

Example: Your target product is agarose gel and your target audience in Nigeria

TAM (Total Addressable Market)

Everyone in Nigeria who currently uses or could use agarose gel.

- Assumption: 500 institutions in Nigeria use agarose gel (including public universities, private universities, government labs, diagnostic centers, and biotech firms).
- Average use per institution: 2kg/year
- Price per kg: ₦150,000

$$\text{TAM} = 500 \text{ institutions} \times 2\text{kg} \times \text{₦}150,000 = \text{₦}150,000,000/\text{year}$$

SAM (Serviceable Available Market)

The subset of institutions you can realistically reach based on your product fit and location.

- Assumption: You're targeting academic and research institutions in major urban centers (e.g. Lagos, Abuja, Ibadan, Enugu, Zaria).
- This subset includes 200 institutions, using 2kg/year.

$$\text{SAM} = 200 \text{ institutions} \times 2\text{kg} \times \text{₦}150,000 = \text{₦}60,000,000/\text{year}$$

SOM (Serviceable Obtainable Market)

The realistic share you can capture in the short term (e.g. Year 1–2).

- Assumption: You expect to reach 20% of your SAM (200 institutions) in Year 1 through direct outreach, academic partnerships, and local distribution.

$$\text{SOM} = 20\% \text{ of SAM} = \text{₦}60,000,000 \times 0.20 = \text{₦}12,000,000/\text{year}$$