

Session 3 – Activity 3

Overview

What is it?

The MARKET SIZING template forces you to really explore the potential impact of your idea in terms of its reach within the market.

Why does it matter?

It is important to estimate market size in order to understand the scale of the opportunity for a product or idea. The size of the market will change the options you have for building a business model that can serve it.

From this, you can decide whether it is worth investing the time, money and effort to build a product, or even inform experiments with pricing as your idea gets closer to release.

How do I use it?

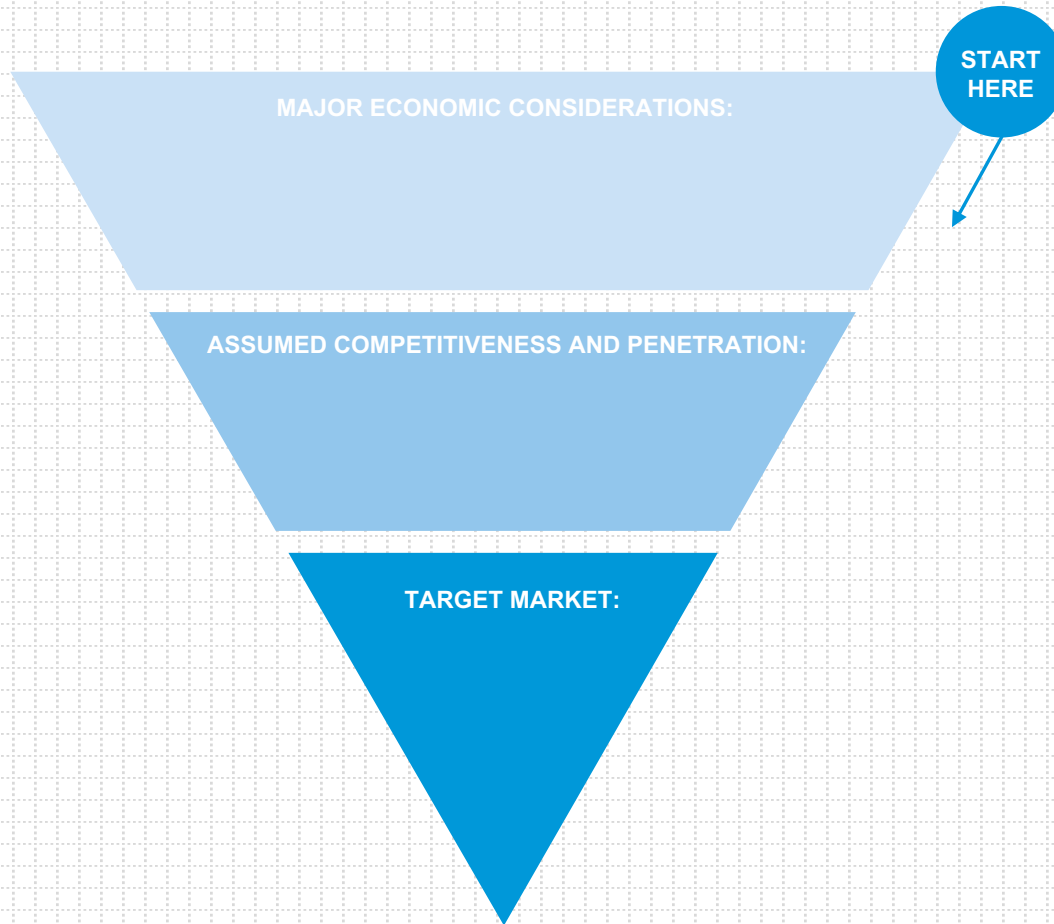
You can take a Top-Down or a Bottom-Up approach to market sizing.

A Top-Down approach starts by looking externally, to narrow down your addressable market, while the Bottom-Up approach starts by looking internally at existing structures, capabilities and markets to get to the addressable market.

You can learn more about each technique in the VFQ Product Management Book.

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Top-Down market sizing.



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Bottom-Up market sizing.

