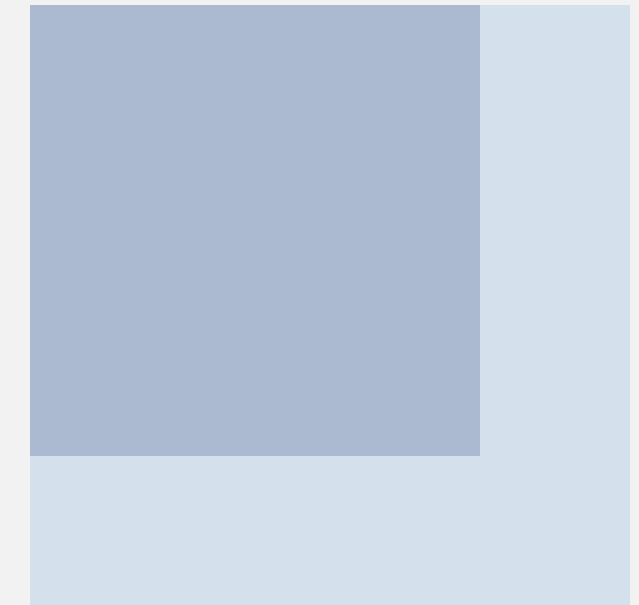


Market Sizing Framework

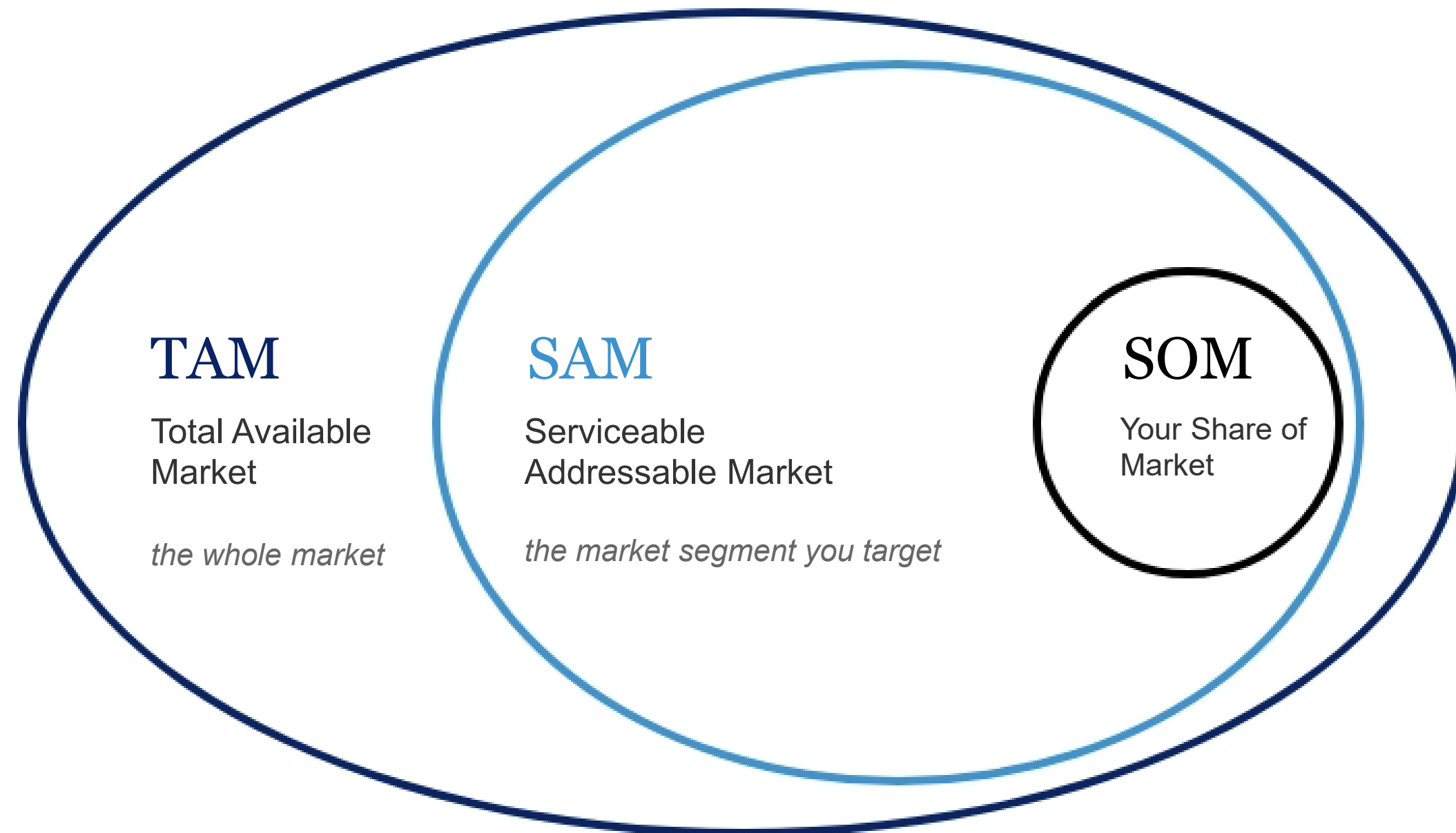


Understanding TAM, SAM, and SOM
for Strategic Market Analysis



Understanding Market Size

The relationship between TAM, SAM, and SOM



Understanding Market Size

The relationship between TAM, SAM, and SOM



TAM



Total Available Market

The entire market demand for a product or service

(the whole market)

SAM



Serviceable Addressable Market

The segment of TAM that you can realistically target

(the market segment you target)

SOM 

Serviceable Obtainable Market

The portion of SAM that you can realistically capture

(your share of the market)

TAM, SAM, SOM Explained

Detailed breakdown of market sizing concepts



TAM

Total Available Market

The total market demand for a product or service. This represents the maximum potential market size if 100% market share was achieved with no restrictions.

Example: For a smartphone manufacturer, TAM would be the global annual spending on all smartphones.

Calculation: Total number of potential customers × Average annual revenue per customer



SAM

Serviceable Addressable Market

The segment of the TAM that is within your geographical reach and that you can realistically target with your product or service offering.

Example: For a smartphone manufacturer, SAM might be the premium smartphone market in countries where they operate.

Calculation: Number of customers in target segment × Average annual revenue per customer in that segment



SOM

Serviceable Obtainable Market

The portion of SAM that you can realistically capture in the short to medium term, considering your resources, competition, and go-to-market strategy.

Example: For a smartphone manufacturer, SOM might be their projected sales based on marketing budget, distribution channels, and competitive landscape.

Calculation: Estimated market share percentage × SAM