Market Analysis Case “Red”

Picture Source: You X Ventures Studio , Toronto, Canada

You are a marketer working for Red, a company that sells orange juice online. Your two top competitors are the companies “Blue” and “Yellow”.

In order to develop a new online marketing strategy you and your team first need to analyze and interpret some market data. Therefore, you need to use Excel or Google Sheets as well as Python to gain market insights.

Available market information: **Data**

Complete all of the following tasks

A. with Google Sheets or Excel and
B. using Python

PART I: Dataset 1

1. MARKET PENETRATION

a. Calculate the market penetration.
b. Determine the market growth opportunity.
c. Interpret your findings.

In this example, Red’s defined current customers as individuals who buy orange juice. This is a subset of the larger group of potential customers (the set of customers who have some interest in a product or service, or to whom the product is potentially relevant)— e.g., individuals who buy a variety of other juices.

2. MARKET PENETRATION AND GROWTH POTENTIAL BY CUSTOMER SEGMENT

a. Calculate the number of current customers in the market by customer segment.
b. Calculate the number of potential customers in the market by customer segment.
c. Calculate the market penetration for each of the user segments.
d. Calculate the growth potential for each of the user segments.

Red identified three segments of all the juice consumers based on the number of bottles an individual purchased per year: The first, second, and third market segments (a subset of the total current or potential customers in a market.) which add up to the total number of customers.

The market penetration formula helps you determine the growth potential for each of these three market segments.

3. POTENTIAL MARKET SALES

a) Estimate potential annual sales in units for each customer segment.
b) Determine total potential sales in units for the whole market.
c) Estimate annual potential sales in revenue for each customer segment.
d) Determine total potential sales in revenue for the whole market.

First users were very price-sensitive. They waited for sales or used coupons so that they paid only $1.99 for a bottle of juice.

Second users purchased sometimes on sale, but sometimes at full price, so they paid, on average, $3.49 for a bottle of juice.

Third users were price-insensitive, usually paying full price for a bottle.

4. CURRENT MARKET SALES

a. Calculate the current market sales in units by segment.
b. Add up the segment results to find the total current sales in units.
c. Calculate the current market sales in revenue by segment.
d. Add up the segment results to find the total current sales in revenue.

5. CURRENT MARKET SHARE BY SEGMENT

a. Calculate the market share of each segment of the current market in terms of units sold.
b. Calculate the market share of each segment of the current market in terms of revenue.

6. CURRENT MARKET UNITS AND AVERAGE PRICE

a. Use the current market's total sales to determine, on average, how many units each customer purchases.
b. Use the current market's total sales to determine, on average, at what price each customer purchases.

Later, you will use these averages to help you analyze pricing and individual customer sales across all orange juice brands.

PART II: Dataset 2

7. CURRENT MARKET AVERAGE UNITS AND PRICE BY BRAND

a. Use dataset 2 to calculate the average number of units purchased by a customer of Red, Blue and Yellow.
b. Use dataset 2 to calculate the average price paid for a Red, Blue, and Yellow bottle.
c. Compare these results with the general averages that you calculated in task 6 and describe your findings.

8. CURRENT MARKET SHARE BY BRAND

a. Analyze the market share of each brand in terms of customers.
b. Analyze the market share of each brand in terms of units.
c. Analyze the market share of each brand in terms of revenue.