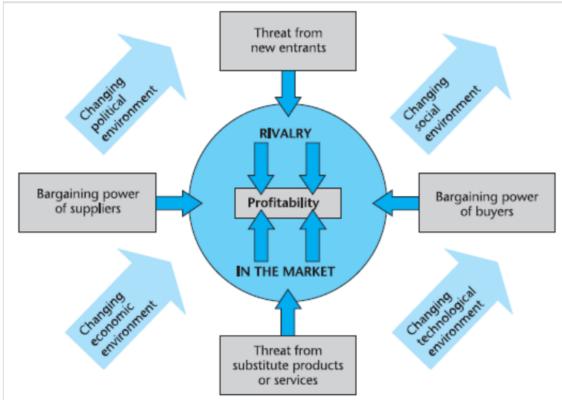
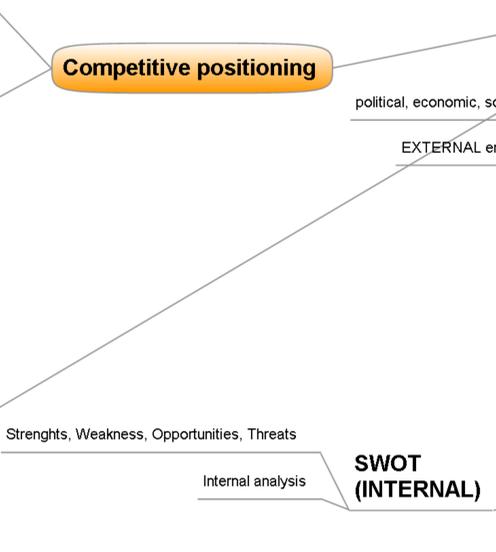
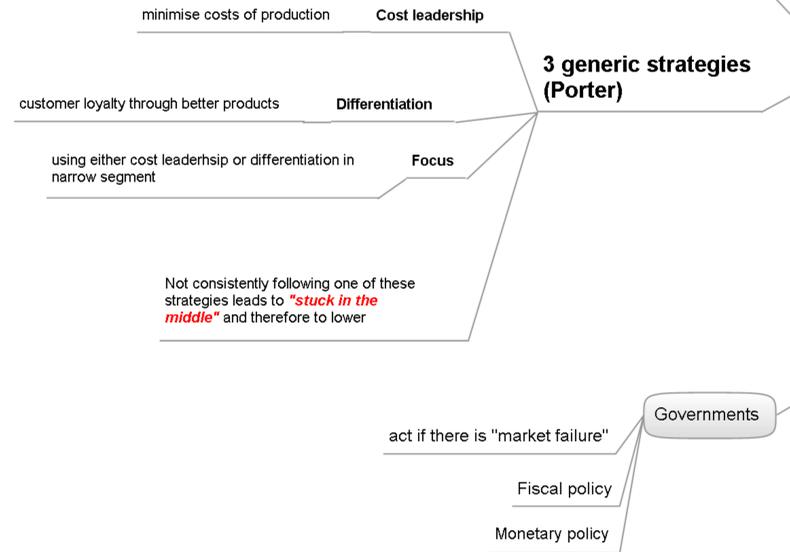


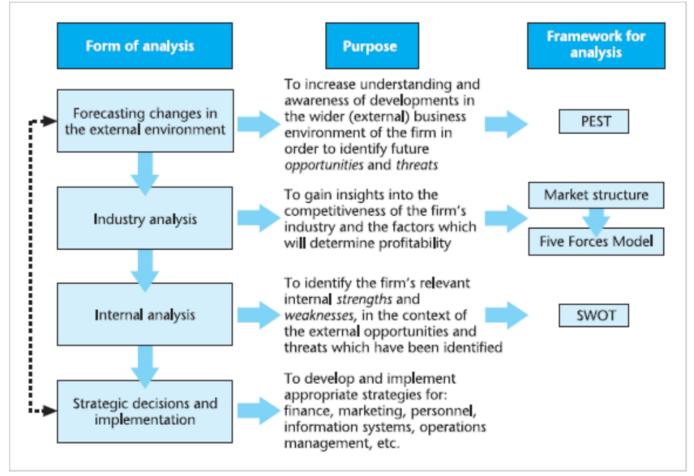
Market attributes	Market structure			
	Perfect competition	Monopolistic competition	Oligopoly	Monopoly
Number of buyers and sellers	Very high	Very many	Few suppliers	One supplier (in the extreme case of 'pure' monopoly)
Degree of product differentiation	Nil	Very low	Usually high	Very high
Market entry and exit barriers	Nil	Nil	High	Very high



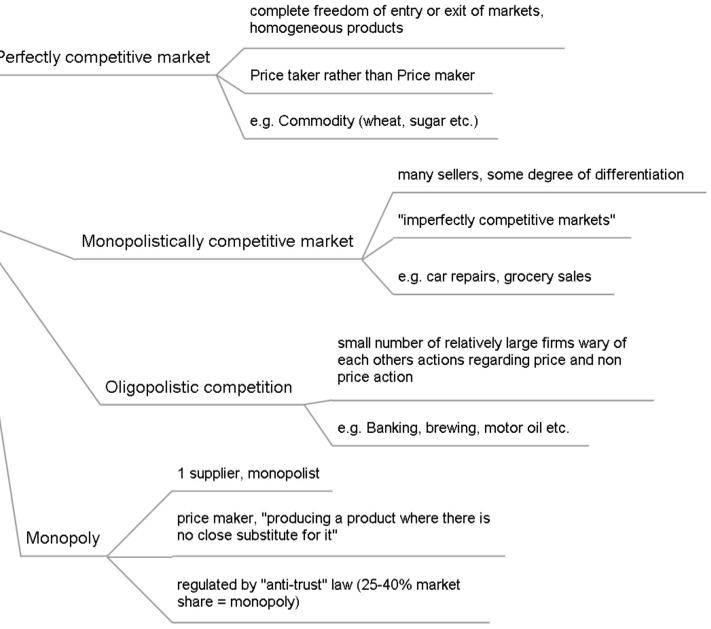
- 1 Bargaining power of **buyers**
- 2 Bargaining power of **suppliers**
- 3 Threat from new **entrants** into the market
- 4 Threat from **substitute** products / services
- 5 Degree of **competition** (rivalry)



Basics of business economics "Competitive markets"
 Nellis & Parker (2006) & Study guide chapter 1



Competitive environment



PEST Analysis (EXTERNAL)

political, economic, social, technological
 EXTERNAL environment analysis

SWOT (INTERNAL)

Internal analysis
 Strengths, Weakness, Opportunities, Threats

Governments

act if there is "market failure"
 Fiscal policy
 Monetary policy

Defining the nature of a market

Number and size of **buyers & sellers** in the market
Existing product differentiation
 Severity of **barriers** for new market entrants to enter or exit a market

Porters 5 forces (Industry)

- 1 Bargaining power of **buyers**
- 2 Bargaining power of **suppliers**
- 3 Threat from new **entrants** into the market
- 4 Threat from **substitute** products / services
- 5 Degree of **competition** (rivalry)