

Market Research

Basic of Market Research

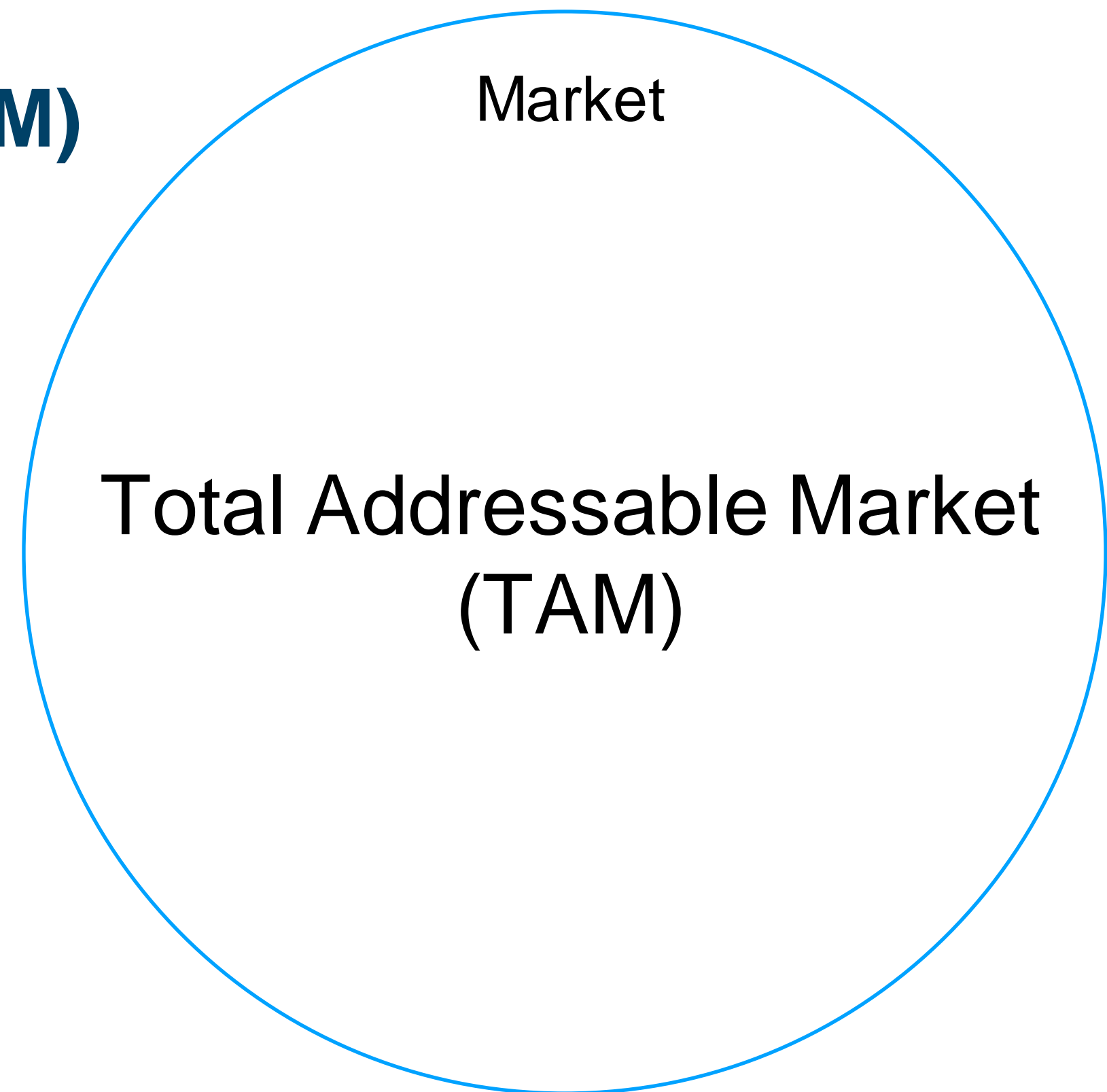


(How many of them are there?) x (How much will they pay for it?)

Some Definitions....

Total addressable market (TAM)

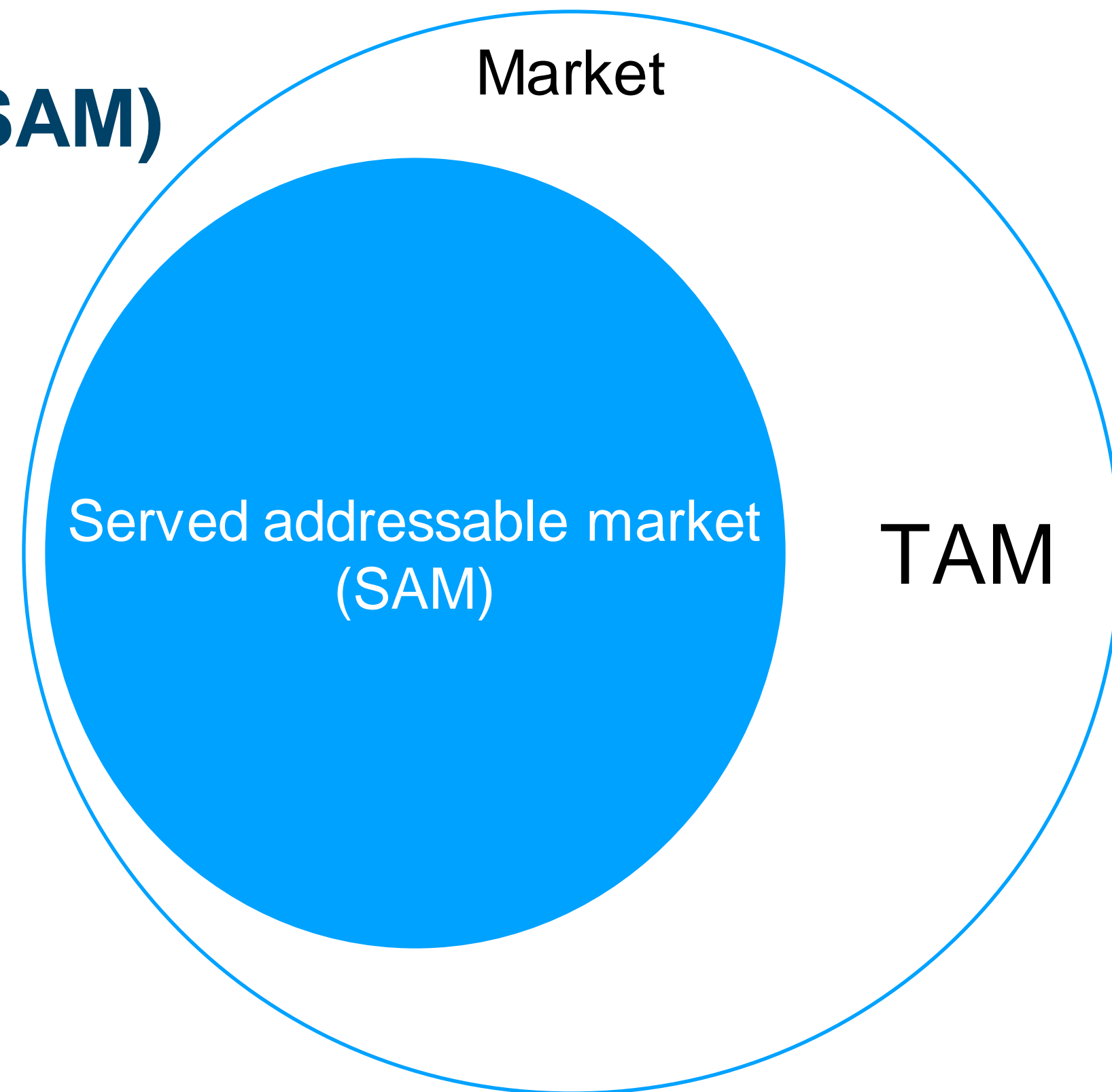
- Total revenue opportunity for the solution
- Disregard any competition or constraints
- Expressed in terms of annual figures or over a long-term horizon (be clear which one!)



Some Definitions....

Served addressable market (SAM)

- A more realistic sizing of market
- Accounts for limitations in the geographic reach, sales channels or competition
- Expressed in terms of annual figures or over a long-term horizon (be clear which one!)



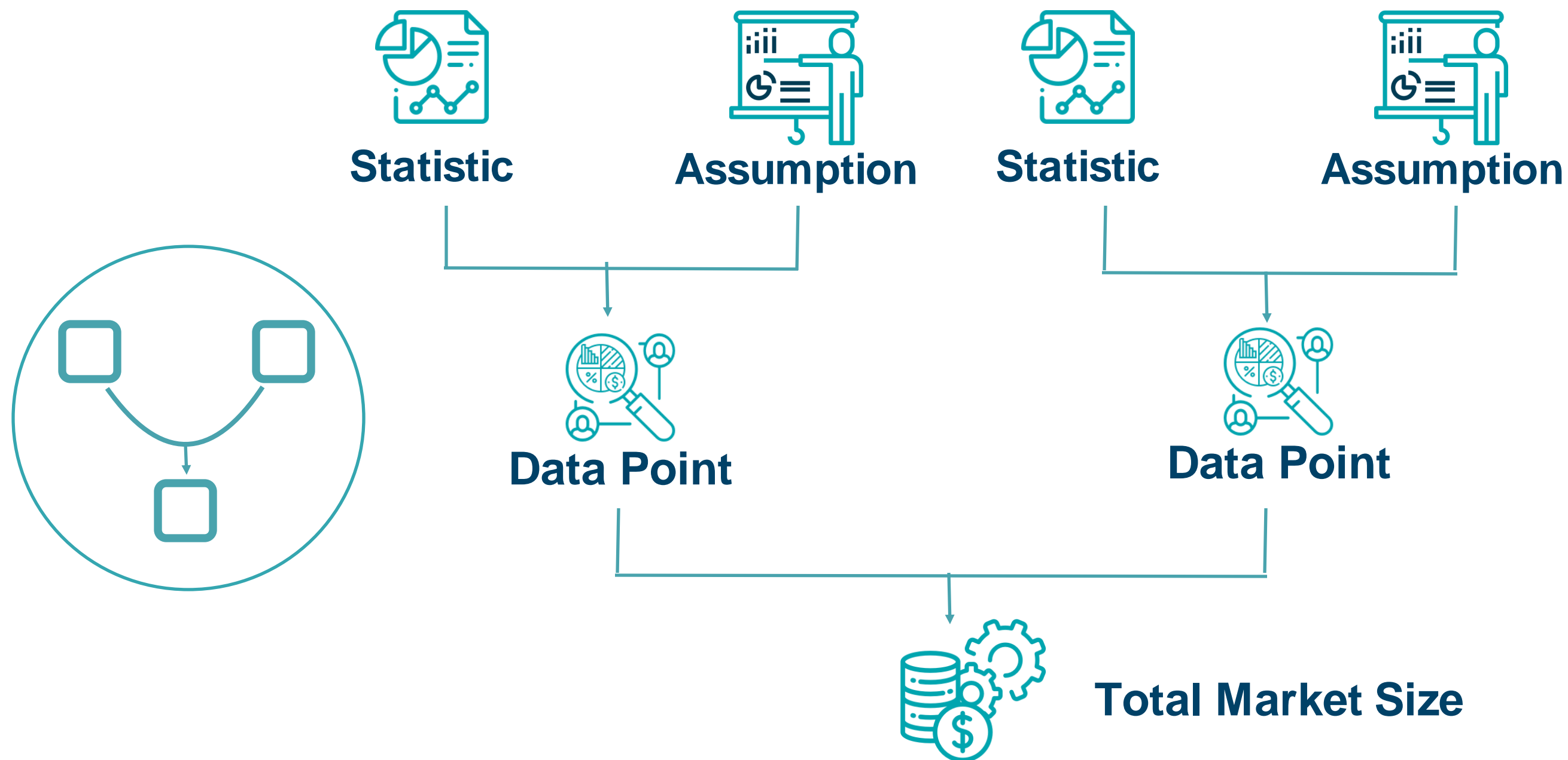
Some Definitions....

Target market (TM)

- Segment prioritized as most feasible or desirable
- Given your limited resources, should be the focus for most entrepreneurial startups
- Expressed in terms of annual figures or over a long-term horizon (be clear which one!)



Top-down methodology



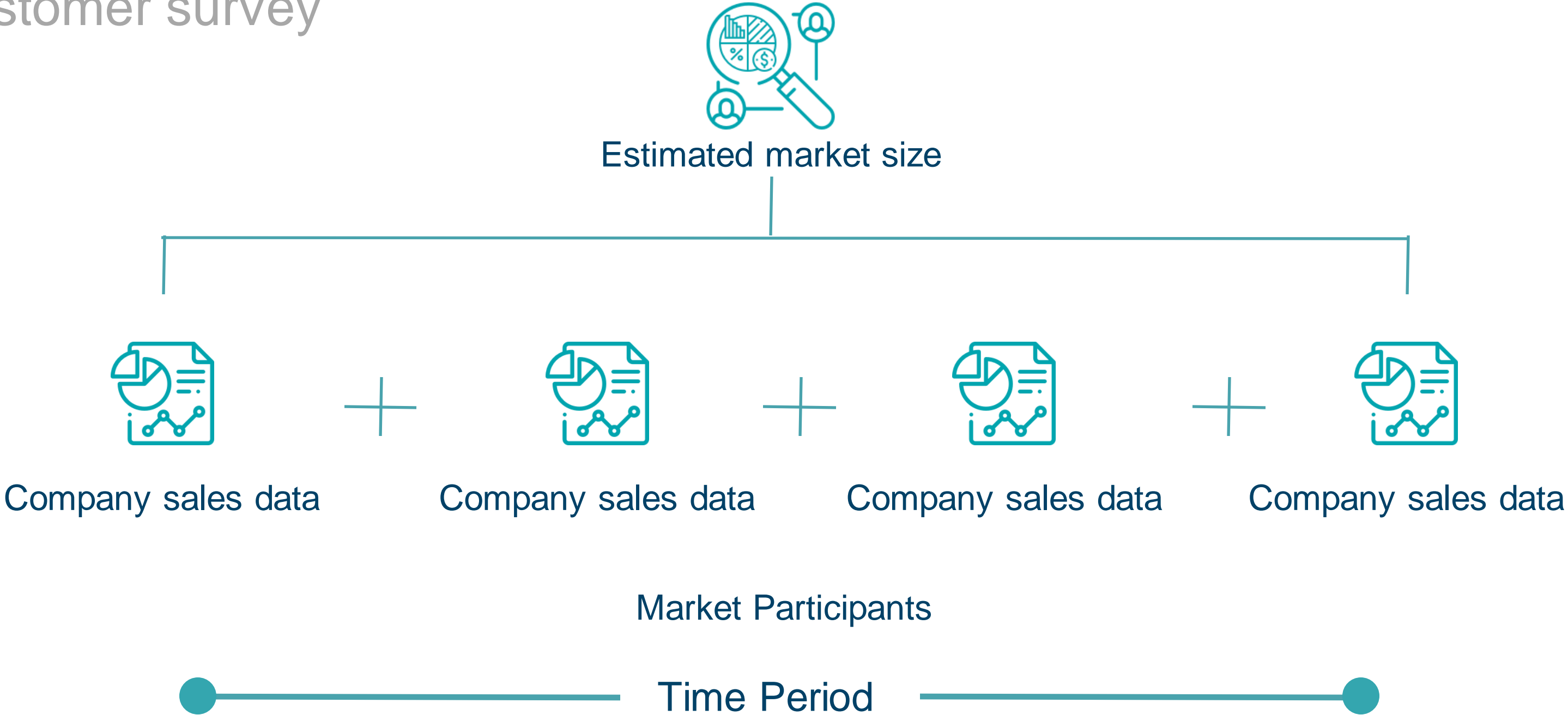
For e.g. 2 in 5 customers prefer SUVs

Keep track of all assumptions made and methodology to arrive at the number and revisit as new information is revealed

Get feedback from industry person, potential customer, your mentor

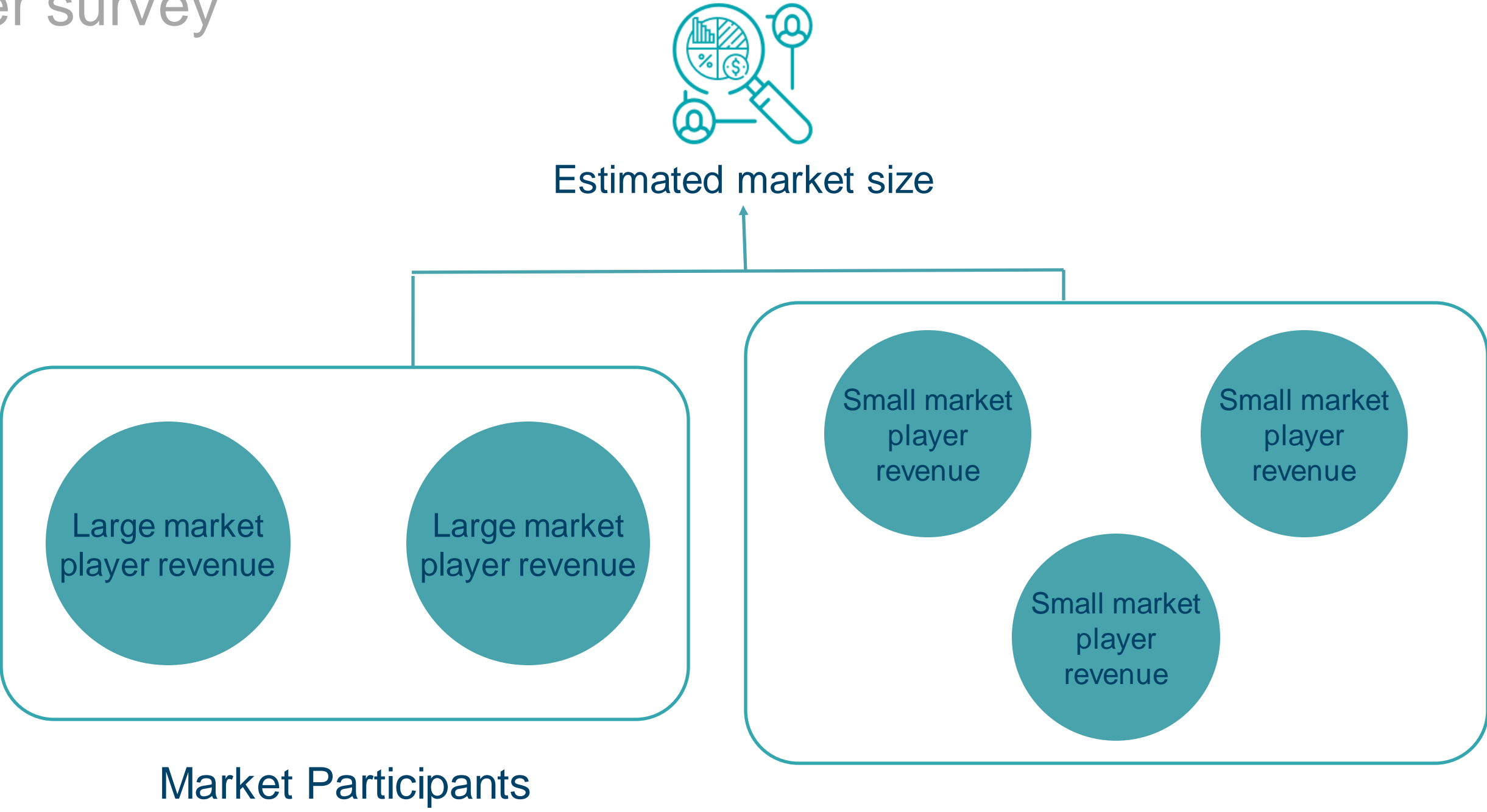
Bottom-up methodology

- 1. Roll-up market participant sales
- 2. Weighted analysis of Industry leaders
- 3. Customer survey



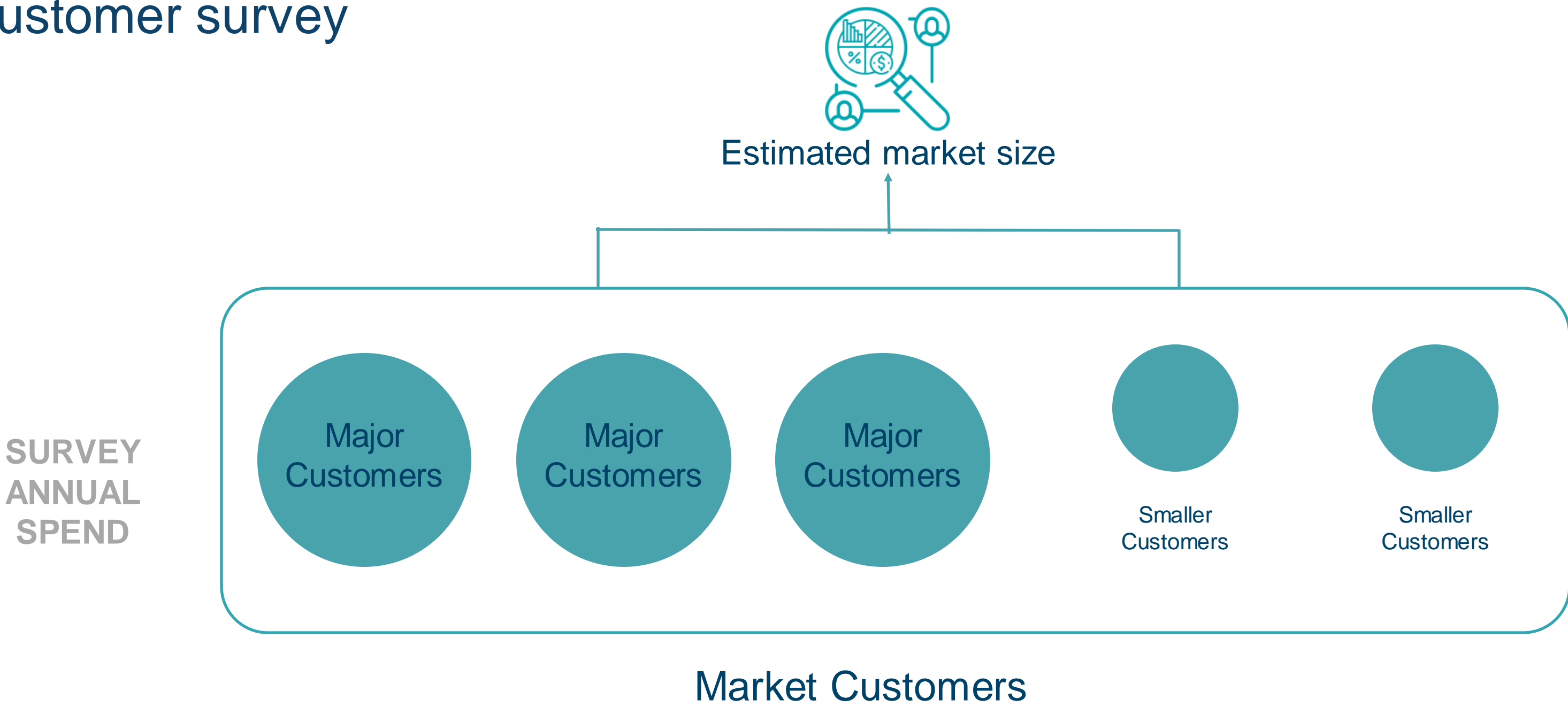
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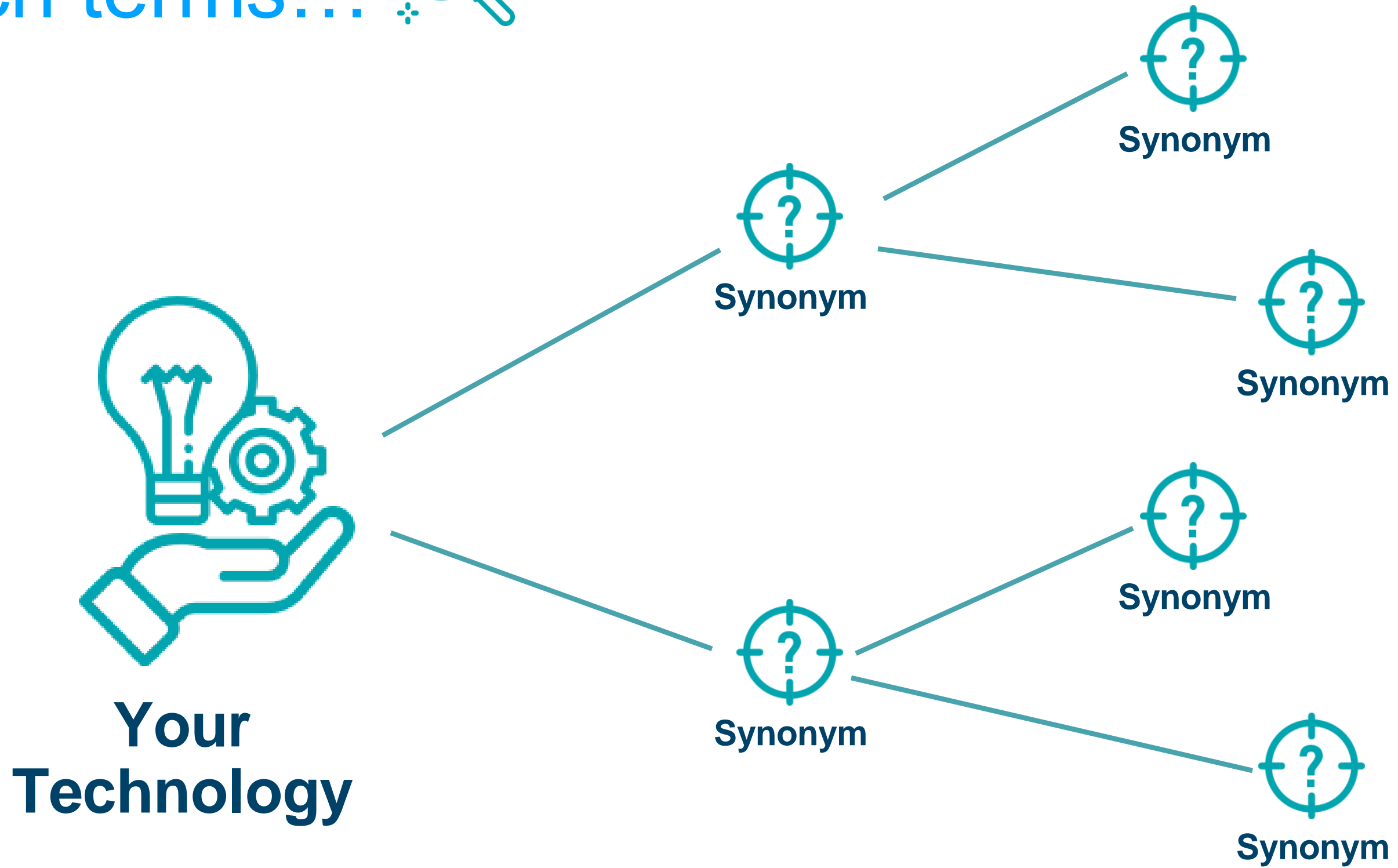


Bottom-up methodology

- 1. Roll-up market participant sales
- 2. Weighted analysis of Industry leaders
- 3. **Customer survey**



Search terms...



Sample Search Terms...

Solar pumping for agriculture

	Product Descriptors(A)	Market Sizing
1	Solar Irrigation Pumps	Market Size
2	Solar PV pumps	Market potential
3	Solar Irrigation	Sales Report
4	Precision agriculture	India potential
5	Krishi Sinchai Navikarniya Oorja	...

Do it for yourself...

“<Product for Market>”

	Product Descriptors(A)	Market Sizing
1		
2		
3		
4		
5		

Start building a repository of key data points relevant to your product / market...

“<Product for Market>”

	Key Data Point	Value	Source
1	Net Irrigated Area	141 mn. hectares	Ministry of Agriculture (2018)
2	Hp per hectare	2 Hp per hectare	
3	Ground water dependence	75%	Central Ground Water Board (2019)
4			
5			

Secondary Research

- Look at the relevant ministry websites
- Look for assistance from industry bodies for eg. CII
- Look for reports from consultancies like E&Y
- Look for reports from think tanks like AEEE
- Follow leading newspaper and industry journals

Credibility of the source matters!

How recent is the data? < 2-3 years old!

Emerging Technology or Non-consumers

