

PORTER'S FIVE FORCES

Porter's five forces analysis is a framework for industry breakdown and business strategy development. Porter's model suggests that an industry is influenced by these five forces. Its main purpose is to derive five forces that determine the competitive intensity and therefore attractiveness of a market. Managers can use this model to develop an edge over rival firms by better understanding the industry context in which the firm operates.

The five forces analysis is just one part of the complete set of Porter's strategic models. The other elements are the value chain and the generic strategies.

