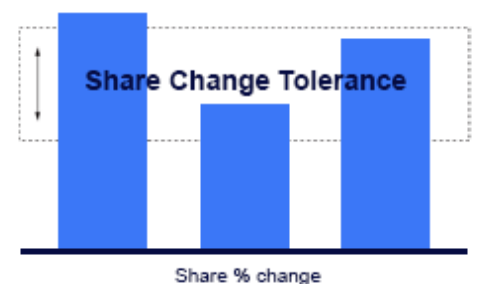# How do I know when my share change is significant?

Overview

When you evaluate share for only your sample-based data, you will need to consider whether share movement is significant or not. Share Change Tolerance is used to identify significant changes in market share, considering market dynamics that could impact reporting stability and precision. You will likely prioritize action only when significant change occurs.

Share Change Tolerance

Sales in every NIQ market are estimated using a variety of techniques. Anytime statistical estimates are used, some error is expected. The probability that error will occur is calculated and is called **standard error**. *(See the next page for more detail on this concept.)*

Share Change Tolerance considers the possible range of standard error, so you can evaluate where significant share changes occur and take meaningful action.

Consider the image to the right. The first bar represents change beyond the significance threshold, showing significant change or fluctuation in market share. The second and third bars represent insignificant share change, or in layman's terms, "no share change" at all.

Key benefits

When you evaluate share for only your sample-based data, you will need to consider whether share movement is significant or not. Share Change Tolerance is used to identify significant changes in market share, considering market dynamics that could impact reporting stability and precision. You will likely prioritize action only when significant change occurs.

Enables you to focus on significant changes:

A guardrail to illustrate significant changes in your share

Helps you set appropriate targets:

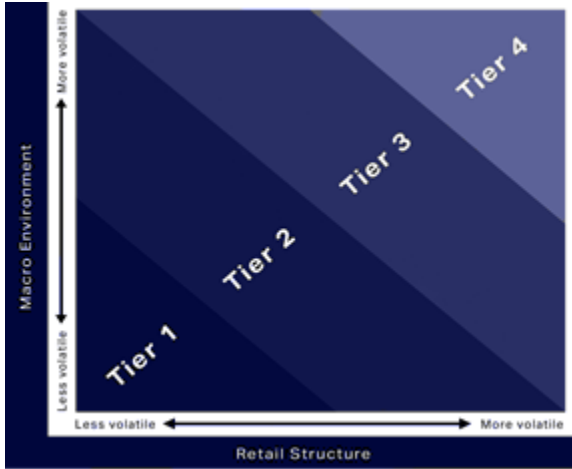Defines change parameters, so you can set meaningful benchmarking targets

Ensures transparency:

Ensures clarity on market trends and competitor strengths

How do I know when my share change is significant?

What are the market dynamics?

NIQ evaluates the level of macro stability and retail structure by ranking countries into tiers on our Market Dynamic Index. The tiers are organized according to the stability of the macro environment and the retail structure, from organized to informal. This index empowers your business to perform more relevant and significant comparisons.

Market Tiers and a Market Dynamic Index both serve as the baseline against which you (and we) can benchmark.

If you have questions about which tier you are in, reach out to your client services representative.

Calculating standard error

Since NIQ reports are estimates created from sample data, some of this data may differ from the true value. The difference between the true value and the estimate is the standard error. As a basic guideline, country-level standard error is 4%, and regionally (within country) it is 10%.

As shown in the chart below, more succinct levels of standard error are regularly defined, largely dependent on how the data is collected in the market. Markets that have higher sample data as in Retail Audit markets, often have higher standard error thresholds. Markets that have a higher incidence of Scan Data will have lower or no standard error.

Market Shares: Beverages

Brand	Market Share	Share Level	Threshold	Relative Standard Error	Ranges		
					Low End	High End	Description
Brand A	24.3	20	0.2	0.8%	24.1	24.5	(24.3 ✕ +/- 0.2)
Brand B	12.7	10	0.1	1.0%	12.6	12.8	(12.8 ✕ +/- 0.2)
Brand C	41.5	40	0.2	0.6%	43.3	41.7	(41.7 ✕ +/- 0.2)

Brand B has a market share of 12.7, and a fluctuation (standard error) of 1.0%, which means if the share is between 12.6 - 12.8, the change or fluctuation in market share is considered insignificant.

NIQ

How do I know when my share change is significant?

Calculating standard error (continued)

Share Change Tolerance increases as countries move across tiers, reflecting the effects of market complexity.

Beverages by Market Tier & Country at 15% Share
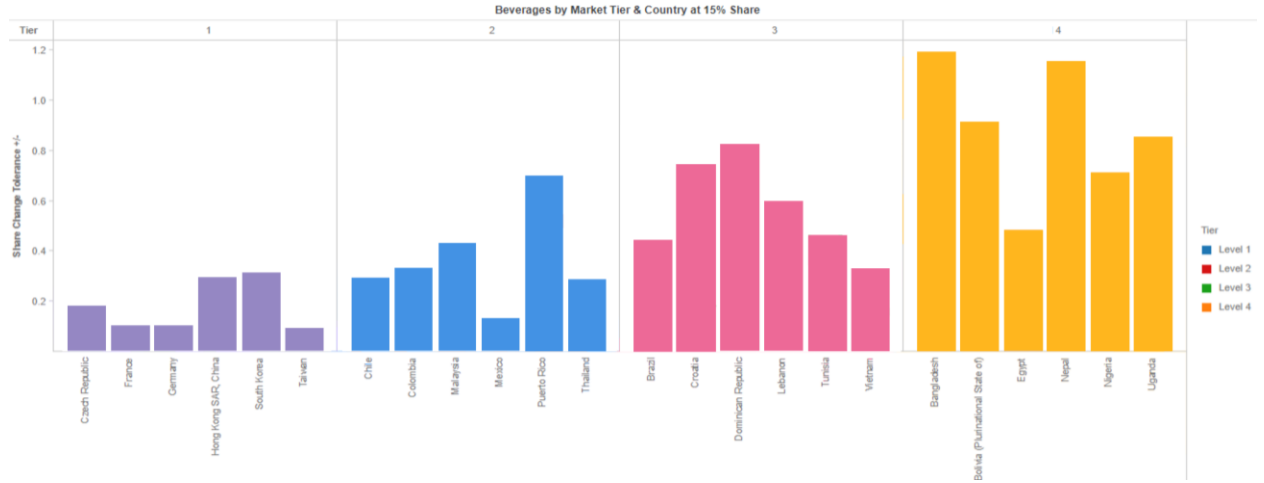
For more information on your Market Dynamics or Tiers, click the links to access and use the *Market at a glance reports.*