Rate of sales metrics

Unweighted (numeric) versus weighted rate of sales

Rate of sales (ROS), otherwise known as velocity or average sales per store, can either be unweighted – or numeric - or weighted. Read through this job aid to learn what those terms mean, when to use each metric and how sales per point of distribution (SPPD) differs from rate of sales.

Unweighted (numeric) ROS

- The average sales per store across all stores that sell the product
- Can be reported in value, volume or items

Sales/# of stores selling

Weighted ROS

- The average sales per store across all stores that sell the product adjusted according to the importance of the product's distribution
- Allows the comparison of products with different levels of distribution
- Can be reported in value, volume or items

(Sales/# of stores selling) $\times$ (numeric distribution/weighted distribution

> Weighted (numeric) ROS is a better reflection of performance of a product; it takes into account the size of the stores selling the product.

Sales per point of distribution (SPPD)

What's the difference between ROS and SPPD?

The main difference between ROS and SPPD is that rate of sales is based on store numbers, while sales per point of distribution is based on the level of distribution.

When to use ROS and SPPD?

- Weighted measure is always recommended.
- Both metrics indicate how well a product is selling:
  - **ROS** = how much is sold in an average store
  - **SPPD** = how much is sold for each distribution point
- When calculating opportunities for new listings, if you want to know:
  - What level of distribution you need to reach—use **sales per point of distribution**
  - How many more average stores you need to be listed in—use **rate of sale**s

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