Measuring & improving your business with sales, share & growth data

Overview

This job aid provides an overview of the business questions, metrics or facts, and calculations that can be used to drive business performance in sales, share and growth.

Business questions

When considering the business questions, you should evaluate your business against **your own business, your competitors' businesses** and the **overall category or market**. The questions in the chart below offer some insight into the types of business questions that RMS sales, share and growth data can help you resolve.

Sales:

- Which areas* of my business have the highest/lowest value sales in value, volume and units?
- How does my business perform in sales over time? Is current performance in-line with trends?
- How do sales in one area* of my business compare to sales in other areas* of my business?
- How big is the category or market?
- How do my sales compare to the category sales?
- How do my sales contribute to overall growth in my category or market?
- How do my sales compare to sales for my competitors?

Share:

- How does my share compare to sales for my competitors?
- How does my business perform in share over time? Is current performance in-line with trends?

Throughout this chart, the term "Area" or "Areas" refers to any product or market data dimension, such as Brand, Segment, Item, Country or Region

Growth:

- Which areas* of my business have the highest/lowest change in sales and share in value, volume and units?
- What is the growth rate for my business over time? Is current performance in-line with trends?
- How do sales in one area* of my business compare to sales in other areas* of my business?
- How does my growth compare to my competitors' growth?
- What areas* are emerging?
- How do my sales compare to the category sales?
- How do my sales contribute to overall growth in my respective area*?

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Business questions (continued)

Use your answers to:

- Define strategic goals and objectives
- Benchmark strengths and weaknesses in your business
- Determine areas of the business that are good models for best practices (What to do) and lessons learned (What NOT to do)
- Recognize key opportunities for improvement and watch-outs
- Cross-reference with other RMS data to determine sales drivers and impacts
- Highlight competitive advantages and threats

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Key sales, share, and growth terms and definitions

Key terms

Term	Definition	Origin or calculation
Sales	General terms to represent actual reported sales, expressed in Value, Volume or Units.	Reported database fact in terms of value, volume and units
Value Sales	Actual reported sales in global or local currency.	Volume Sales $\times$ Average Price *Will depend on your market. In some areas value sales is reported as a database fact.*
Volume Sales (Equivalized Units)	The number of packages/units purchased converted to the most appropriate unit of measure. The most appropriate unit of measure varies by product type. (e.g. Liters, Kilograms, 1000's).	Reported database fact *Will depend on your market. In some areas volume sales is a calculated field.*
Unit Sales	The number of packages/units purchased.	Reported database fact
Share	Percent of volume that a product represents of a category, segment, sub-segment or market. Expressed in local currency, units or Equivalized volume.	Volume of product/Volume of the Category, Segment, Sub-segment or Market
Growth	Represents the amount (actual growth) or percentage in growth or decline from one selected reporting period to another. Most growth comparisons occur using the same metric from a prior period (Last period or Year Ago) versus the current period.	Absolute Change vs. YA = Sales This Year - Sales Last Year % Growth vs. YA = [(Sales This Year - Sales Last Year)/Sales Last Year] $\times$ 100

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Key sales, share, and growth terms and definitions (continued)

Key terms

Term	Definition	Origin or calculation
Fair Share Opportuniy (Fair Share Gap)	A difference when comparing shares that provides a recognizable opportunity to increase sales. Used in performance comparison for brands, channels/retailers, types of shares or share of shelf/sector. Can be expressed in terms of points or amount (actual) for value, volume or share.	In Points = Value of one share point $\times$ Number of opportunity share points *OR* Actual = Value Sales $\times$ Opportunity Share
Share Change Tolerance	Guardrails to enable you to determine whether a share change level is significant. It recognizes external market conditions impacting reporting stability and precision, which enables country specific guidelines based on macro and retail conditions. *Applies only where retail audit practices exist.*	Varies by category
Product Share	The percent of total sales that a brand or manufacturer represents.	Total target sales /Total sales of base product (category) $\times$ 100
Market Share (Share of Trade)	The percent of total sales that a retailer represents.	Total target sales /Total category sales in the market $\times$ 100

Relationship between value, volume and unit growth

The relationship between Value and Volume can indicate causal factors for performance in your business. Here are some examples:

- If growth in **Value > Volume**, you can assume that increase in sales is, at least partially contributed to price increases or fewer promotions, and/or consumers are trading-up more expensive items.
- If growth in **Value > Units**, you can assume that your increase in sales is, at least partially contributed to consumers purchasing more expensive packs.
- If growth in **Units > Volume**, you can assume that your increase in units is, at least partially contributed to a shift to smaller pack sizes, fewer pack sizes and/or less consumption.

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