STARTUP SCHOOL 2026 · SESSION 5 OF 11

Market Research:
Who Else Is in the Arena?

Sizing the market, mapping the players, and finding the gap where your venture fits.

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THE JOURNEY SO FAR

You are here: Session 5 of 11

1	2	3	4	5	6
The Startup World	From the Field: Leading Bedouin Entrepreneurs	Problem Discovery	Customer Discovery	**Market Research**	→ MVP – From Idea to First Product

Today's job: turn your idea from a guess into something you can defend with evidence.

How big is the market?

Learn TAM / SAM / SOM
Market size in plain, practical numbers.

Who else is in the arena?

Find and map your competitors: direct, indirect, and substitutes.

Where do WE fit?

Read the map for the gap; the opening only your venture can take.

WHAT YOU'LL BUILD TODAY

Two artifacts about your own idea

1. Market Map

- How big is the prize: TAM / SAM / SOM
- How fast it's growing (CAGR)
- Who the key players are and where they sit
- The white space - where YOU fit

2. Competitor Matrix

- Your top competitors, side by side
- What they offer, price, and who they serve
- Their strengths and their weak spots
- One clear line: what makes you different

These two pages are the backbone of the ‘market’ slide every investor turns to first.

HOW TODAY WORKS

Ground rules + a quick warm-up

Work in table groups

3–5 people. Pick ONE idea per table to work on all session.

Build as we go

Three hands-on sprints. You leave with a filled-in Market Map & Matrix.

Share out loud

After each sprint, two tables present. Questions welcome anytime.

WARM-UP · 2 MINUTES AT YOUR TABLE

“Name a product you love. Now name the 3 things you would have used if it didn’t exist.”

Those three things are its competitors. Every product has them — even the ones that feel one-of-a-kind.

THE MOST DANGEROUS SENTENCE IN A PITCH

“We have no competitors.”

Investors hear one of three things when you say this:

You haven’t looked hard enough

Competitors exist; you just haven’t found them yet.

There’s no real market

If no one is solving this, maybe no one will pay to.

You don’t understand the space

Substitutes always exist — even ‘doing nothing’ is one.

THE REFRAME

A market with no competitors is usually... no market

Competition is a signal

- It proves customers exist and already pay
- It proves the problem is worth solving
- It shows you the price the market accepts
- It hands you a map of what NOT to repeat

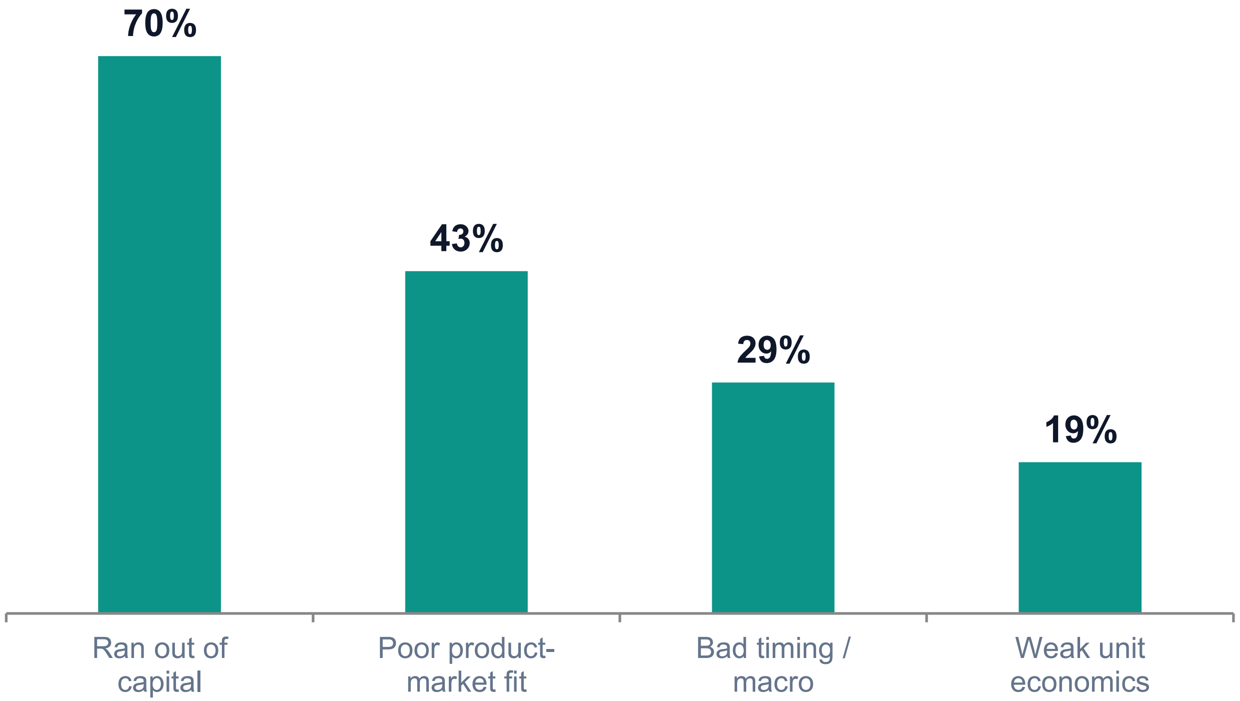
So the goal is NOT to avoid competition.

The goal is to understand it well enough to find the spot the others have left open.

“If you have no competition, your first job is to figure out why — before you celebrate.”

THE EVIDENCE

Why startups actually fail



~2 in 3

of product-market-fit failures were companies that never found a real market.

Read it the right way

“Ran out of capital” is how the story ends.

“No market” is usually why it ran out. Research is how you avoid the root cause.

Source: CB Insights, “The top reasons startups fail” (2026 analysis of 400+ post-mortems). Multiple reasons cited, so totals exceed 100%.

THE MINDSET FOR TODAY

Market research is not about fear. It's about finding where you fit.

Knowing your competition reveals the gaps and the opportunity. A market crowded with players is a market with money in it. Your job today is not to be scared of the arena, **it’s to read it**, and find the corner that’s yours.

Hold this thought through every exercise: every gap you spot is a door.

PART 1

How big is the market?

TAM · SAM · SOM, and why the number behind the number matters.

MARKET SIZING IN PLAIN LANGUAGE

Three questions, three numbers

TAM

How big could it ever be?

Total Addressable Market
The whole prize if everyone who could buy, did.

SAM

How much can we realistically serve?

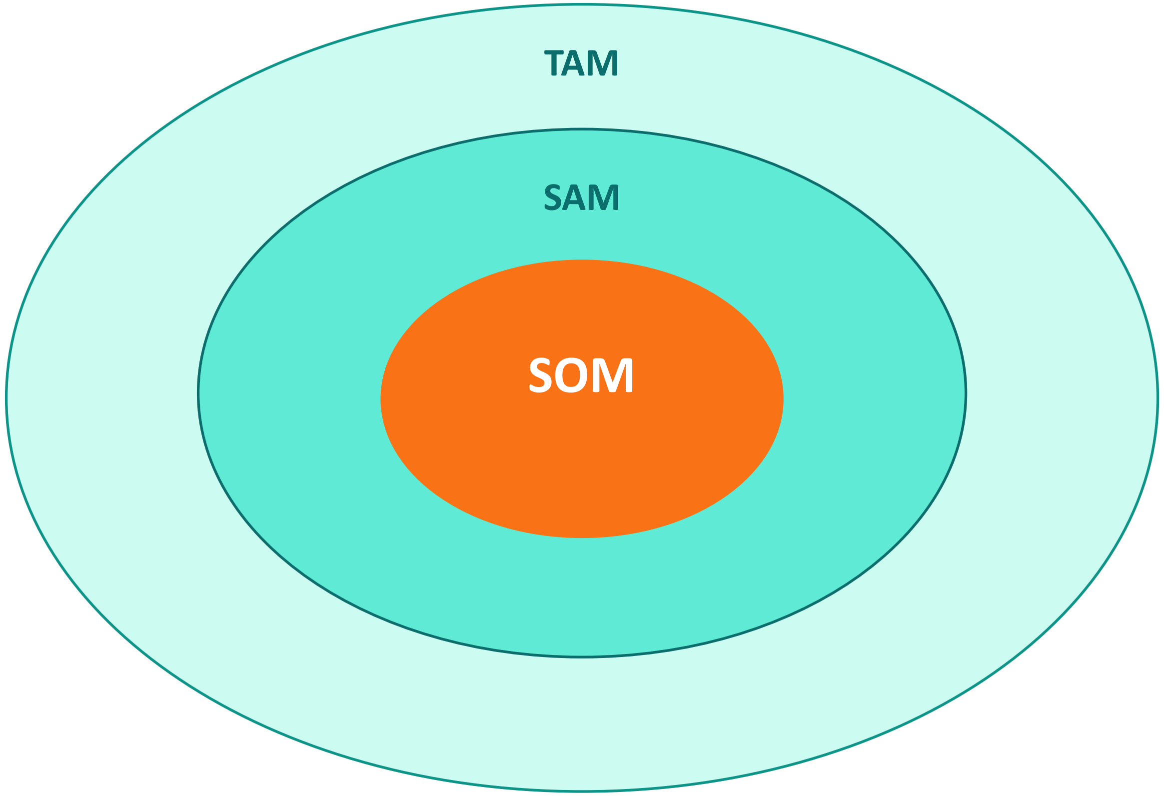
Serviceable Available Market
The slice we can reach with our product, region, and channel.

SOM

How much can we win soon?

Serviceable Obtainable Market
The realistic share we can capture in the first 1-3 years.

Three circles, one inside the other



The pizza way to remember it

TAM = every pizza eaten in the whole country.
SAM = the pizzas in the neighbourhoods your shop can deliver to.
SOM = the orders you can realistically win against the other shops next year.

You can't serve the whole country on day one, and investors know it. SOM is where credibility lives.

QUICK WORKED EXAMPLES

Same three circles, three different ventures

AI study assistant (app)

TAM

TAM: all university students who study with their phone

SAM

SAM: students in your country on supported languages & devices

SOM

SOM: the campuses you can reach in year 1 via student ambassadors

Local cloud-kitchen brand

TAM

TAM: all food-delivery spend nationally

SAM

SAM: delivery orders within your 3 city zones

SOM

SOM: orders you can win vs. existing kitchens in 12 months

B2B invoicing SaaS

TAM

TAM: all small businesses that send invoices

SAM

SAM: SMBs in your country using online accounting

SOM

SOM: customers your sales team can close in 18 months

TWO WAYS TO GET THE NUMBERS

Top-down vs. bottom-up

Top-down

Start with a big published number, then narrow with %.

"The market is $50B × our 2% = $1B."

+ **Fast, good for big-picture context**

– **Built on assumptions; easy to inflate**

Bottom-up

INVESTORS PREFER

Build up from real units you can defend.

customers × price × frequency = revenue.

+ **Defensible, grounded in evidence**

– **Slower; needs real data & assumptions you can show**

Best practice: calculate both. If they roughly agree, your number is believable. If they're wildly apart, find out why.

THE ONLY FORMULA YOU NEED TODAY

Bottom-up market size

# of target customers	×	price per purchase	×	purchases per year

= your annual revenue opportunity

Worked example: 5,000 students you can reach × $4/month × 12 months = **$240,000 SOM for year one.**

CAGR - is the room getting bigger?

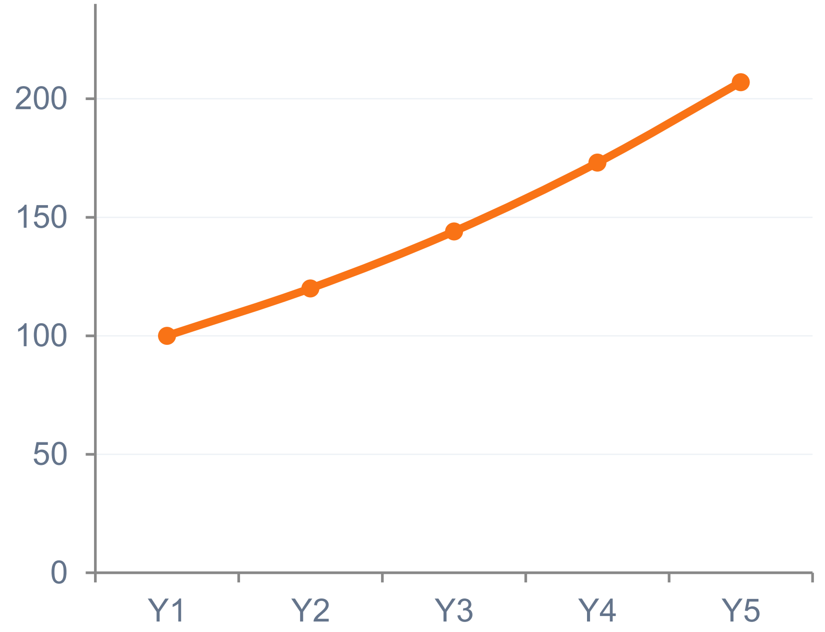
CAGR = Compound Annual Growth Rate

The smoothed, average yearly growth rate of a market over several years - as if it grew the same % each year.

Why founders care:

- A small market growing 30%/year can beat a big, flat one.
- It signals timing - are you early to a rising wave?
- You'll see it in every industry report you read.

A market growing ~20% a year



$100 → $207 in 5 years

WHERE THE NUMBERS COME FROM

Sources to size a market

Industry reports

Statista, Gartner, IDC, McKinsey, IBISWorld, government statistics offices

Search & demand

Google Trends, Google Keyword Planner, app-store rankings, SEO tools

Population & census

National census, World Bank, Eurostat - to count your target customers

Public & funding data

Competitor revenue, annual reports, Crunchbase, PitchBook funding rounds

Beginner tip: triangulate. Never trust a single source! If two or three independent numbers agree, you can rely on them.

SPRINT 1 · 15 MIN

Size your market

Fill the Market Sizing panel on Worksheet 1 for your idea.

1

Define your customer

Write one sentence: who exactly buys this?

2

TAM (top-down)

Find/estimate the big number. Note your source.

3

SOM (bottom-up)

reachable customers × price × frequency.

4

Sanity check

Does SOM feel honest for year one? Adjust.

Use: Worksheet 1 - Market Map (top half)

The traps to avoid when sizing

The “1% of a huge market” trap

‘We only need 1% of a $50B market.’ Says nothing about HOW. Build SOM bottom-up instead.

Confusing TAM with revenue

TAM is the ceiling, not a forecast. Your plan lives in SOM.

One unsourced number

If you can’t say where a figure came from, an investor won’t believe it.

What ‘good’ looks like

A big-but-honest TAM, a reachable SAM, and a small SOM you can defend line by line.

PART 2

Who else is in the arena?

Finding, sorting, and mapping the players, so the gaps become obvious.

COMPETITORS COME IN THREE FLAVOURS

Plus the one everyone forgets

Direct

Same solution, same customer.

Two food-delivery apps. Two AI note-takers.

Indirect

Different solution, same need.

Cooking at home vs. ordering in. Hiring a tutor vs. an app.

Substitutes

A totally different way to cope.

A spreadsheet instead of your SaaS. Pen and paper.

The 4th competitor: "doing nothing." Often your biggest rival is the customer's inertia - they just live with the problem.

Where to hunt

Search like a customer

Google the problem, not your product name. See who buys the ads and ranks on page one.

App & review sites

App stores, G2, Capterra, Trustpilot. Read 1 and 5-star reviews, and gold for gaps.

Funding trackers

Crunchbase & PitchBook show who's funded in your space and how much they raised.

Ask your customers

'What do you use today?' The honest answer names rivals you'd never have guessed.

Rule of thumb: if you can't find competitors online, search harder or rename the problem... do not assume there are none!

Porter's Five Forces: a 5-minute health check

New entrants

Buyer power

Rivalry
among existing players

Supplier power

Substitutes

How to use it

- Score each force High / Medium / Low.
- Lots of ‘High’ = a tough, crowded arena.
- A few ‘Low’ forces = your opening.
- It explains WHY a market is or isn’t profitable.

Michael Porter, Harvard Business Review (1979).

THE COMPETITOR MATRIX

One table that makes the arena obvious

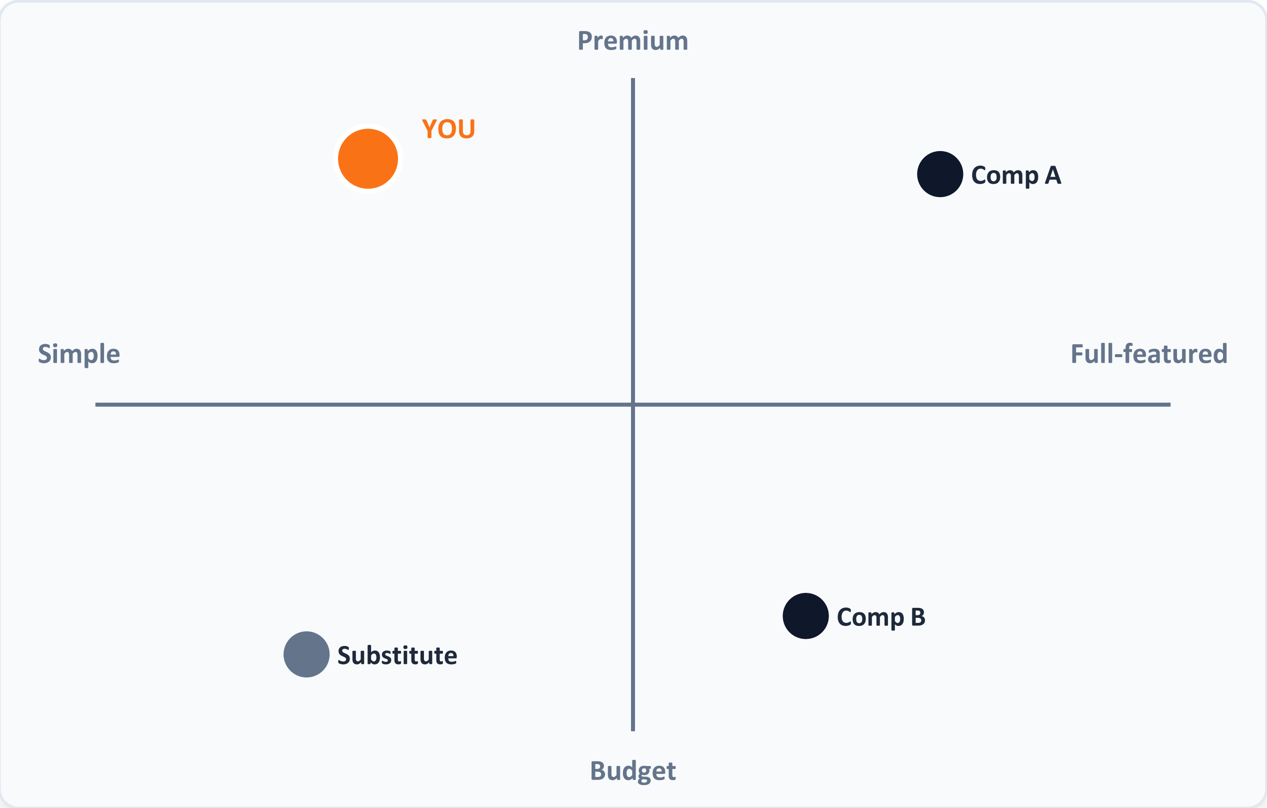
	Competitor A	Competitor B	Substitute	YOU
Target customer	Broad	Enterprise	Anyone	**Undergrads**
Key feature	Many	Powerful	Manual	**Focused**
Price	$$$	$$$$	Free	**$**
Strength	Brand	Depth	Free	**Simplicity**
Weak spot	Bloated	Costly	Tedious	**— your gap —**

Read it like this

- Rows = what matters to customers.
- Columns = each player + YOU.
- **The empty pattern across a row is your gap.**

THE POSITIONING MAP

Two axes, and the white space jumps out



Find the empty quadrant

- Pick two things customers trade off (price, simplicity, speed, trust).
- Plot every competitor as a dot.
- Clusters = crowded. Empty space = your opening.
- **Here: simple + premium is wide open.**

SPRINT 2 · 18 MIN

Build your competitor matrix

Map the arena around your idea on Worksheet 2.

1

List 4 players

2 direct, 1 indirect/substitute, + a YOU column.

2

Fill the rows

Customer, key feature, price, strength, weak spot.

3

Plot the map

Choose 2 axes; place every player + you.

4

Circle the gap

Where is the white space? That’s your hypothesis.

Use: Worksheet 2 - Competitor Matrix + Positioning Map

What the arena just told you

You found rivals you'd missed

Especially indirect ones & 'doing nothing.' That's the point, now they can't blindside you.

Shared weaknesses = your wedge

When every player is weak on the same thing your customer cares about, that's your opening.

Don't copy the leader

Matching a big competitor feature-for-feature is a losing game. Win a corner they can't serve well.

The gap is a hypothesis

You'll test it with real customers (Part 4). A circle on a map isn't proof, yet.

PART 3

Finding your opening

Turn the gap on your map into one clear, defensible position.

GAPS ARE DOORS

Where openings hide

Underserved segment

A customer group everyone treats as an afterthought (e.g. students, freelancers, a region).

Unmet job

A need no one does well - visible in 1-star reviews and 'I wish it could…' complaints.

New price/model

Same value, radically cheaper or a new model (subscription, freemium, pay-per-use).

New possibility

Something tech (like AI) just made feasible that incumbents are too slow to adopt.

Your gap usually combines two of these; e.g. an underserved segment + a new price model.

THE BLUE OCEAN LENS

Compete less. Create more.

Instead of fighting in the bloody ‘red ocean’ of look-alike products, ask four questions to open clear water - a ‘blue ocean’ of your own.

Eliminate

Which costly things the industry takes for granted can you drop entirely?

Reduce

What can you offer well below the industry standard (and the customer won’t miss)?

Raise

What should you push far above what everyone else does?

Create

What can you offer that the industry has never offered at all?

W. Chan Kim & Renée Mauborgne, “Blue Ocean Strategy” (2005).

SAY YOUR OPENING IN ONE SENTENCE

The positioning statement

For **[target customer]** who **[need]**, our **[product]** is a **[category]** that **[key benefit]**.

Unlike

[main competitor], we **[the one thing that makes you different]**.

Worked example

For **undergrads** who cram before exams, our app is a study assistant that turns notes into quizzes in seconds. Unlike **generic AI chatbots**, we’re built around the exam, not the conversation.

PUTTING IT TOGETHER

Your Market Map on one page

1

Market size

TAM / SAM / SOM + growth (CAGR). How big and how fast.

2

The players

Your competitor matrix + positioning map. Who's in the arena.

3

The gap

The white space you spotted - underserved, unmet, or new.

4

Your position

The one-sentence statement: who you serve and why you're different.

Four blocks, one page. This is the 'market' section investors read first, and the compass you steer by.

SPRINT 3 · 14 MIN

Complete your Market Map

Finish Worksheet 1 and write your difference.

1

Name your gap

Which door is it? Underserved / unmet / price / new.

2

Write your positioning statement

Use the For… / Unlike… template.

3

One difference

Finish: 'What makes us different is…' in one line.

4

Gut check

Could a competitor copy it tomorrow? If yes, sharpen it.

Use: Worksheet 1 - Market Map (bottom half)

From research to a position you can defend

Signs of a strong position

- Names a specific customer, not ‘everyone’
- Points to a gap the matrix actually showed
- States ONE difference, clearly
- Hard for incumbents to copy quickly

Warning signs

- ‘For everyone who needs…’ (too broad)
- A list of features instead of one difference
- A difference any rival could copy next week
- ‘We’re cheaper’ as the only edge — fragile

PART 4

Doing it for real

The process, the tools, and the metrics that turn guesses into evidence.

Five steps you can repeat for any idea

1

Ask

Write the exact questions you need answered. Vague questions = useless research.

2

Desk research

Secondary data: reports, competitors, search, reviews. Fast and free.

3

Talk to people

Primary research: interviews & surveys with real target customers.

4

Synthesise

Turn findings into your Market Map, Matrix, and position.

5

Decide & act

Go, pivot, or dig deeper - then revisit as you learn.

It's a loop, not a line; good founders revisit steps 1-3 every time they learn something new.

TWO KINDS OF RESEARCH

Secondary vs. primary

Secondary

Data others already gathered.

- Reports, articles, census, competitor sites, reviews
- Fast, cheap, great for market size & landscape
- But: generic, possibly dated, not about YOUR idea

Primary

Evidence you gather yourself.

- Customer interviews, surveys, observation, landing-page tests
- Specific to your idea - the only way to validate the gap
- Slower, but this is what de-risks your venture

Start with secondary to map the land. Switch to primary to prove your specific bet. You need both.

“Get out of the building.”

Get out of the building

“There are no facts inside your building, so go outside.” No amount of desk research replaces real conversations with the people you hope to serve.

Steve Blank, Customer Development

The Mom Test: 3 rules for honest answers

1. **Talk about THEIR life, not your idea**

   Ask what they do now and why - not ‘would you use my app?’

2. **Ask about the past, not the future**

   ‘When did you last face this?’ beats ‘would you ever...?’ Hypotheticals lie.

3. **Listen for facts & feelings, not compliments**

   ‘That’s cool’ is worthless. Time, money, and workarounds are real signals.

Inspired by Rob Fitzpatrick, “The Mom Test.”

YOUR STARTER TOOLBOX

Mostly free - enough to begin today

Market size & trends

Statista, Gartner/IDC, IBISWorld, World Bank, Google Trends, national statistics

Competitor & SEO intel

Crunchbase, Similarweb, Semrush/Ahrefs, G2, Capterra, app-store charts

Talk to customers

Google Forms / Typeform (surveys), Calendly + Zoom or in person (interviews)

Organise findings

A simple spreadsheet, Notion, or Miro for your matrix & positioning map

You don’t need a budget or fancy software to start, a search engine, a spreadsheet, and ten honest conversations go a long way.

NUMBERS WORTH MEASURING

A metrics cheat-sheet

TAM / SAM / SOM

The three market-size circles. Always show the bottom-up SOM.

CAGR / growth rate

How fast the market grows each year. Signals timing.

Market share

Your slice of the served market: your sales ÷ total served sales.

Price point / ARPU

Average revenue per user. Anchors your bottom-up sizing.

Customer count & frequency

How many buyers, how often - the engine of bottom-up size.

Switching signals

How easily customers leave rivals: reviews, churn complaints, lock-in.

AVOID THESE

Beginner mistakes that quietly sink the research

Confirmation bias

Only looking for data that says ‘yes.’ Go hunting for reasons you’re WRONG.

Leading questions

‘Don’t you think this is great?’ You’ll get lies. Use the Mom Test.

Analysis paralysis

Researching forever to avoid building. Set a deadline, then decide.

Vanity market size

A giant TAM with no path to SOM. Investors see through it instantly.

Ignoring substitutes

Missing ‘doing nothing’ and indirect rivals — your real competition.

One-and-done

Research isn’t a phase. Revisit it as the market and your idea evolve.

LET'S RECAP

What you now know - and what you built

Size

TAM/SAM/SOM, top-down vs bottom-up, CAGR.

Players

Direct, indirect & substitute competitors; the matrix & map.

Opening

Gaps as doors, Blue Ocean, a one-line position.

Method

The research loop, primary vs secondary, the Mom Test, tools & metrics.

You walked in with an idea. You’re walking out with a Market Map and a Competitor Matrix, **and a clear sentence on what makes you different.**

BEFORE THE NEXT SESSION

Take it from the room to the real world

1

Run 3 customer conversations

Use the Mom Test. Ask how they solve this today, not whether they'd use your idea.

2

Verify 2 competitors

Visit their sites & reviews. Add one new fact to your matrix from each.

3

Tighten one number

Replace your weakest market-size assumption with a sourced figure.

4

Polish your one-liner

Rewrite your positioning sentence after the conversations. Bring it next time.

Goal: turn today's paper map into evidence. Small, real steps beat a perfect plan you never test.

The arena isn't something to fear.
It's the map that shows where you belong.

THANK YOU

Questions & open discussion