

An aerial photograph of a city street intersection. A tall, ornate building is visible in the background. The street has several cars and a truck. The image is overlaid with a semi-transparent white box containing text.

Understanding Markets in Motion: A Playbook for Growth

Triangulated Market Sizing to Drive Where to Play

INTRODUCTION

Over the past several years, businesses have navigated one of the most dynamic economic environments in recent memory. Shifting supply chains, inflationary pressures, geopolitical developments, and evolving trade considerations have reshaped markets at a pace few could have anticipated.

These conditions are likely to remain a defining feature of the global economy in the near term. While market volatility can take many forms, it may not always present itself through a negative lens. Market downturns tend to receive the most attention, but rapid demand expansion and market inflection points can be equally disruptive. In fact, many industries experienced accelerated growth and unexpected demand as markets recalibrated in the post-COVID period, leading to business leaders frequently being challenged to understand what is truly happening beneath the surface of their markets.


As a result, organizations are increasingly seeking market clarity, including clear insight into the current size of their core markets, understanding how those markets are evolving, and identifying where sustainable growth opportunities truly exist.



In response, Martec has seen a growing number of leaders ask a simple but critical request: *“Help us understand what’s really happening in our market.”*



Our Market Size Analysis and Triangulation approach is designed precisely for these moments. By integrating multiple perspectives and data sources, we help clients cut through uncertainty, uncover the true drivers of change, and move forward with confidence—turning market complexity into a strategic advantage.



**AN INTRODUCTORY
OVERVIEW OF
MARTEC'S MARKET
SIZE TRIANGULATION
METHODOLOGY**

Chapter 1: Market Sizing Amid Shifting Dynamics

Dynamic forces continuously affect a business's current market and future growth prospects. This doesn't necessarily mean a wholly negative impact; it simply means that, left unexamined and fully understood, unknown market headwinds could erode a market leader's position, while unrealized market tailwinds could result in increased competitive density and unrealized potential growth.



Despite (or perhaps because of) recent economic conditions and upheaval, many companies lack the insights needed to understand the impact of those dynamic forces.

In highly volatile times such as those in which we currently live, change can present itself in many forms:



Different Markets = Different Impact

Which markets and market segments have been positively or negatively impacted by a given event or market force, and what opportunities or challenges does that impact present? Oftentimes, adjacent markets need to be explored to uncover hidden or unconsidered growth opportunities.



Growth Prospects

Market Size Analysis helps provide an understanding of why some markets or market segments benefit from market change — a key to long-term growth. Perhaps new opportunities have emerged to more deeply or broadly penetrate a market segment in which the company already competes.



Market Contractions and Expansions

How much has your market, and those to which you supply, contracted or grown recently? Is a rebound or correction likely? Missed opportunities to fully exploit expanding markets could result in a market share loss, even with no immediate obvious revenue decline. Over time, that market share loss could manifest significantly problematic, as current (and new) competitors firmly entrench themselves in your market.



Competitive Situation

How well-positioned are your competitors? Can you leverage competitive weakness into share gain? Have new competitors emerged to take advantage of new market dynamics? Many industries are seeing an influx of low-cost offshore products and/or suppliers, which can immediately impact a company's competitive position in that particular marketplace.

Key Strategic Questions and Decisions

Market Size Triangulation projects often stem from key strategic questions raised to ensure businesses keep their “**eye on the prize.**”



Are we selling to the right customers through the right channels?



Are we keeping up with the market?

For example, it’s not unusual for a client to say, “Our sales our flat, but we don’t know what the market is doing. Are we losing share in a growing market?”



What are the biggest threats to our market position?



What are the biggest opportunities that could drive revenue growth?



Have new competitors emerged that threaten our market position and share?



Does the expected growth of this market justify the investments we’ve made, or should we cut our losses and move on to more attractive opportunities?



Do our solutions/products meet a customer need?

The Importance of Triangulation

In consumer markets, which have ready accessibility to point-of-sale data, it is somewhat easier to quickly identify and decipher even rapidly changing market dynamics. But in B2B markets, which often have complex value chains and little, if any, point-of-sale data, understanding those markets is much more challenging.

So how does a company determine the size, share and growth opportunities within a given market or in adjacent markets where growth opportunities often hide? At Martec, the simple answer to this often-complex question is one word...**triangulation**.

Martec employs a triangulated research approach to determine various market insights, such as Market Size Analysis. This encompasses three primary sources of information:

Top-Down Insights

And value chain participants provide a framework of market conditions, drivers/barriers, relative size/share, etc.

Published Information

Published or available information sources, including multi-client reports, internal sales data, or other publicly existing data sources, etc.



Bottom-Up Insights

Well-designed discussions with a group of decision makers/purchasers across the target industry/solution provide a backdrop of insights regarding purchases/spending, brands, etc.

Published Information

The first leg of Martec’s triangulation methodology includes a variety of published or readily available information sources, including multi-client reports, internal sales data, and other existing data sources (warranty registrations, previous survey data, import data, etc.).

Most Market Size Analyses begin with an exhaustive review of published articles and reports to provide baseline intelligence on market changes.

However, published reports can sometimes be highly inaccurate, and the practice of applying an assumed growth rate to research completed several years prior can complicate the process and often distort the results. Due to recent and persistent volatility, many markets have changed significantly in a very short time and continue to do so.

That said, these information sources can still provide a starting point for updating and triangulating market size information.



Top-Down Analysis

The second leg of Martec’s triangulation methodology includes an in-depth qualitative assessment of “what was sold”. Insights are gathered from a variety of subject matter experts, value chain participants, and other industry experts. These insights provide a high-level understanding of market size, share, dynamics and trends. In our rapidly evolving business environment, expert respondents often have their “fingers on the pulse” of current market conditions and can provide valuable insights into industry drivers, competitor activities, M&A activity, and overall market conditions.

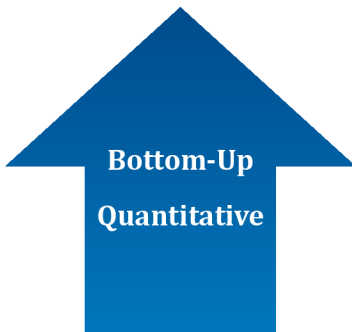


- **Market Size**
- **Competitive Share**
- **Projected Growth**
- **Growth Drivers and Barriers**
- **Competitor Activities**
- **M&A Activities**

Top-Down Analysis relies on “The 80-20 Rule.” Many (but not all) markets are characterized by 20% of businesses controlling 80% of the market. We strive to bring those market leaders into the conversation whenever sizing a market.

Bottom-Up Insights

Finally, the third leg of Martec's triangulation methodology includes a broad-based survey of decision makers, purchasers and users of a product or service to determine "what was purchased".



- **Purchase Incidence**
- **Dollars Spent**
- **Brands Purchased**
- **Channels Used**

Data gathered from the survey is focused on understanding purchase incidence, spending (either by product or across a set time period for more frequently purchased items), brands purchased, channels used and more. These insights provide a baseline by which we "build up" a market size based on population, purchase incidence and spending.

Survey insights can help answer four key questions about the end-use customer:



What? Did you purchase product X? How many did you purchase?



When? When did you last purchase product X?
How often do you purchase product X?



Where? From where did you purchase product X?
What percentage of product X purchases are from distributors, retailers, online, etc.?



Who? What brand of product X did you purchase?
What percentage of your product X purchases were brand A, brand B, etc.?

These what, when, where, and who questions can be adapted for large, infrequently purchased capital equipment and small, more frequently purchased products/consumables.

Why Triangulation?

You may ask yourself, “Why do I need to consider a triangulated approach for a market size project?” We believe each leg of the triangulation stool serves a purpose, but may not answer the entire question on its own:



Published data often is useful as a starting point, but has accuracy and growth limitations, and can become outdated over time.

Bottom-Up Insights reveal “what was purchased,” but such inputs are recall-based and could be skewed by poor memory and (aspirational) brand halos.

Top-Down Insights focus on what was sold, but typically don’t include robust statistical insights such as purchase incidence, purchase frequency, preferred channel, or other purchaser-centric metrics.

It is only through the combination of all three sources of information that one can triangulate a true, data-informed market size. When taken together and examined in totality, this intelligence triangle allows us to zero in on a much tighter, far more precise, and further validated range of a given market size.



Want to Learn More?

For a detailed exploration and analysis of this overview, including the full eBook with deeper insights and in-depth explanation of the methodologies referenced in this preview, please contact:



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The full eBook contains deeper insights and in-depth explanation of the methodologies referenced in this preview, including:

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