

Determining Size of Target Market

Document Number of people
who have a need for your
product or service

www.IbisWorld.com

www.Census.gov

Compute Market Size

TAM = Total Available Worldwide Market (Market size)

SAM = Serviceable Available Market
(your serviceable geography and niche)

SOM = Realistically Obtainable Market (by year)

SMART = Starting Market Target (Reasonable first year goal)

FIRST USER = Potential first customer

For example...

... if you make dimmable LED light bulbs, then.

TAM would be the whole worldwide lighting market.

SAM would be the worldwide dimmable LED bulbs market.

SOM would be the realistic and obtainable production and market penetration, by year

... Example Continued

SMART would be the conservative number of units you can make (with zero defects), sell, deliver and service in the first (pivotal) year.

FIRST USER name of first customer to whom you will sell and deliver an MVP within 6 months

Market Size Hierarchy Chart



