**Required Assignment 6.4**

**Estimate the Market Potential for the Following Products:**

**Diapers, Ice cream**

**Diapers:**

During the 1990s, an average of 4 million babies are born annually in a country. The average child goes through 7,800 diapers in the first 130 weeks of life (2.5 years) until toilet training or 60 per week (Deveny, 1990).

(a) What is the annual market potential for disposable diapers?

**Methodology used:** Quantative analysis

**Approach taken:** first calculate how much diaper 1 baby needs in a year since per week 1 baby is using 60 diapers

**Assumptions:** Considered babies allergic to diapers and ones using clothe diapers

**Calculation:** 60 per week , 1 year =52 weeks , So in a year 52 x 60= 3120

1 baby =3120 diapers

**Solution:** 3120 x 4 M = 12.4 B

(b) What other qualitative issues need consideration here?

1. Allergic to diapers

2. Consumers using cloth diapers

**Ice cream:**

In 1999, the population of a country was 273,401,000. Of these, 16 million suffered from diabetes (and hence could not consume regular ice cream) and 30 million were lactose intolerant (and hence could not eat ice-cream). On average, consumption per person is 46.6 pints per year. The average price per pint in 1999 was $3.19.

What is the market potential in (a) units and (b) dollars? ($ is used as a general unit of currency)

**Methodology used: Quantative Analysis**

**Approach taken:** calculate population today by subtracting lactose intolerant and those who suffered from diabetes and then calculate the units since avg per person is given.

**Assumptions: Nil**

**Calculation:** 273,401,000 – 46 Million = 227,401,000

Potential Units= 227401000 X 46.6

Potential in USD = 10.596 X 3.19

**Solution: a ) market potential in Units = 10.596 Billion Units**

**b) 33.8 Billion** $

 