MARKET SIZING OVERVIEW

MARKET SIZING (MISE FRAMEWORK)

Marketing Strategy
- Features
- Benefits
- Marketing Mix

Identify Potential Customers
- Buyers
- Users

Segment the Market
- Demographic
- Geographic
- Psychographic

Estimate Market Potential
- Assumptions
- Chain Ratio
- Market Buildup

MARKETING STRATEGY

Marketing Strategy can be developed by identifying Features, Benefits & Marketing Mix alternatives

Features: Distinctive aspects, qualities or characteristics of the product/service

Benefits: The value derived by the end-user

Marketing Mix: Price, Place, Promotion
**Concentrated Marketing**

The firm targets one market segment or niche and pursues it aggressively.

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**Differentiated Marketing**

The firm targets several market segments and designs separate offers for each.

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**Undifferentiated Marketing**

Firm ignores market segments and targets the entire market with one offer.
CUSTOMER IDENTIFICATION

- Who are they?
- Are they the purchaser or end-user?
- Who makes the purchasing decision?
- What influences purchasing decision?
- How do they buy your product/service?

CONSUMER MARKET SEGMENTATION

Segmentation Variables

- Demographic
  - Age
  - Gender
  - Income
  - Education
- Geographic
  - MSA Region
  - County
  - Density
  - Climate
- Psychographic
  - Social Class
  - Lifestyle
  - Personality
- Behavioral
  - Purchase Habits
  - Benefits Sought
  - Usage Rate

Sub Segmenting

- Demographic
  - Age
  - Gender
  - Income
- Geographic
  - Density
- Psychographic
  - Lifestyle
- Behavioral
  - Benefits Sought
BUSINESS MARKET SEGMENTATION

Segmentation Variables

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Operating Variables</th>
<th>Purchasing Approaches</th>
<th>Situational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Tech Needs</td>
<td>Centralized/ Not</td>
<td>Urgency</td>
</tr>
<tr>
<td>Company Size</td>
<td>Usage Needs</td>
<td>Relationship</td>
<td>Terms</td>
</tr>
<tr>
<td>Location</td>
<td>Service Needs</td>
<td>Price Sensitive</td>
<td>Order Size</td>
</tr>
</tbody>
</table>

Easiest | Hardest

ESTIMATING MARKET POTENTIAL

Chain-Ratio Method (Top Down)

Universe

Sub Segment

Sub Segment

Sub Segment

Market

SIC Market Build-up Method (Bottom Up)

Segment 1

Segment 2

Segment 3

Segment 4

Segment 5

Market

MARKET SALES POTENTIAL

Market Sales Potential is a function of:

1. The number of **Prospective Buyers** (B)
2. The **Quantity Purchased** (Q)
3. The **Price of an Average Unit** (P)

\[ \text{Market Sales Potential} = B \times Q \times P \]