Strategic Analysis of the Competitive Forces in Industrial Clusters: A Case of Shandiz Furniture Industrial Cluster

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Abstract

Industrial clusters are known as a modern model of economic development throughout the world. In our country, this model has also been considered by the policy makers in recent years. Increased competition intensity and rapidly changing environment has made the enterprises, industries, and different countries attempt to identify influencing factors on the competitiveness and the way of boosting of these factors in order to improve their competitiveness. This paper aims at analyzing the status of Shandiz Furniture Industrial Cluster in order to formulate appropriate strategies. For this purpose, Porter 5 competitive forces analysis model in industrial clusters and its application in Shandiz Furniture Industrial Cluster has been examined. In order to measure the weight of each factor and its dimensions on competition, Analytic Hierarchy Process (AHP) and Delphi methods were used, and in order to measure each of the forces, a questionnaire with Lickert Scale and the mean of the available data were used. The statistical population of the study includes 250 member enterprises in the cluster, among which 69 enterprises were selected as statistical sample based on Cochran's formula with the error of 0.1. The results indicated a strong competition within the cluster. Also, the new entrants were the strongest force among the 5 forces and the competitive rivalry was the most effective force in intensifying the competition. Shandiz Furniture Industrial Cluster should spend its current resources on fostering the available enterprises rather than establishing new ones, so that these enterprises can gain a larger share of profit in the highly competitive market.

Keywords: Industrial Clusters, Competitiveness, Furniture Industry, Competitive Forces

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