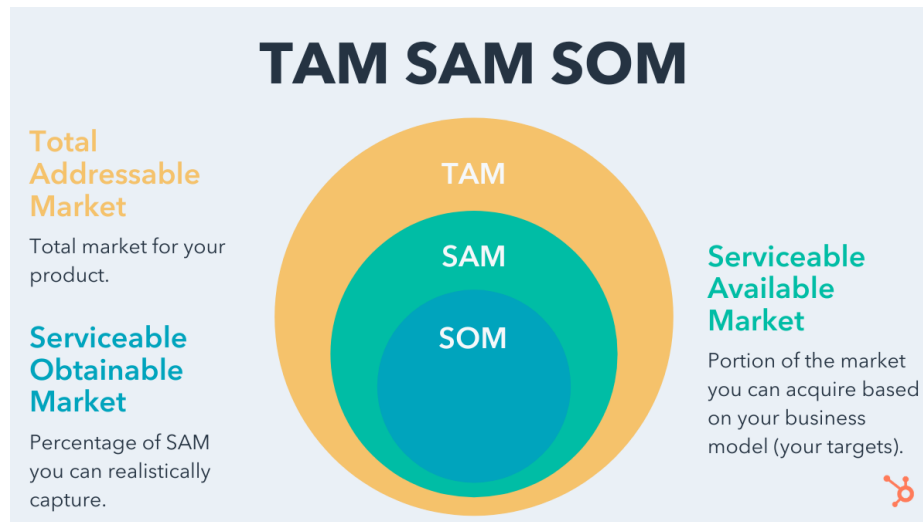


Handout TAM SAM SOM:



TAM (Total Addressable Market)

Total addressable market or TAM refers to the total market demand for a product or service. It's the maximum amount of revenue a business can possibly generate by selling their product or service in a specific market. Total addressable market is most useful for businesses to objectively estimate a specific market's potential for growth.

SAM (Serviceable Addressable Market)

Due to the limitations of your business model (such as specialization or geographic limitations), you will not likely be able to service your total addressable market. Serviceable addressable market is most useful for businesses to objectively estimate the portion of the market they can acquire to determine their targets.

SOM (Serviceable Obtainable Market)

Unless you're a monopoly, you most likely can't capture 100% of your serviceable addressable market. Even if you only have one competitor, it would still be extremely difficult to convince an entire market to only buy your product or service. That's why it's crucial to measure your serviceable obtainable market to determine how many customers would realistically benefit from buying your product or service. Serviceable obtainable market is most useful for businesses to determine short-term growth targets.

Obtained from: Clifford C. (2021): TAM SAM SOM: What Do They Mean And How Do You Calculate Them? URL: <https://blog.hubspot.com/marketing/tam-sam-som> (Accessed 8 May 2022).