

What's Our Market Share?

In this exercise, you simply need to work out the firm's unit market share. You have provided with lots of numbers to help you.

As we know, your (unit) market share is derived by the formula of: our sales/total market sales.

It should be a simple exercise, shouldn't it?

Our Pizza Sales

Last week our chain for food stores sold 100,000 pizzas in London.

We have been able to estimate that:

- There were 1,000,000 take-away pizzas sold in London overall across all pizza stores and chains
- There were also a further 1,000,000 frozen pizza sold in London
- These figures increase to 5,000,000 each if you consider the total UK market
- However, there were 20,000,000 fast food meals (not just pizza) sold in London last week, and 50,000,000 throughout the UK
- And if you consider all meals in UK last week (including eating at home) this number was 500,000,000

Student Discussion Questions

1. What is the firm's market share for the firm in this case?
2. Was this a difficult number to determine? Why?
3. What other information would we need to help determine the firm's market share?
4. Why does it matter? In what ways can a firm benefit from its market share?