**Chapter 2**

**The Five Competitive Forces that Shape Strategy**

Michael Porter expands on the five forces model for evaluating industry competitive and assessing potential profitability.

*Use with:* <https://www.youtube.com/watch?v=mYF2_FBCvXw> (13:11)

1. Explain the usefulness of the five forces model in analyzing the industry and ultimately developing a strategy?
2. How can the five forces model be applied to the air travel industry?
3. How does Porter evaluate the role of the Internet in competition?
4. Can the five forces analysis help managers assess potential changes in industry structure? Explain.