

## **Market Analysis Framework**

### **Evaluate Your Total Addressable Market (TAM) with a Practical Framework**

This framework provides a step-by-step guide to help you identify, assess, and calculate your Total Addressable Market (TAM), Serviceable Addressable Market (SAM), and Serviceable Obtainable Market (SOM).

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#### **1. Understanding Market Segmentation**

##### **a. Identify Market Segments**

- Break down your potential market into distinct customer groups.
- Consider factors such as demographics, location, industry, and behavioral patterns.

##### **b. Prioritize Segments**

- Use criteria like market size, growth rate, and alignment with your product to prioritize key segments.
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#### **2. Data Gathering**

##### **a. Secondary Research**

- Use industry reports, government publications, and market studies to gather baseline data.

##### **b. Primary Research**

- Conduct surveys, interviews, or focus groups to validate secondary research findings.

##### **c. Competitor Analysis**

- Review competitors to identify their target audiences and market strategies.
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#### **3. Calculating TAM**

##### **a. Top-Down Approach**

- Start with total industry revenue and narrow down based on your product's applicability.

##### **b. Bottom-Up Approach**

- Use data from your current customers or test markets to extrapolate potential market size.

##### **c. Value-Theory Approach**

- Calculate based on the value your product provides and the price customers are willing to pay.
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## **4. Refining SAM and SOM**

### **a. Serviceable Addressable Market (SAM)**

- Determine the portion of TAM you can realistically serve based on your offerings and capabilities.

### **b. Serviceable Obtainable Market (SOM)**

- Estimate the share of SAM you can capture, considering competition, resources, and market dynamics.
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## **5. Visualizing Your Market Analysis**

### **a. Market Sizing Chart**

- Create a visual representation to compare TAM, SAM, and SOM.

### **b. Customer Personas**

- Develop detailed profiles of your ideal customers to guide marketing and sales efforts.
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## **6. Applications of Market Analysis**

### **a. Strategic Planning**

- Use your analysis to align product development, marketing, and sales strategies.

### **b. Investor Communication**

- Present TAM, SAM, and SOM in your pitch deck to showcase market opportunities.

### **c. Growth Opportunities**

- Identify untapped segments or geographic areas for future expansion.