Market Sizing

Marketing

Estimating a market from the top down and the bottom up.

Size the market from population downward and from unit economics upward, then reconcile.

TAM → SAM → SOM

TAM — **Everyone who could ever buy**
Total addressable.

SAM — **Those you can actually serve**
Geography, segment.

SOM — **What you can realistically win**
Given resources.

THE COMMON MISTAKE

× **Presenting TAM as the opportunity**

✓ **SOM is the plannable number**

A 1% share of a huge TAM is an assertion, not a plan. SOM forces the constraints to be stated.

Bottom-up sizing from real unit economics is harder to inflate, which is exactly why it is the more useful estimate.