



**CONCEPT OF MARKET
POTENTIAL, MARKET
SHARE & BUYING
DECISION PROCES**

MARKET POTENTIAL

- Market Potential can be defined as the total amount of possible sales in a market.
- The estimated maximum total sales revenue of all suppliers of a product in a market during a certain period.
- You figure out a customer profile (who you want to target with your marketing) and combine that with the geographic size you want to target (how many of those people are in that area). This is your general market potential.

MARKET POTENTIAL

To get a more specific marketing potential, you need to know also how many competitors you have and their strength in the market area. You can then estimate how much of their business you'll be able to take from them (we recommend being conservative on your estimates), and that will be the market potential of your business.

MARKET SHARE

- Market share is the percentage of total sales that a company can expect to get from the total market.
- To calculate market share divide your sales forecast by the total market potential.
- The proportion of industry sales of a good or service that is controlled by a company.

MARKET SHARE

- Market share refers to the percentage of the overall volume of business in a given market that is controlled by one company in relation to its competitors. For example, if the total sales of a certain product in a market is Rs. 100, 000, and the company sold Rs. 20, 000 worth of that product, then the company had 20 percent market share.

CONSUMER BUYING DECISION PROCESS



Buying Decision – A Process

Problem Recognition

Information Search

Evaluation of Alternatives

Purchase Decision

Post Purchase Behaviour

Stages in Adoption Process of a New Product

Awareness

- The consumer gets aware of the new product but lacks information about it.

Interest

- The consumer seeks information about the new product.

Evaluation

- The consumer considers whether trying the new product makes sense.

Trial

- The consumer tries the new product on a small scale to improve his estimates of its value.

Adoption

- The consumer decides to make full and regular use of the new product.

Participants in Buying Decision Process

Initiator

```
graph TD; A[Initiator] --> B[Influencer]; B --> C[Buyer]; C --> D[User];
```

Influencer

Buyer

User