

MODERN METHODS OF MARKET SIZE ESTIMATION

Ziubanova D.M., Kovshik V.I.

National technical university «Kharkiv polytechnical institute», Kharkiv

The market size estimation is one of the most important elements of a marketing research. The indicator of market size is used in the management process of a company to assess a situation in the particular market, allows to calculate the competitiveness of companies and products, to identify new business opportunities, to plan new ways to expand operations.

Such scientists as P. Kotler, J. Evans, J-J. Lambin, G. Bagiev, V. Anurin were engaged in researches of the given problem. In their works a definition of the market size in a context of research of the competitive environment in detail enough and completely is covered, however, sufficient attention to features of marketing researches depending on specificity of the studied market has not been given.

The objectives of this report are to investigate modern methods of market size estimation, summarize the existing information about them and to make conclusions about their practical applicability for marketing purposes at different types of enterprises.

In the study the factors affecting the choice of appropriate method of investigation such as competition type in the market, market segmentation, geographical boundaries, initial price and period of time were considered. Authors pay attention on that fact that universal approach to estimation of market size doesn't exist because of various combinations of factors, stated above. In the research the following approaches were considered: methods based on structural characteristics; estimation by production volumes; by volume of consumption; by sales volumes and indirect methods.

It is possible to conclude that a choice of approach to market size depends on scale of company's business activity and resources available to perform such a research. In the result of investigation authors propose the universal model for determination of the more suitable approach to the market size assessment. This model is designed to help managers in the process of making marketing decisions. It is a two-dimensional matrix the axes of which represent respectively the scale of company's business activity and resources available. Each axis is divided into three contingent parts and obtained nine segments show the appropriate methods to use in each situation. The model is recommendatory and can be improved and enhanced to be more relevant to the market investigation process and also can be adapted to various conditions in different spheres of companies' business activity.