

Porter's five forces model: a marketing framework assignment

[Art & Culture](#)



**ASSIGN
BUSTER**

Although Waitress occupies a niche market, barriers for entry are still reasonably high as it has a very well established brand image of high quality products and is the market leader for organic produce. Threats of Substitutes: The threat of substitutes in the food retail industry can be high among the ' Big Four' as switching costs are relatively low and products can be similar. Waitress offers unique and differentiated products, which are, in the eyes of the consumer, significantly superior.

No other supermarket offers such premium quality products with great service and such a large range of organic products as Waitress, so this makes them extremely difficult to substitute. Bargaining Power of Buyers: Although consumers in this industry may be loyal to particular brands or chains, loyalty to retailer brands is arguably less important than competitive pricing. Many supermarkets run rewards programs for frequent shoppers, such as Deco's ' Cellular', and these schemes can help companies retain customers and reduce buyer power.

The buyer power for Waitress is higher as it targets a market niche and the number of potential customers is significantly lower than the four market leaders. Bargaining Power of Suppliers: Due to the large size of the market leading supermarkets, their buying power is huge and they demand a huge quantity of quality goods from suppliers. Waitress has dramatically reduced the number of fruit suppliers to have one key supplier for each major category, aiming to build strong long-term relationships with suppliers and reduce costs.

This strengthens supplier power as Waitress relies on them for quality produce. ; SUMMERY: From Porter's five forces analysis it can be determined that the supermarket industry is both highly profitable and attractive. The threat of new entrants to the market is low, barriers of entry are high, decreasing the likelihood of potential competitors crowding the market. The industry has invested in building strong brand image, customer loyalty programs and improving online internet sales, presenting great opportunity for future growth.