



Porter's Five Forces

Mercedes Benz

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Porter's Five Forces – Mercedes Benz



Threat of New Entrants (Moderate)



- High capital industry, yet Tesla shows potential for disruption.
- Legacy advantages in manufacturing and distribution networks.
- Need for digital agility and faster shift to electric drivetrains.
- Focus on unmatched customer experiences to build loyalty.

Threat of Substitute (Moderate)



- Rise of ride-hailing and carsharing services poses challenges.
- Wealthy consumers still value personalized luxury vehicles.
- Innovations and flexible subscription models to counter substitutes.
- Potential future mobility-as-a-service offerings through autonomous tech.

Bargaining Power of Suppliers (Low)



- Extensive supply chain with many small suppliers.
- Leverage to negotiate prices due to size and scale.
- Strategies include increasing vertical integration and consolidating suppliers.
- Development of alternative sources and localized production.

Bargaining Power of Buyers (Moderate)



- Individual luxury buyers have limited influence over pricing/design.
- Large fleets and government buyers hold some power.
- Focus on customized experiences for luxury buyers.
- Expansion into affordable segments and innovative electric/self-driving cars.

Competitive Rivalry (High)



- Intense global competition, especially from German peers and Tesla.
- Low switching costs and fierce competition for market share.
- Expansion into electric vehicles and strategic partnerships to maintain an edge.
- Investment in emerging technologies like self-driving cars.