



MEMRB Romania

Market Share in Retail Tracking: calculation and usage

September 9th, 2008

*Grow your business profitably
in a complex marketplace.*

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Agenda

- ▶ **MEMRB background**
- ▶ **Retail audit methodology**
- ▶ **Terminology and data interpretation**
with a special focus on market share



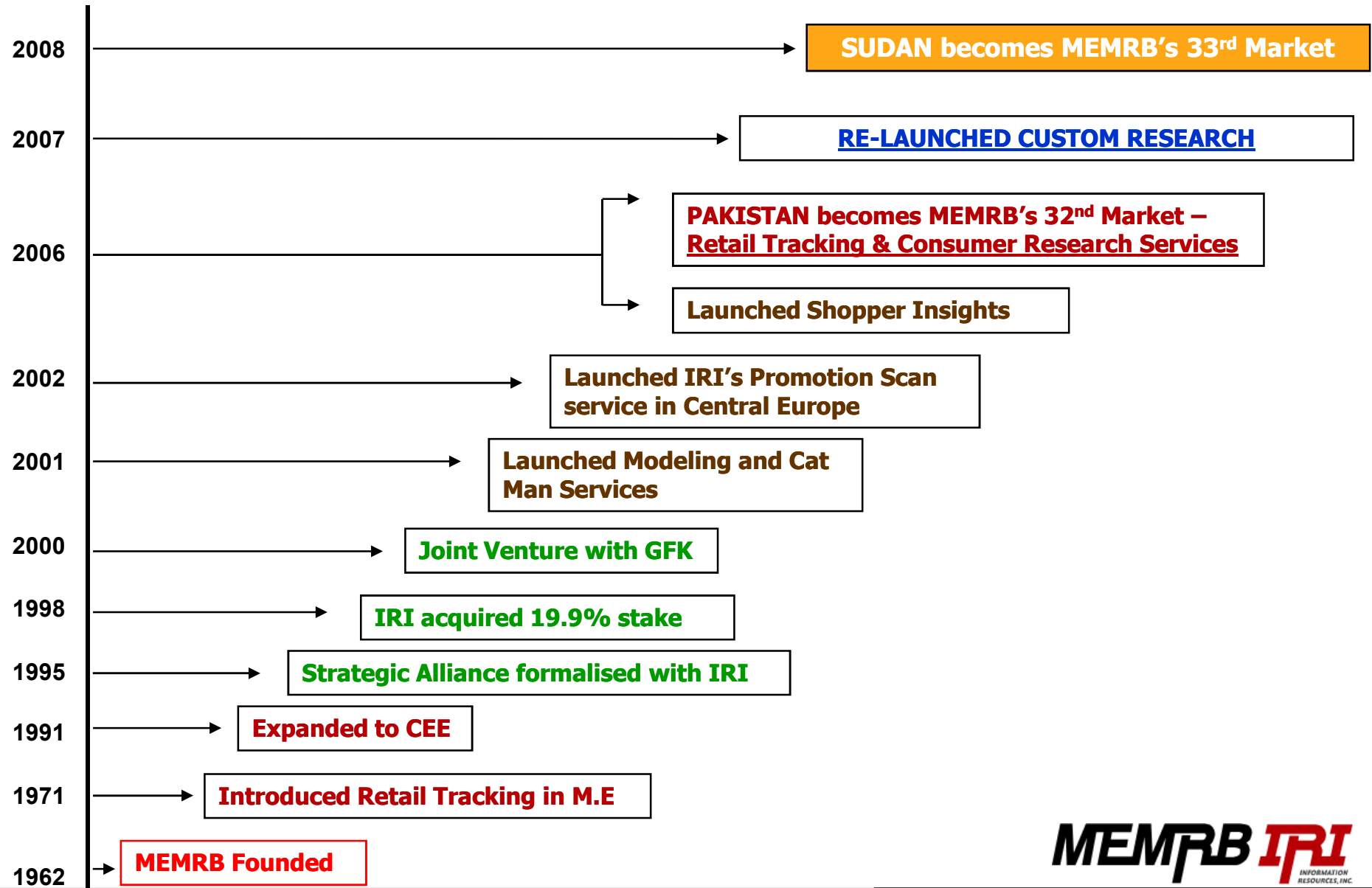


MEMRB Background

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Rich in History



Look no Further – All Under one Roof

Trade Research

- ▶ **Retail Tracking**
- ▶ **Retail Outlet Census**
- ▶ **Analytics**
 - Price Elasticity Analysis
 - Assortment Optimization
 - Store Group Analysis
 - Full Marketing Mix Analysis
 - Market Forecast
 - ACV Analysis
- ▶ **Space Planning & Category Management**
 - Apollo
 - Category Management
- ▶ **Technology**
 - InSight
 - InSight ApPEX
 - MarketView
 - ScanView

Consumer Research

- ▶ **Qualitative & Quantitative**
 - H&P, U&A, KAP Studies
 - Brand Image/ Equity Studies
 - Communication Tracker
 - Customer Commitment & Satisfaction Studies
 - Product / Concept Testing
 - Ad Testing
 - Mystery Shopping
- ▶ **Analytics**
 - Segmentation
 - Pricing: Conjoint / PSM/ Grabor Granger
 - Brand Perceptual Mapping / Correspondence Analysis
 - Key Driver Analysis: Jaccard Analysis, Quadrant Analysis, Multiple Linear Regression

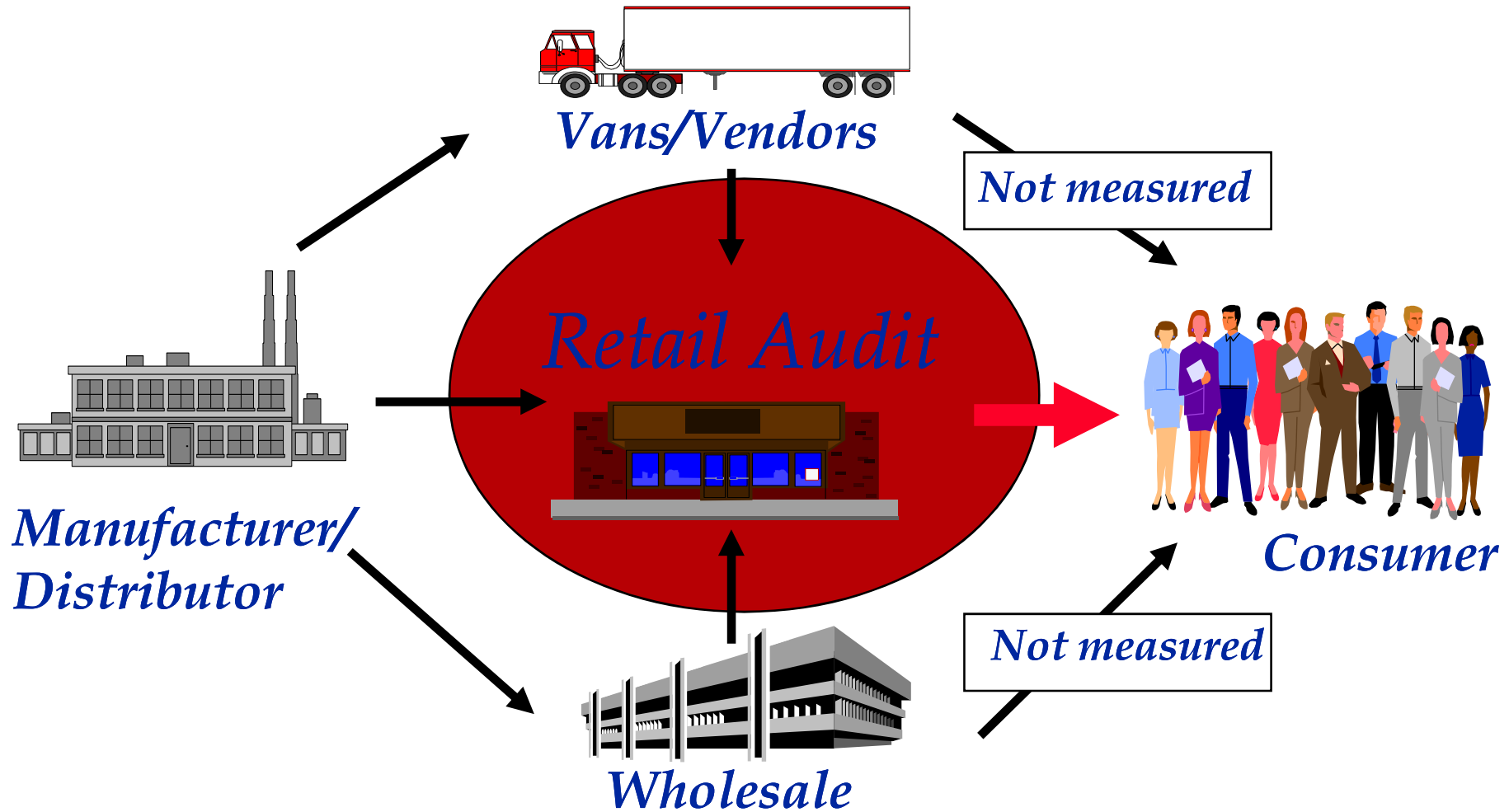


Retail Audit Methodology

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What is Retail Audit?



"Measuring the "flow" of GOODS from the Manufacturer/Distributor to the Consumer through the retail sector"



What is Retail Audit?

- ▶ Measuring the “flow” of Goods from the Manufacturer/Distributor to the Consumer through the retail sector.

How should the data be used?

- ▶ The retail audit is a sales management tool used to manage sales within the retail sector.

What information can I get from an audit?

- ▶ How is the market developing?
- ▶ What **share** of the pie do I have?
- ▶ How widely available is my brand?
- ▶ Where are the areas of opportunity for me?

Retail Audit Methodology

Setting up the Retail Audit

Census

- ▶ Universe enumeration: how many outlets are in my Universe?

Panel Selection

- ▶ Panel design
- ▶ Weighting the panel
- ▶ Panel Recruitment

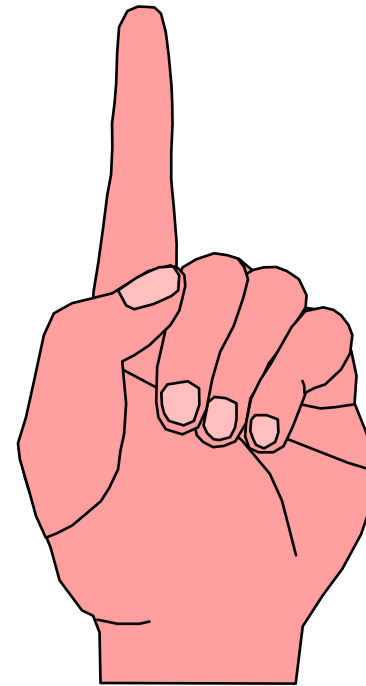
The Audit Cycle

- ▶ Category definition
- ▶ Opening Stock field visit
- ▶ The audit

Estimated Coverage

A RETAIL AUDIT DOES NOT COVER:

- ▶ Wholesalers
- ▶ Institutional Sales
- ▶ Open Markets Stalls
- ▶ Street Vendors
- ▶ Re-exports



Audit Limitations



The Audit
Under
Scrutiny!

- ▶ Due to the fact that the audit uses a sample and not the entire universe, it cannot be 100% accurate and thus should not be considered to provide definitive sales figures either for the market or for individual manufacturer/brand. It is primarily about trends.
- ▶ LAG between IMS & OFF-TAKE. What a manufacturer sells into the market at any one month is not necessarily the same as what the consumer buys. Retailers and/or wholesalers may, e.g. be de-stocking, building their stockholding, re-exporting (transiting), new brand launches, promotions, which can affect the relationship between ex-factory sales and audit sales on monthly and sometimes longer basis. However, a validation process can be performed on an MAT basis. (moving annual total)



Terminology and Data Interpretation

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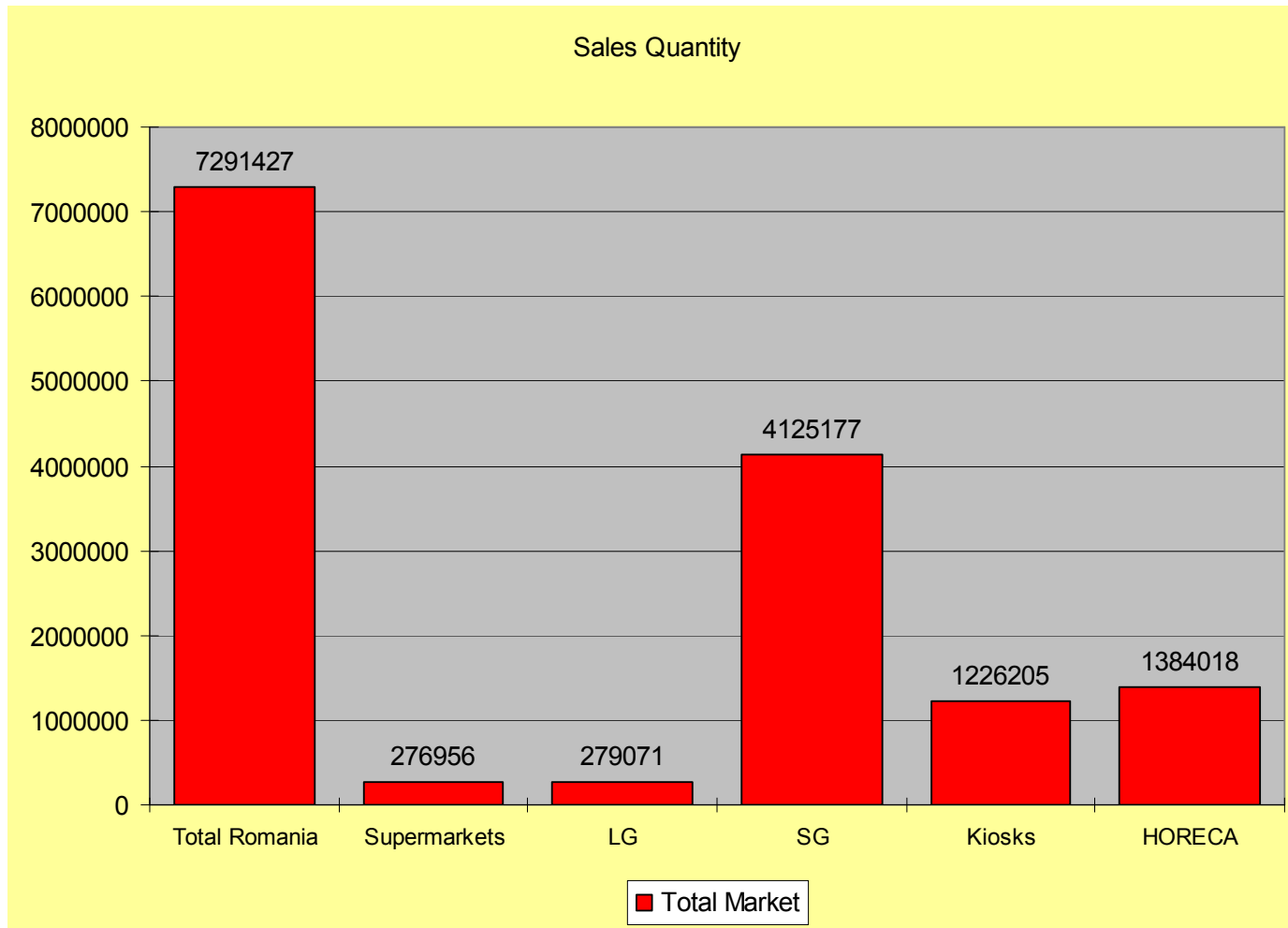
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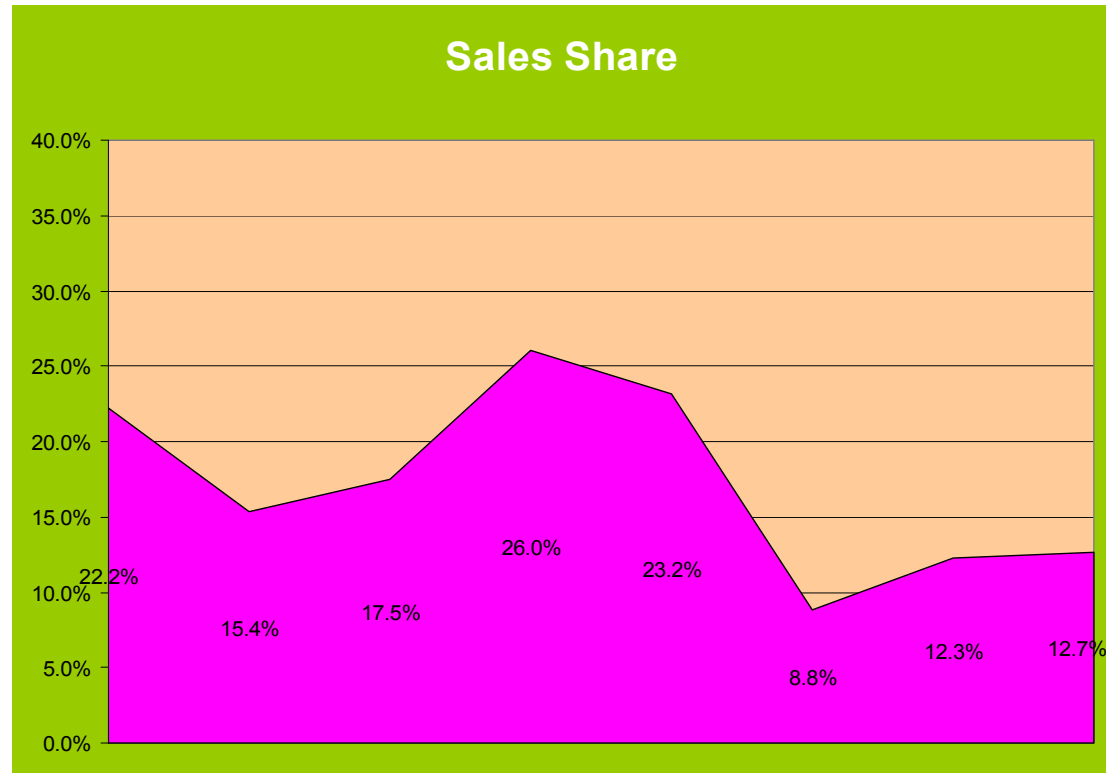
Plenty of measures

- ▶ Sales Quantity
- ▶ Sales Percentage Change
- ▶ **Market Share**
- ▶ Share Point Change
- ▶ Handling
- ▶ Weighted Handling
- ▶ Distribution Efficiency
- ▶ Sales Per Point of Distribution
- ▶ Number of Stock Keeping Units
- ▶ Stocking and OOS
- ▶ Average Sales Per Outlet
- ▶ Brand Performance Analysis
- ▶ Price Analysis

Sales Quantity



Sales Share



- ▶ Shows the percent of sales made by a specific product
- ▶ Usually read within market/area/outlet/segment
- ▶ Share Types
 - Share of type or Subsegment
 - Share of Manufacturer
 - Share of Brand

Share Point Change

- ▶ Important to look also at share point change when overviewing category dynamics.
- ▶ In general, share point change is more important.
- ▶ In many cases a larger % change only produces a small share point change. As such, both measures have to be used together to determine a new threat.

Sales Volume In Cases, Retail Outlets		Oct00	Nov00	% Change
Total Market	Sales	5732	5884	2.7%
	Share	100%	100%	0%
BRAND A	Sales	18	71	294.4%
	Share	0.3	1.2	0.9
BRAND B	Sales	1140.0	1472.0	29.1%
	Share	19.90	25.00	5.10

- ▶ BRAND A show a very large % increase against last period with a small share point change.
- ▶ BRAND B is more of a threat. It shows solid growth in Share and Sales volume. It is clearly more important.



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