

Calculating Very Rough Market Share Using the Canadian Business Database

If you cannot find market share for your industry published in an article, report or other reputable source, you can estimate market share using the company information provided in the *Canadian Business Database (CBD)*, an online directory that should include all current private and public companies in Canada in all industries (SIC or NAICS). Given that some of the data in this directory may be missing, incomplete or miscategorized, the method described in this guide may not generate the most accurate or anticipated market share results - it should be considered a **last resort** for this information.

STEP 1: ACCESS THE CANADIAN BUSINESS DATABASE

- 1a. Go to the McMaster Library home page: <http://library.mcmaster.ca/>
- 1b. Click on the **Subject Guides** tab in the middle of the home page.
- 1c. Go to the drop-down menu, select **Business-Top Databases** and click **GO**.
- 1d. Click on **Canadian Business Database** from the list. A description of this database should display. Click on the **URL** (or **TITLE**) to connect to the database.
- 1e. At the introductory screen of *Canadian Business Database*, click on the **Canadian Businesses** link. **NOTE:** If you see a login screen, the maximum number of users (i.e., 3) has been reached. Try again later.

STEP 2: CALCULATE TOTAL INDUSTRY SALES

- 2a. At the initial search screen of *Canadian Business Database*, click on the **Custom Search** tab.
- 2b. Select the following items from the categories indicated:
 - **Keyword/SIC/NAICS** in the *Business Type* category.
 - **Sales Volume** in the *Business Size* category.

As these items are selected, the relevant search forms will display to the right.

The screenshot shows a search filter menu with two columns: 'Expand All' and 'Select All'. The menu is organized into several categories, each with a plus sign icon. The 'Business Type' category is expanded, showing 'Keyword/SIC/NAICS' (checked) and 'Major Industry Group' (unchecked). The 'Business Size' category is also expanded, showing 'Number of Employees' (unchecked) and 'Sales Volume' (checked). Other categories include 'Company Name', 'Executives', 'Geography', 'Phone', 'Ownership', 'Financial Data', and 'Special Selects'.

Expand All	Select All
+	Company Name
+	Executives
+	Business Type ✓
<input checked="" type="checkbox"/>	Keyword/SIC/NAICS
<input type="checkbox"/>	Major Industry Group
+	Geography
+	Phone
+	Business Size ✓
<input type="checkbox"/>	Number of Employees
<input checked="" type="checkbox"/>	Sales Volume
+	Ownership
+	Financial Data
+	Special Selects

2c. On the resulting search form, type or select your search criteria.

Keyword/SIC/NAICS:

Scroll down and type in your 4-digit SIC code (e.g., 2082) or 6-digit NAICS code (e.g., 312120). Make sure to select the appropriate radio button.

Keyword/SIC/NAICS Search Tips Collapse Remove

Search All SICs Search Primary SIC Only Search All NAICS

Enter 2-, 4-, or 6-digit SIC Codes in the boxes below

2082				

Paste SIC codes Clear Field(s)

Sales Volume:

Select a sales volume range (e.g., Over \$1 billion) by clicking on one of the options displayed. To deselect a sales range, select **Clear Field(s)** or click on the selected range.

Sales Volume Search Tips Collapse Remove

\$1-2.5 Million Over \$1 Billion

\$2.5-5 Million

\$5-10 Million

\$10-20 Million

\$20-50 Million

\$50-100 Million

\$100-500 Million

\$500m - \$1 Billion

Over \$1 Billion

Clear Field(s)

Click the **UPDATE COUNT** button to see the number of companies retrieved.
Click the **VIEW RESULTS** button to view the names and profiles of each company retrieved.

VIEW RESULTS

UPDATE COUNT

RECORD COUNT

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2d. Repeat the search in 2c. for each of the eleven sales volume ranges available in **Canadian Business Database**. Take note of the total number of companies retrieved for each sales volume range (click the **UPDATE COUNT** button for a company/record count). **NOTE:** Some companies will not have sales volume amounts available, so they will not be counted/represented in the total industry sales figure calculated in 2e.

2e. Multiply the number of companies with the midpoint of each sales range to get a total sales figure for that range. Add up all of these sales figures to get a rough estimate of total industry sales (sample worksheet on next page). **NOTE:** This calculated industry total is likely to be different (e.g., larger) than an industry sales figure found in a published source. These industry sales should only be used to calculate market share in 3d.

Sales Volume Range	No. of Companies	Mid-Point of Sales Range	Sales: No. of companies x midpoint
Under \$500,000	2	\$250,000	\$500,000
\$500,000-\$1 million	1	\$750,000	\$750,000
\$1-\$2.5 million	25	\$1.75 million	\$43.75 million
\$2.5-\$5 million	55	\$3.75 million	\$206.25 million
\$5-\$10 million	51	\$7.5 million	\$382.5 million
\$10-\$20 million	63	\$15 million	\$945 million
\$20-\$50 million	55	\$35 million	\$1.925 billion
\$50-\$100 million	31	\$75 million	\$2.325 billion
\$100-\$500 million	20	\$300 million	\$6 billion
\$500 million -\$1 billion	2	\$750 million	\$1.5 billion
Over \$1 billion	4	\$ 1 billion	\$4 billion
TOTAL INDUSTRY SALES		Approx. \$18.578 billion	

STEP 3: CALCULATE MARKET SHARE

3a. To calculate market share, retrieve the top five companies according to sales. Using the *Custom Search* in *Canadian Business Database*:

- Type in your 4-digit SIC code (e.g., 2082) or 6-digit NIACS code (e.g., 312120)
- Select the top Sales Volumes (e.g., Over \$1 billion; \$500 million-\$1 billion)
- Click on the **UPDATE COUNT** and **VIEW RESULTS** button.

3b. Take note of the company names along with their estimated sales (click on the company name to see these details). If a sales range is provided rather than an exact figure, note the midpoint. If both are noted, use the corporate sales volume instead of the location sales volume.

3c. If you have **fewer than five results**, repeat steps 3a. and 3b. with the next highest sales volume (e.g., \$100-\$500 million). Continue as necessary. If desired, remove duplicate company listings. If you have **more than five results**, you may want to consult other sources to identify the top five companies (e.g. *Canadian Key Business Directory*- Innis Reference HF 3223.C18).

3d. Divide the individual company sales reported in *Canadian Business Database* by the total industry sales calculated in your worksheet to get a **very rough** market share percentage (sample worksheet below). **NOTE:** Do not use industry sales reported in another source - if you do, your calculations are not likely to work out.

For example:

To calculate the market share of Molson Coors Canada, you would divide their estimated sales (\$3,750,000,000) by \$18.578 billion and then multiply the answer by 100 to get the percentage.

i.e., $\$3,750,000,000 \div 18,578,000,000 = 0.20185 \times 100 = 20.19\%$

Company	Estimated Sales	Company Sales ÷ Calculated Industry Sales (i.e., 18.578 billion) x 100
Big Rock Brewery Ltd.	\$3,879,000,000	20.88%
Molson Coors Canada Inc.	\$3,750,000,000	20.19%
Labatt Brewing Co. Ltd	\$628,289,000	3.38%
Moosehead Breweries Ltd.	\$439,803,000	2.37%
Sleeman Breweries Ltd.	\$213,354,000	1.15%