

Market shares of pepsico, coca-cola, nestle

[Business](#), [Marketing](#)



Market Shares of PepsiCo, Coca-Cola, Nestle

Total volume sales for the industry of bottled water for 2006 was 31.4 billion liters. The market shares by volume is simply volume sales for each of the companies, divided by total volume sales, times 100. The table below details the market shares by volume for the three players, with Nestle having a market share of 30.51 percent, PepsiCo with 13.79 percent, and Coca-Cola with 11.91 percent.

Table Source: Data from Case

People in management, either in general marketing or general business capacities, need to know market shares for different players in an industry as something very basic. One, it is able to paint a picture of where the industry is, and where the company is versus competitors. In competitor analyses, market shares allow a firm to size up what the strategies of competitors are, and what the company needs to do in order to compete well with major players. Volume market shares also allow a company to be able to glean where the industry is headed, if the company is making progress in increasing shares and profits, and similar other insights. Management can also keep track of how strategies affect the market performance of products and brands through tracking changes in market share by volume among other things (Czepiel and Karin, n. d.; NetMBA, 2010; Chen, 1996).

In marketing, similarly, volume market shares information allow for situating brands and products within such context, to better track how well marketing programs work in terms of improving the prospects and performance of such brands. Where market shares deteriorate, for instance, that is a sign that marketing strategies are not working, and/or that competitors are crafting

and executing well on better marketing and business strategies (Czepiel and Karin, n. d.; NetMBA, 2010; Chen, 1996).

2. Revenue Represented by One Market Share Point in 2006, 2011

If total revenues were \$15.6 billion in 2006, then one market share point out of 100 equals \$156 million in 2006. Given that total industry revenues will go up by 48.5 percent by 2011, total revenues by that time will be \$23.166 billion. This translates to 2011 per market share point dollar equivalent of \$231.66 million

This information is relevant in marketing, because for one, data on per market share point revenues over time, with the projections for 2011 included, allow for marketers to get a snapshot of how much the market will grow over time, and how fast the growth is. Also, given market shares data, it is very easy for marketing and business strategists to determine just how well competitors are doing in terms of revenues. For other vital planning purposes too, per market share point revenues allow marketers and business strategists to determine how particular strategies impact market shares and then revenues. Minute and detailed projections on how particular advertising campaigns are supposed to lift market shares can have corresponding figures for improvements in revenues. Such information can allow business and marketing people to weigh different strategies and marketing options, and then choose those which are best suited to support the company's near term or long-term revenue and market share goals. Put another way, acquiring market shares and revenues entail costs, and among several strategies that may be pursued, marketers may opt for those options that give maximum revenue and market share boosts per dollar of spending.

Data on per market share point revenues allow for an easy way to see that (Czepiel and Karin, n. d.; NetMBA, 2010; Chen, 1996).

References

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