

Market Sizing Cheat Sheet

A one-page reference for case interview practice.

01 Core formulas

GOAL	FORMULA
General market size (revenue)	Population × penetration rate × frequency × price
Units (volume)	Population × penetration × usage frequency
Revenue	Units × price
Bottom-up: locations	Number of locations × customers per location × price
Bottom-up: per customer	Number of customers × average spend
Capacity-driven	Capacity per unit × number of units × utilization × price
Supply from demand	Total demand ÷ output per unit (stations, dentists, stores)
Replacement demand	Installed base ÷ replacement cycle (years), plus growth
Life-event flow	Population × share affected ÷ lifetime in years

DON'T MISS REPLACEMENT DEMAND

For durable goods, annual demand is the installed base divided by useful life, plus new buyers.

02 Population + demographics

BENCHMARK	ROUGH FIGURE
US population	≈340 million
EU population	≈450 million
Germany	≈84 million
UK	≈69 million
France	≈68 million
Italy	≈59 million
Brazil	≈215 million
World	≈8.2 billion
Household size (developed markets)	≈2-2.5 people
US households	≈130 million
German households	≈40 million
People per one-year age group	≈population ÷ 80

USE THE NUMBERS WELL

Match units and time periods.
Define denominators, especially for ownership rates.
Adapt assumptions to the market and segment.

03 Time benchmarks

BENCHMARK	ROUGH FIGURE
Working days / year	≈230-250
Weeks / year	52
Waking hours / day	≈16
Store / restaurant hours	≈10-12 / day
Life expectancy (developed)	≈80 years

04 Percentages + prices

VARIABLE	ROUGH FIGURE
Adults in population	≈70-80%
Workforce participation	≈50% of population
Urban population (developed)	≈70-80%
Car ownership	≈50-70%
Smartphones (developed)	≈80-90%
Coffee	\$2-5
Fast-food meal	\$8-12
Gym membership	\$30-70 / month
Consumer software subscription	\$10-50 / month
Short-haul flight	\$100-300