

Supplementary file 3. The IBISWorld Criteria Used to Define the Level of Competition

The factors IBISWorld take into account to determine the competitive landscape within an industry. These factors have been taken from: IBISWorld as outlined in the IBISWorld industry reports used throughout this study (Cheese, Cured Meat and Smallgoods, Snack Food, Cake and Pastry, and Bread processing/manufacturing).

- **Market share concentration** is considered high if the top four players account for more than 70% of industry revenue. Medium is 40% to 70%. Low is less than 40%.
- **Key success factors** differ by each industry (and/or business) and may include factors such as economies of scale, control of distribution arrangements, and supply contracts in place for key inputs.
- **Cost structure** (eg, often larger manufacturers have a lower per-unit production costs due to economies of scale). Cost structures vary with each business, an industry cost structure is an estimated average of all companies in that sector.
 - IBIS consider profit, purchases, wages, depreciation, and other expenses (eg, promotional, research and development costs) as a proportion of revenue.
- Also considered are **internal competition** (eg, price, product differentiation, and distribution networks) and **external competition** (eg, other suppliers of the product, in the case of bread this might be in-store bakeries, hot bread shops, or artisanal bakeries).
- **Barriers to entry** (the ease with which a new company can enter a market) high barriers mean it is difficult, and low barriers mean it is easier.
- **Industry globalisation** is the extent of involvement in international operations – including international trade (export offer growth opportunities and import competition whereby foreign producers satisfy domestic demand that local firms would otherwise supply).