



**STORE****PLUM**

TAM SAM SOM TEMPLATE

# How To Calculate TAM

**Number of potential users who can buy your product (A)**

**X**

**Maximum Product Price (B)**

**A: Users are determined through market research.**

**B: Maximum price that you think you can sell the product to- also based on research.**

**Example: For a market size of 10,000,000 with maximum product price of \$40, TAM would be \$400M**



# How To Calculate SAM

**Target Segment of TAM**

**X**

**Maximum Product Price (B)**

**A: Ideal small segment of the TAM.**

**B: Maximum price that you think you can sell the product to.**

**Example: If market size is 10M but let's say only 1M can afford your product that you sell at \$40, then your SAM is \$40M**



# How To Calculate SOM

**Market Share of Previous Year**

**X**

**SAM for this year**

**Example: If your SAM in last year was \$40M and if you made a revenue of \$4M that year(10%), then you multiply your market share 0.10 with this year's SAM (eg. \$50M) which is \$5M**



# TAM SAM SOM For Nike Footware



Footwear market  
size in USA

**\$79.9B**

Serviceable athletic  
shoe market in USA

**\$19.9B**

Obtainable  
market

**\$12.2B**

\*Numbers for USA market only.

