

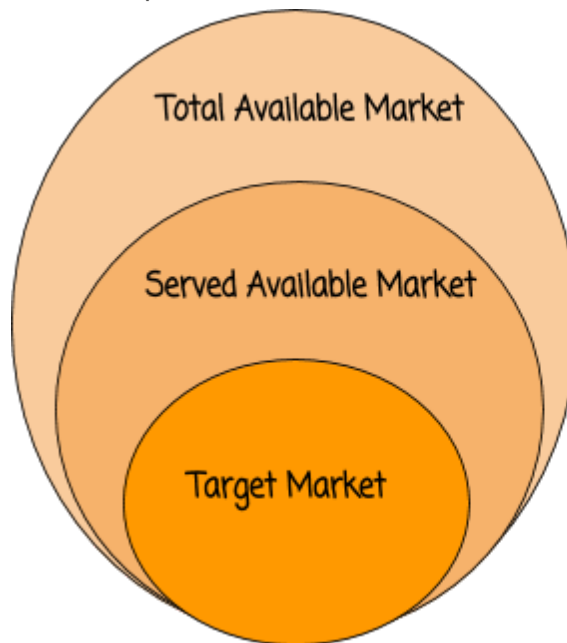
Market Size & Opportunity

There are **key questions** to ask when analyzing and gauging the overall market/industry:

Besides check the [5 Forces of Michael Porter](#) to make a holistic assessment.

- What's the structure of the industry?
- What's the history and trends that transformed the industry?
- What are the key forces that affect this industry?
- How intense is the rivalry among existing competitors? Is competition based on price? Will competitors slash prices in response to other competitors pricing strategies? Or is the market big enough where competitors are not competing for the same customers?
- How much power do suppliers have? Can suppliers charge a high premium and get away with it?
- Are there any close substitutes to the product/service you're offering? If there are close substitutes, there is a higher chance your customer won't use your product/service
- How easy is it for new competitors such as yourself to get into this industry? If it's easy, then expect to have lower market share than you would hope for.
- How much can customers demand companies to sell their product/service at a certain price? For example, if the industry was selling staples, then customers have a lot of power to demand staple retailers to sell at a cheap price versus demanding to buy a car at a cheap price.
- What industry trends are apparent that might change these forces mentioned above?
- What is the environment that your business is operating within and is it a friendly environment? Are there any strict laws that regulate your industry?
- What are the major competitors' goals/strategies/assumptions/capabilities?
- Are there any alternative strategies for smaller competitors to follow to compete in this industry?

- What are the critical requirements for success to succeed in this industry?



Total Available Market

- How big is the pie? How many people would want/need your product? How large is the market if they all bought?

You can find out hiring industry analysts in your domain or Wall Street Analysts.

Served Available Market

The Served available market is based on the following questions:

- How many people need/can use the product/service?
- How many people have the money to buy the product/service?
- Understand how large is the market in terms of dollars/units?

The way to find out the answers to this questions is talking to potential customers and analysis (Forrester, Cartner, Wall Street analyst reports)

Target Market

- Who I am going to sell in years one, two and three?
- How many customers is that?
- How large is the customers if they all bought?

The way to find out is talking to potential customers, identify and talk to channel partners/competitors.

By this time you will be able to have a first hypothesis in terms of if this business model canvas is worth executing in the next couple of years.

Market Size Summary

- 1. Talk to customers and sales channels**
- 2. Market size by competitive approximation (Wall Street analysts reports)**
- 3. Market Research Firms (Forrester, Cartner)**

Market research analysis and reports talk about the past not the future. So take just take them as a guidance.

Important questions you should make:

- How big can this market be?
- How much of it can we get?
- What's the market growth rate?
- What's the market structure, declining, mature or just starting?

Original Source: Content Curated from Steve Blank, Alexander Osterwalder and Michael Porter.