas university. Therefore, the UoM wielded a large degree of power over the prices they were able to charge for the service. However, since demand was restricted to a select demographic (the affluent higher class) who could see the benefit of further study meant that there was an overall low level of demand for the service, which weakened their position of power over potential consumers. Taking into account the effects of this weakened position, the UoM's overall power over its was only slightly significant. This reduced position of power was later demonstrated as public pressure caused UoM to change their original courses (the classic, such as history, Greek, Latin and Mathematics) to incorporate a more utilitarian courses such as law, engineering and medicine .

The bargaining power of suppliers to the University of Melbourne during 1853 was high. The essential providers of goods and services to the university during this time were the skilled academics and the suppliers of specialized academic items EG: scientific instruments . As these items were integral to the successful running of the university and there were only a small number of suppliers, the companies/individuals who did provide them were able to exert a premium upon the university, exercising their high level of power. Furthermore, as there were absolutely no substitutes for these

critical items, meant that the power of these suppliers was further

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