* 1. **Setting marketing objectives**

**Market size, market share and market growth: Activity**

**Task 1**

Robert runs a sports equipment store in Swindon called Every Sport. He has compiled the following data on his local market for analysis so he can better understand the market he operates in.

**Table 1**

|  |
| --- |
| Market and company data |
| Average customer spend | £55 |
| Forecasted sales for Every Sport | 3,500 units |
| Forecasted sales growth for Every Sport | 5% |
| Forecasted market growth for sports equipment | 9% |

**Table 2**

|  |
| --- |
| Data on market leader in Swindon  |
| Sales revenue | £540,000 |
| Market share | 26% |

1. Robert wants to know the total size of the market in his area. Based on the data calculate the size of the market.
2. Calculate Every Sport’s market share.
3. Calculate Robert’s forecasted sale revenue in 2016.
4. What will his forecasted market share in 2016 be? Will he be happy with these forecasts?

**Task 2**

Andrew Luck has a builder’s merchants supplying local tradespeople in Portsmouth. He has carried out some primary and secondary research into the market and put the data in the table below.

**Table 3**

|  |  |  |
| --- | --- | --- |
| Company | Sales in 2014 | Sales in 2013 |
| Luck’s | £125,000  | £90,000 |
| Brady’s for Builders | £250,000  | £210,000 |
| Stafford & Johnson | £200,000  | £190,000 |
| Harvin’s Hardware | £50,000  | £60,000 |
| **Total** | **£625,000** | **£550,000** |

1. Calculate the market share for each of Andrew’s competitors in 2014 and 2013.
2. Calculate the percentage change in sales for each business and for the market as a whole.
3. Using this information assess the position of Luck’s in the market over the two years.

**Task 3**

Between 2000 and 2012 the bicycle market has seen sales rise from a low point in 2002 of 2,300,000 sales, to 3,311,000 units in 2008, to 3,600,000 in 2012 where bicycle sales were higher than cars.

1. Calculate the percentage growth in the UK market for bicycles between:
2. 2002 to 2008
3. 2008 to 2012
4. 2002 to 2012
5. Evaluate whether this is a good market to establish a new business in and why you think the market might have seen this level of growth.