

## Market Sizing Sample Questions

Please use the following sample questions to improve your market sizing skills. We also provided some clarifications for each question at the bottom of the page in case your partner asks for specific information (Facts to give away). However, please keep the solution for yourself until the end. (The picture)

### Sample Questions:

**1/ Estimate the market size for walking canes in the US. (\$)**

**2/ If we decided to charge everyone 1 dollar for each time they step on College Walk (116<sup>th</sup> street that goes across Columbia University), how much revenue can we expect to earn in a year?**

### Clarifications:

#### **US walking canes: (Facts to give away)**

1. US population: 300 million
2. Average line span of a cane is 5 years
3. For private/residential use – mainly old people above 70 years
4. Average price of a walking cane is

- US Population: 300 million
- Population over 70 years: 15%
- Percent of >70 population needing a cane: 40%
- Average life of cane: 5 years

Now you can do the actual calculations. The population over 70 years is 45 million and 40% of these need a cane. That is 18 million. Assuming that the average life of a cane is 5 years, one-fifth of these 18 million buys one cane every year. That is 3.6 million canes annually.

### **College Walk:**

1. We charge people on a per-use basis, meaning if you walk from Low Library to Butler and then walk back later in the day, we will charge you twice
2. Columbia University has roughly 10,000 students in the Morningside campus, with roughly 6,000 undergraduates. Please estimate the number of staff/faculty members by yourselves

Sample Questions:

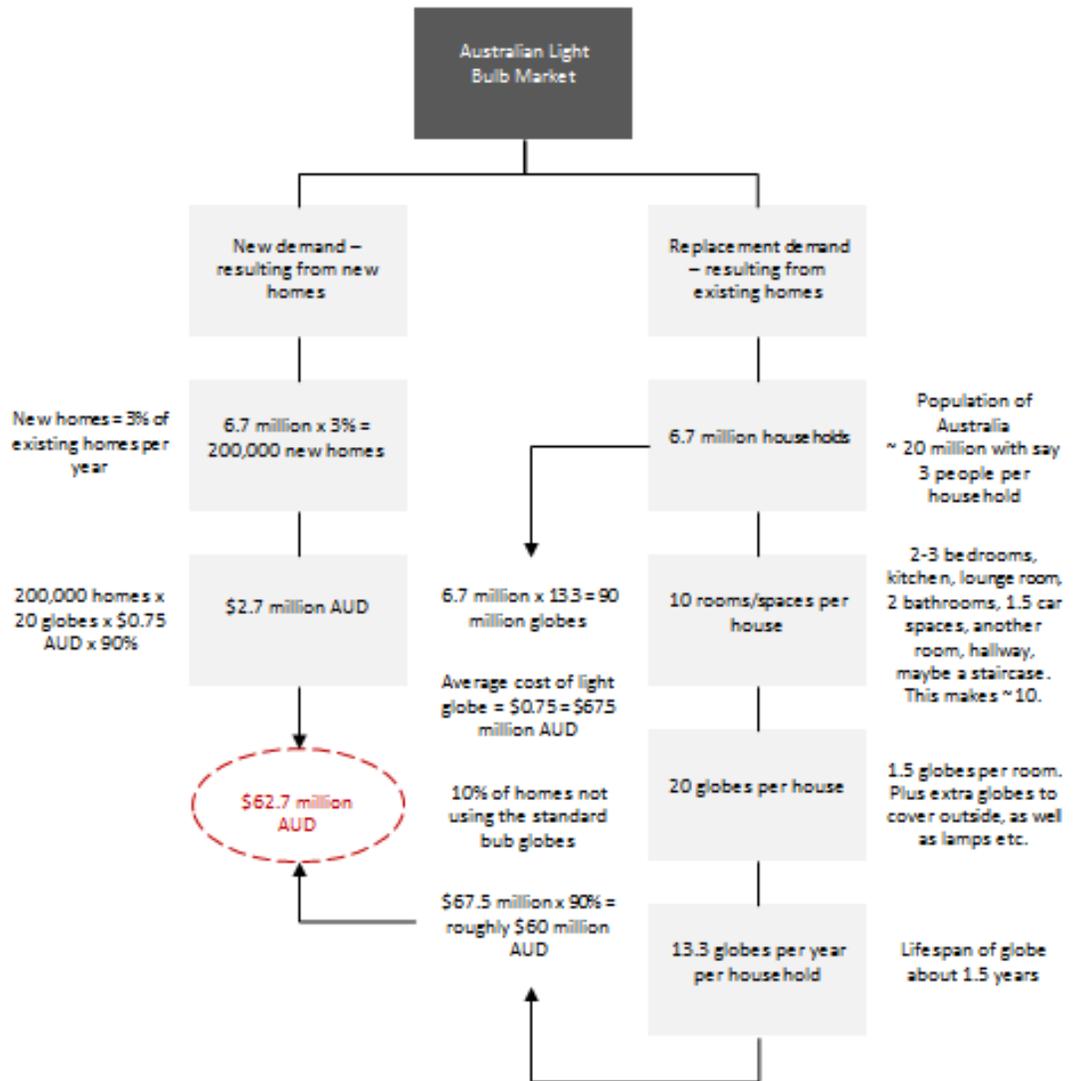
1/ What is the market size for light bulbs were sold in Australia last year? (\$)

2/ How many six-packs of beer are sold in a year in the U.S.?

Clarifications:

**Australia Light Bulb: (Facts to give away)**

1. Population of Australia: 21 million
2. We are concerned only about residential light bulbs (standard ones at \$1 a piece)
3. You may consider both new demand and replacement demand
4. Market should be expressed in terms of revenue per year



**Six-pack:**

1. Surprisingly, 6 pack is not the only way of packing beer. There is 12-packs, 18-packs, and 30-packs as well
2. In this case we can ignore the individually sold beers