Week 3 Assignment

[Name of the Writer]

[Name of the Institution]

Week 3 Assignment

**RIVALRY STRATEGY TOOL**

Evaluating the Intensity of Rivalry

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **1** | **2** | **3** | **4** | **5** |
| <40% | 40-50% | 50-60% | 60-70% | >70% |

1. **Number and Relative Size of Competitors**

* Top 4 competitors’ combined industry marketing share

***Explanation/Source of Data:*** *Number and size of the company’s (Nokia’s) are relatively high than most of others in the industry.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| High |  | Medium |  | Low |
| <2% | 2-5% | 5-10% | 10-15% | >15% |
| 100% | 75% | 50% | 25% | 0 |
| Low |  | Medium |  | High |
|  |  |  |  |  |
| Low |  | Medium |  | High |

1. **Degree of Industry Product Standardization**

**(Take the average of bullet points below)**

* **Difference Between Competitors in Price of Similar Products**

***Explanation/Source of Data:*** *Explanation says that the difference among competitors based on price of similar products is not too much.*

* **What % of Industry’s Products are Sold at Discount?**

***Explanation/Source of Data:*** *Not a huge percentage of industry products are sold at discounts (especially Samsung and iPhone).*

* **Customers’ Ability to Recognize Brands from Industry**

***Explanation/Source of Data:*** *Based on case analysis, customers are highly capable to recognize brands and quality products and then make their purchases on that basis.*

* **Degree of Switching Costs**

***Explanation/Source of Data:*** *The switching cost in the industry is very low and customers can switch to another products and competitors conveniently.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| <0% | 0-1% | 1-3% | 3-5% | >5% |

1. **Industry Growth Rate**

***Explanation/Source of Data:*** *The growth rate of industry is very high and it is because of the innovation, technological advancement, and new offerings by competitors.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| <70% | 70-80% | 80-90% | 90-100% | >100% |

1. **Unused Industry Production Capacity**
   * % of industry wide production capacity currently in use

***Explanation/Source of Data:*** *The production capacity presently in use is comparatively high than production capacity of other industries.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| High |  | Medium |  | Low |

1. **Degree to which Firms have High Fixed Costs or Products have**

**High Storage Costs of are Perishable**

***Explanation/Source of Data:*** *Firms sometimes produces more than the actual demand and do not waste capacity.*

*Hence, they need to drop or critical risk having unsold products. In short, the degree to which firms have fixed cost is higher than normal.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| High |  | Medium |  | Low |

1. **Extent of Exit Barriers**

***Explanation/Source of Data:*** *Firms have huge investments which includes special investment like innovative and advance technology and machinery. So firms cannot exit without taking huge losses. Hence exist barriers are huge.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fiercely Competitive |  | Neutral |  | Mildly Competitive |
|  |  |  |  |  |

**OVERALL INTENSITY OF RIVALRY**

**(Take the average of the major factors, items numbered 1 through**

**6).**

The overall industry is attractive and profitable where firms have created values, power, strong presence, barriers to entry, eliminated threats of substitutes, but have strong rivalry.

**References**

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Zhai, X., & Zhao, L. (2017). The Return of Nokia: Appeal for Craftsmanship Spirit in the Internet Age. DEStech Transactions on Computer Science and Engineering, (icitia).