Aspire3: Estimating Market Size

**Step one: check out resources (just do a Google search for them – focus on just US market initially):**

* **U.S. Census Bureau**
  + Search under “data” at the top of the page
* **U.S. Department of Commerce**
  + Check out the “Bureau of Economic Analysis”
* **Ventura County Library Database (requires free library card)**
  + Demographic databases and info for Ventura County
  + <http://157.145.215.81:81/rpa/default/RPA_redr.htm#business>
* **Hoovers**
  + Search for a similar business or competitor
  + You can start a trial to get more detailed information
* **Bureau of Labor Statistics**
  + Good if you are targeting a specific industry, such as “agriculture”
  + <http://www.bls.gov/oes/current/oes_stru.htm> <-- go here to find specific industry numbers
* **Google search of analogous (similar) businesses**

**Step two: using the statistics you found, map out your Total Addressable Market (TAM)**

For example, I am creating a product that will help farmers grow food faster. Based on the data I collected from the Bureau of Labor Statistics, there are **202,650** farm workers in the United States. My TAM would be around 200,000 people. Note—this number does not mean that 200k people are going to buy your product! In the box below, write down your TAM and where you got the information.

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| --- | --- | --- |
| **Total Addressable Market (TAM)** | Source(s) of Data: | Size (show your math): |

**Step three: now, map out your Target Market**

OK, now that I have my TAM of 200k people, I can narrow it down to seem more realistic. From the same data source I found that there are only 10,000 people in the agricultural industry that are considered “managers.” My fast-grow product would most likely only apply to the people in the industry making the decisions about how and what to grow. Will all 10,000 of those managers buy my product? Nope. I might have other competitors to deal with, or price restrictions due to relatively low income levels. So, I will have about 25% market penetration. 25% of 10,000 = 2,500 people who might buy my product.

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| **Target Market** | Source(s) of Data: | Size (show your math): |