

Marketing Sizing Questions & Tips

MBA Career Management Center

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Marketing Sizing Question:

How many toothbrushes are **used** annually in the state of Louisiana?

Market Sizing Answer:

Start from the top down – What is the population of Louisiana?

What is the population of the US? → 300M

What is the population of the LA? → Not sure...

- Geographic size: small, avg, large? → Average
- Population: dispersed, avg, condensed? → Dispersed

↓
300M/50 States = 6M per state

- Avg size → Spot on
 - Pop dispersed → Round down
- } Below Avg

What is the population of LA → Estimated 5M

Market Sizing Answer:

Now, segment the population

Probably follows a bell distribution → 3 segments

- ↳ Frequent replacers → 1 million
- ↳ Average replacers → 3 million
- ↳ Infrequent replacers → 1 million

Calculate use for average replacers

- ↳ Semi-annual dentist visit → 2 brushes / yr
- ↳ Pharmacy / Grocery purchase → 2 brushes / yr

Average person = 4 brushes / year

- ↳ Frequent replacers use 50% more → 6 brushes / yr
- ↳ Infrequent replacers use 50% fewer → 2 brushes / yr

Market Sizing Answer:

Finally, put it all together

Frequent replacers	1M x 6 brushes / year	→	6M
Average replacers	3M x 4 brushes / year	→	12M
Infrequent replacers	1M x 2 brushes / year	→	2M
			<u>20M</u>

↓
Have a creative moment!

↳ Hotels also provide single-use toothbrushes

↳ Increase estimate by 2%

The final answer...

20.4 million toothbrushes
used annually in Louisiana

Market Sizing Shortcuts

1 Know a few significant numbers

U.S. Population - 300M U.S. GDP - \$15 Trillion
U.S. Households - 120M U.S. Median Income - \$50K

Tip: Generally start from the top (US pop, etc.) and work down. Then incorporate segments to refine your answer.

2 Keep quantities simple

1, 2, 5, 10, 15, 24, 48, 100 → Easy to multiple and divide
10%, 25%, 33%, 50%, 67%, 75% → Easy to multiple and divide

3 Make reasonable estimates

Scale up → In an average week x 50 weeks/year
Scale down → 300M POP / 50 states = 6M/state

4 State assumptions

I think I do XX about average, so...
When I lived in XXX

5 Check your work to ensure within reason

Market Sizing Practice Questions

- How many golf balls are lost during rounds of golf in the US annually?
- How many bottles of nail polish were sold in North Carolina in 2012?
- How many tires were purchased for non-commercial users in the US last year?
- How many pounds of chicken does McDonald's sell in a day?
- How many taxi cabs are there in New York City?

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