

# TAM Review

Lecture 17  
GSL Peru 2014

# Housekeeping

- Attendance is mandatory
- Business Plan
  - Full Executive Summary
  - Bullet points for rest of the Business Plan
- Demo Day Resources

# Review

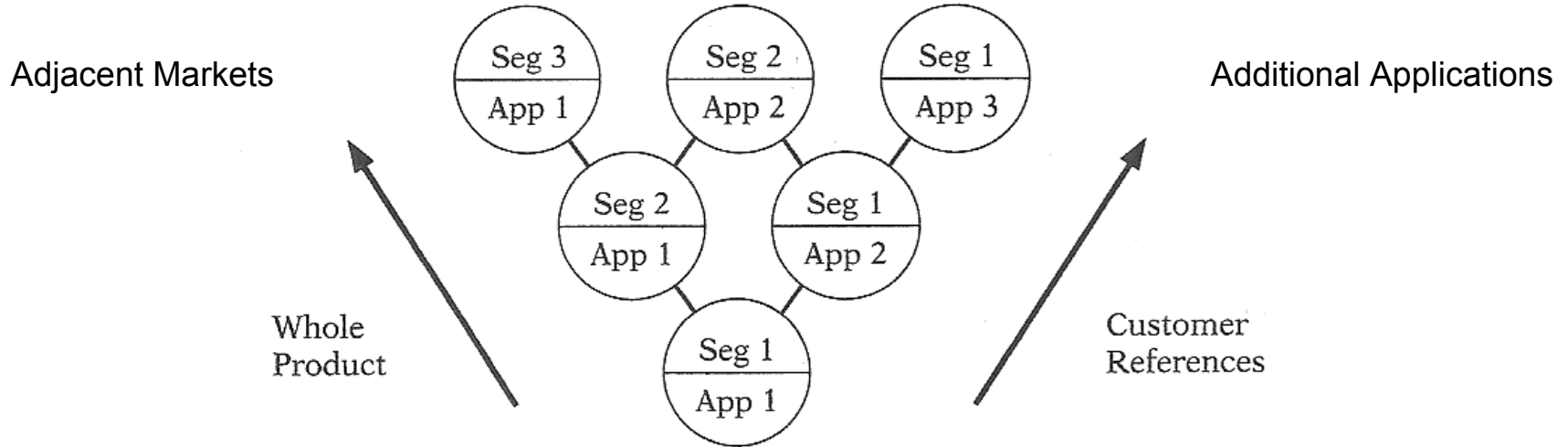


# Total Addressable Market

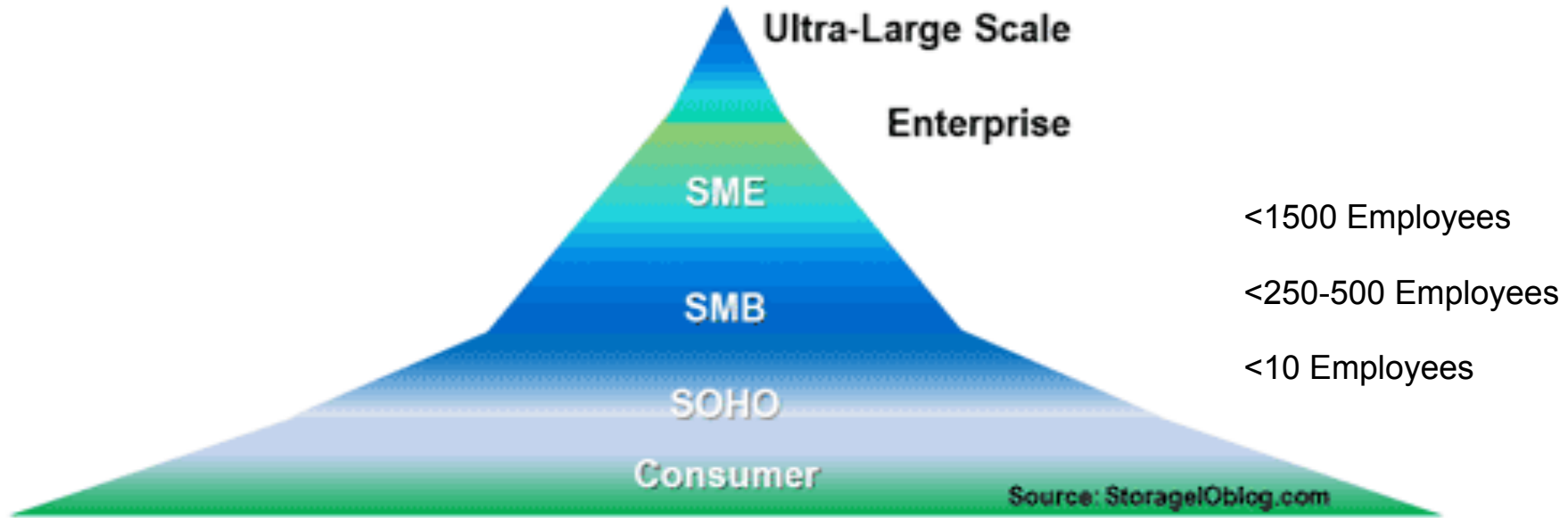
TAM numbers to calculate:

- TAM for Beachhead market (Step 4)
- TAM for follow on markets (Step 14)
- TAM for all of the possible markets

## Bowling Alley Market Development



## Relative Positioning Various Markets/Environments



U.S. Spend, 2013

Market Segment	UNIVERSE	SPEND	EMPLOYEES
Households	123.3 M	US\$28 B	N/A
Home-baseda Businesses	20.8 M 80.2% of Biz.	US\$37 B 8.5% of Biz.	21.5 M 16.0% of Biz.
Small Businesses (1-99) employees	5.0 M 19.4% of Biz.	US\$66 B 15.1% of Biz.	40.2 M 30.1% of Biz.
Medium Businesses (100-999) employees	98.4 K 0.4% of Biz.	US\$83 B 19.1% of Biz.	22.2 M 16.6% of Biz.
Enterprise (1,000+ employees)	9.2 K 0.04% of Biz.	US\$248 B 57.3% of Biz.	49.9 M 37.3% of Biz.

Some percentages may not add to 100 due to rounding

Source: Techaisle, 2013

# Calculating TAM - Example

Top Down Analysis for Backup Disaster Recovery (BDR)  
Appliance

Persona = Small Businesses

- Overall Total Market Size ~ US\$5.8 Billion with 15%  
-20% growth over the next 5 years
- Small Business with 1-99 Full Time Employees (FTE)  
~  $US\$5.8B * 15.1\% = \$876M$



# Example from Book - OnDemand Korea

Persona - Female ages 20-35

- 2.5M Koreans in US
- 1.2M users illegally watching Korean dramas
- 60:40 - female to male ratio in the users => 720,000 users
- 55% of users are ages 20-35 => 400,00 potential customers
- \$1.25 per month => \$15 per year
- TAM =  $400k * \$15/yr = \$6M/year$

Subset of Koreans in US who like to watch Korean TV

Age: 20–35 Females

Nationality: Korean

Residency: **USA**

Hobby: Watches avg. 2 hrs per day **Korean drama**  
through **illegal websites**

Note: **Not satisfied** with the **illegal websites'**  
**services** and its **quality** of content



Joonmedia, Bada, Dabdate

 **ONDemand** KOREA

*Anytime, Anywhere, Anyway*