**Step 1:** Identify the size of the population in scope, such as number of total households, number of total enterprises, number of total seats, number of total masts. The objective of this step is to gauge the total sample space of the demand side for a certain service across the distinct customer dimensions such as low-income / Mid-income / High-income.

**Example:**

1. If we are to open a dog servicing business and we need to identify the sample size of dogs:
   * 1. this step would get to the total number of population households
     2. then, the households get broken down by the income groups, i.e., low, mid, and income
     3. then, for each income group, we multiply the number of dogs owned by income group
2. If we are to open a B2C LLM subs Business
   1. this step would get to identify the total global population
   2. then, segment population by LLM/AI adoption levels, i.e., not adopters, low, medium, high
3. If we are to open a car tires sales enterprise:
   1. this step would get to the total number of population households
   2. then, the households get broken down by the income groups, i.e., low, mid, and income
   3. then, for each income group, we multiply the number of cars owned and their tires by income group
4. If we are to open a digital bank which provides cards and loans
   1. This step would get to the total number of populations
   2. then, the population gets broken down by age group
   3. then, for each age group, we identify the percentage adoption
5. If we are to launch a premium economy business line
   1. This step would get to the size the total population
   2. Then breakdown down by income group
   3. Then breakdown each income group by which class of service they opt for, i.e., business, economy, first
   4. Then breakdown likelihood to open for premium economy

Note:

* Maintain the breakdown to be by market groups. if only one market, then only the customer segments get retained thereafter in the format.
* As an example:
  + If we have multiple continents
    - North America
      * Low Income Group Dogs
      * Mid Income Group Dogs
      * High Income Group Dogs
    - Latin and Central America
      * Low Income Group Dogs
      * Mid Income Group Dogs
      * High Income Group Dogs
  + If we have only one continent
    - * Low Income Group Dogs
      * Mid Income Group Dogs
      * High Income Group Dogs

In terms of continents, we only possess the following:

* North America
* Latin and Central America
* UK and Europe
* Middle East and Africa
* Indian Subcontinent (i.e., India, Bangladesh, Pakistan, Nepal, Sri Lanka, Maldives, Bhutan)
* Asian Pacific (i.e., China, Japan, Australia, New Zealand, Malaysia, Indonesia, Philippines, Thailand, Vietnam, etc.)

**Step 2:** Identify the growth rate of the sample population across the years to instil growth

**Example:**

1. If the global population was referenced, then total growth rate would be as per global historical data
2. If the global enterprises were referenced, then total growth rate would be as per global historical data
3. If the seats are referenced, then would be considered flat. Model the growth rate but assume it to be zero

**Note:** Growth rate would typically range between 2-3% YoY

As such, Step 2 would have the output of the total demand side including the growth rate.

**Step 3:** Define the company market share of how its growth would shape up in terms of acquisition across the net demand identified post step 2. The objective is to size the competitive position from the demand side of the idea at hand.

**Example:**

1. If we are to open a dog servicing business, and we have identified in step 2 the net demand to be 1Mn dogs across each of the three income groups, then we need to multiply the market share for each income group to identify the size of the market adoption required. Such as,
   1. A: Low Income Dogs: 1,000,000
   2. B: Medium Income Dogs: 1,000,000
   3. C: High Income Dogs: 1,000,000

Then multiply each of those segments with the market share adoption rate

* 1. Low Income Dogs adoption: A \* (low\_income capture rate)
  2. Medium Income Dogs: B \* (Medium\_income capture rate)
  3. High Income Dogs: C \* (High\_income capture rate)

1. If we are to open a B2C LLM subs Business, and we have identified in step 2 the net demand to be 10Mn people across each of the four adoption levels, then we need to multiply the market share for each level to identify the size of the market adoption required. Such as,
   1. A: Low Adopters: 10,000,000
   2. B: Medium Adopters: 10,000,000
   3. C: High Adopters: 10,000,000

Then multiply each of those segments with the market share adoption rate

* 1. Low Adopters: A \* (Low\_level capture rate)
  2. Medium Adopters: B \* (Medium\_level capture rate)
  3. High Adopters: C \* (High\_level capture rate)

Note: captured demand = (total demand \* capture rate)

**Step 4:** Factor in the churn from the captured adopters. Here I am interested in identifying in every period the loss of product users due to lower competitive advantage or to bad quality of service. This would eventually be subtracted from the outcome of step 3 where the formula would be: captured demand \* (1-churn rate). The analysis should be broken down by demand group, as such

* + For each Low / Medium / High Income group: Net captured demand = captured demand \* (1-churn)
  + For each Low / Medium / High adopters: Net captured demand = captured demand \* (1-churn)

Note1: Always in the start period, there won’t be churn. If the start period is M, then churn would start from M+1.

**Note2:** the output of the net captured demand is the final output of this exercise and should be structured in the following approach

* + Total Output = Market A (segment 1 + segment 2 + segment N) + Market B ((segment 1 + segment 2 + segment N)
  + > Market A
  + >> Segment 1: Net Captured Demand
  + >> Segment 2: Net Captured Demand
  + >> Segment n: Net Captured Demand
  + > Market n
  + >> Segment 1: Net Captured Demand
  + >> Segment 2: Net Captured Demand
  + >> Segment n: Net Captured Demand