

Using Market Share Information

Below is a table containing market share, sales, and price premium information. Your task in this exercise is to review the data for the five brands in the marketplace and then address the questions at the end.

As part of this activity, you should attempt to interpret and understand the data provided and consider the difference between unit and revenue market share.

Brand	Unit Sales	Unit Market Share	Sales Revenue	Revenue Market Share	Price Premium
A	10,000	32.3%	10,000	30.3%	0.94
B	9,000	29.0%	11,000	33.3%	1.15
C	5,000	16.1%	6,000	18.2%	1.13
D	4,000	12.9%	4,000	12.1%	0.94
E	3,000	9.7%	2,000	6.1%	0.63
Total	31,000	100.0%	33,000	100.0%	1.00

Student Discussion Questions

1. Which brand is the market leader according to UNIT market share?
2. Which brand is the market leader according to REVENUE market share?
3. Why is there a difference between these market share rankings?
4. Do you think it would be better to be the UNIT or the REVENUE market share leader? Why?
5. Review the price premium metric. How do you think that it is calculated?
6. What does the price premium tell us about the relative strength of the brands?
7. From the information provided, can you calculate the average price of each brand?
8. In this market, to what extent do you think that price is a strong and effective marketing tactic to gain market share?