

Market Share

The percentage of sales in the total market sold by one business.

Market Share = <u>firm's sales</u> x100% total market sales

Why does market share matter to a firm?



Marketing Maths

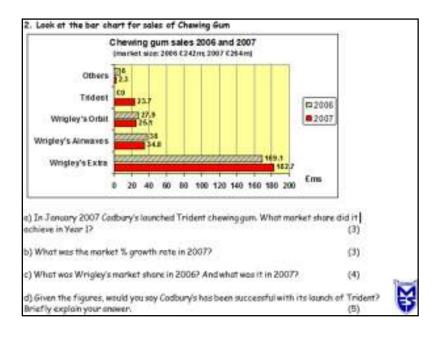
Look at these figures for Instant Pot Snacks

Rank	Brand	Producer	2006 sples	2007 sales
1.	Pot Noodle	Unileven	£73.8m	£70.6m
2,	Super Noodles	Batchelors	£24.7m	£27.4m
3.	Noodles To Go	Batchelors	£6.1m	£6.2m
Total sales within the category			£129.1m	£132.6m
Total own label sales (by value)			£12.0m	£11.8m

Calculate the market share held by Pot Noodle in 2007.

Calculate the % change in sales of Pot Noodle in 2007.







Aims

- Define marketing and describe its relationship with other business activities.
- Describe the difference between market and product orientation.
- Explain the difference between the marketing of goods and services.





Cross-departmental links

In what way is marketing linked to the following departments? Use 388-9

Operations Finance Human Resources



Orientation

What came first, the product or the customer need?







Product- v - Market Orientation

Product Orientation – an inward-looking approach focused on making products that the business believes the customer will want/need.

Market Orientation – an outward-looking approach basing product decisions on consumer demand established through market-research.

Use pages 389-90 to complete worksheet 51



Evaluation

- If a firm tries an market-orientated approach to respond to every single need and want, they will overstretch resources
- Customers may have 'latent' needs that only arise once a product-orientated business spends resources on researching and developing new products.
- Firms are probably best using a combination of both.



Aims today

- Extend your knowledge of 'orientation' by looking at 'asset-led' and 'social' marketing
- Explain the difference between the marketing of goods and services.
- Analyse the marketing techniques of nonprofit organizations.





Asset-led Marketing

An approach to marketing that bases strategy on the firm's existing strengths and assets, for example launching new products of diversifiying





- Enjoys benefits of product and market orientation by emphasising/using key strengths whilst making decisions based on the needs of the market
- Helps achieve competitive advantage, enter new/expand existing markets, extend product/brand 'life'





