An Industry Analysis on the lawnmower industry. Going from the factories to the retailers, not the final customer. Our assignment has 7 major sections, 5 of which require that multiple specific questions be answered. The sections, and their required information, are as follows: Introduction You will provide a 1-2 paragraph introduction. This section should simply be a clear definition of the industry you are analyzing. This should include the types of products provided by the industry, who (in general) produces them, how they are sold, and to whom (in general) they are sold. Industry Specific Knowledge These are the questions you will answer in this section: (1) What is the most appropriate NAICS (North American Industrial Classification System) code for your industry? This is the primary industrial coding system in use today. With this code, it will help you define your industry. (2) What is the primary Trade Association for your industry? Most every industry has a trade association (or multiple ones) that typically collect and publish information about the industry. For example, the Premium 3 Incentive industry’s primary trade association is the Incentive Marketing Association (IMA). Such associations can be valuable resources in helping you find some of the information you must provide. (3) What 3 historical events have shaped the development and growth of the industry? For example, if you were analyzing the cargo aircraft manufacturing industry, you might mention the Wright Brothers 1st powered flight in history, the development of the jet engine, and perhaps the advances in micro-technology that are used in aircraft today. (4) What was the value of shipments for the U.S. in the latest year reported? Value means dollar amount; number of units shipped/sold is irrelevant.If you elect to analyze a world-wide industry instead of a U.S.-based industry, that is fine. However, do not “bounce back and forth.” In other words, do not provide international data in one place, and then U.S. data in another.As for the latest reported year, it would be surprising if anything is available for 2019 yet. The same might be true for 2018, depending upon the industry. Therefore, 2017, 2016, or even 2015 might be acceptable. If the data is more than 5 years old, it is questionable at best. (5) What are the values of imports and exports for the last 5 years? Again, value means dollar amount.It will be difficult for you to adequately argue that your industry does not export/import products. Even in service-focused industries (such as the advertising industry), firms sell to overseas clients, or import services from abroad.Depending upon how you define your industry, the U.S. Department of Commerce may well provide this information. (6) What was the average annual growth rate over the last 3 years? This should be a percentage (such as 1.2% or 3.5%). If you cannot find a source that provides this specific information, you might be able to compute it yourself. For example, if you know the sales for the last three years, that can be used to compute the statistic. If you do this, state that you are doing so. (7) What is the forecasted annual growth rate of the industry? Again, this should be a percentage, and if a source is unavailable to provide it for you, it can be computed in a manner like the above.(8) What are two other industry statistics that are important for your industry? Why are these important?Beware that this is one of the parts of the assignment where many past students have lost points. All industries find the economic growth rate, or the employment rate to be important. Yet, all industries also have statistics that are important to them, but not to others. For example, the OPEC rate of production is important to the refinery industry as it has a direct impact upon the supply of oil available for refining. However, OPEC’s production rate is at best of mild interest to the home construction industry. Major Competitors These are the questions you will answer in this section: (1) Who are the top 5 companies in the industry? This is a straight-forward question. It is very rare that there are not at least 5 firms competing in an industry. Some may be much larger than others, but there are almost always 5 or more in competition. (2) What are the most recent sales revenues for each of the top 5 firms? These should be reported in dollar amounts.(3) Which firm is the industry leader and why?Simply saying that the firm with the highest sales revenues is the leader because it has the most sales revenues is insufficient. You need to explain why it is considered the leader. Why are its sales higher than the other competitors’? (4) What potential competition could arise from outside the industry? This question and the next are also prime point-loss questions. To say there is no competition outside the industry is short-sighted. At its core, what any industry produces/sells is a benefit (that in turn fulfills needs). Potential competition outside the industry may provide a similar benefit, just in a different way. These are the competitors that can sometimes “blindside” an industry. For example, when personal computers were first introduced, businesses saw them as nothing more than glorified game machines. It wasn’t until Big Blue (IBM) introduced its first PC that businesses began to recognize that word processing could be performed more efficient on a PC than on a typewriter, or that mathematical functions could be more efficient performed on a PC than an adding machine. (5) Why would such competition outside the industry serve as potential competition? You might decide to explain how such outside competition provides a similar benefit by describing the process used, etc. The Supply Chain The supply chain includes all organizations involved in the production, distribution, and sale of products. These are the questions (all of which are relatively straight-forward) you will answer in this section: (1) What type of suppliers provide the basic raw materials? (What general type, not specifically-named suppliers) (2) What type of suppliers provide component parts? (What general type, not specifically-named suppliers) (3) What type of manufacturers produce the finished product? (What general type, not specifically-named manufacturers) (4) What type of intermediaries are involved in the distribution and/or sale of the product? (What general type, not specifically-named intermediaries) (5) What other type of firms influence the supply chain in the industry? (What general type, not specifically-named firms) (6) What companies supply important inputs to the industry? a. What products do they supply? b. What major factors influence their ability to provide these products and why? (Here is the only place in this section where you might identify specifically-named firms) Customers It cannot be stressed strongly enough that in this assignment, customers must be organizations, NOT individual consumers. If you discuss individual consumers at all, you will lose all points for this section. These are the questions you will answer in this section:(1) What type of customer groups buy the products this industry produces? This question is asking about the different target markets served by your industry. For example, the heavy truck industry serves 3 major target markets: the over-the-road market (highway truckers), the city market (inner-city deliveries), and the specialty market (manufactured housing, construction, etc.). It is important that we identify the different segments, because each segment has different needs, and typically different buying processes and criteria. (2) Describe the major buying processes used by EACH of these customer groups. Some target markets rely on negotiation, others rely upon specific government regulations, etc. You need to describe the major process for each of the individual target markets you identified above. (3) What are the key buying criteria used by EACH particular target segment? Different segments find different criteria important. For example, OTR truckers tend to focus on fuel economy, price, and resting equipment (sleeper units, etc.). On the other hand, city truckers are more interested in lower-end torque (initial pulling power), price, and available un/loading accessories (such as power lift-gates). (4) How do the buyers in each of the individual segments use the products? Do they use the product to produce their own products, or do they use the products to maintain their organization, or do they resell the products? For example, if the computer hardware industry was analyzed, you might identify 3 key segments (retail, professional services, other services). So, a retailer might purchase PC’s to resell to the public. Professional services such as accounting firms might use PC’s to produce their service (doing taxes for other firms), and other services (such as plumbing services) might use PC’s to manage their paperwork and service schedule. (5) Is it possible for the customers to produce the products themselves? a. If so, why can they produce the product themselves and why are they outsourcing them? b. If not, why not? (6) Identify and describe the major customers for the industry’s products. This is the only place in this section where you might identify individual organizations. For example, if you were analyzing the textiles industry, you would have to identify Wal-Mart as a major customer since it is one of the largest purchasers of textiles in the world. Conclusion Make a prediction (based on the information you have collected) regarding the industry’s future (either immediate or longer term). There is no wrong answer here, if your prediction makes sense based on common sense and the information you have provided. This prediction should not exceed a paragraph. Final Comments Regarding the Specific Information Required Be sure that you address each and every one of the questions above. If you skip over one, Dr. Thomas does not know whether you skipped it because the information was unavailable, or because the question did not apply to your industry, or because you simply overlooked the question. You can answer by stating the question does not apply to your industry or that the information was unobtainable. However, if you provide such a response, you need to explain yourself. As you will see below, in each section you earn points for completeness and for quality. If you leave a question unanswered, you lose points for both completeness and quality. On the other hand, if you answer with not applicable, at worst you’ll lose points for quality.