



# Retail Measurement Services (RMS)

Prepared for Distill Ventures  
NA BevAI 2024



# Program Agenda – Retail Measurement Services

Data Collection & Methodology

Channel Coverage

Common facts

Wrap-up

Knowledge Check – 5 Questions Multiple Choice



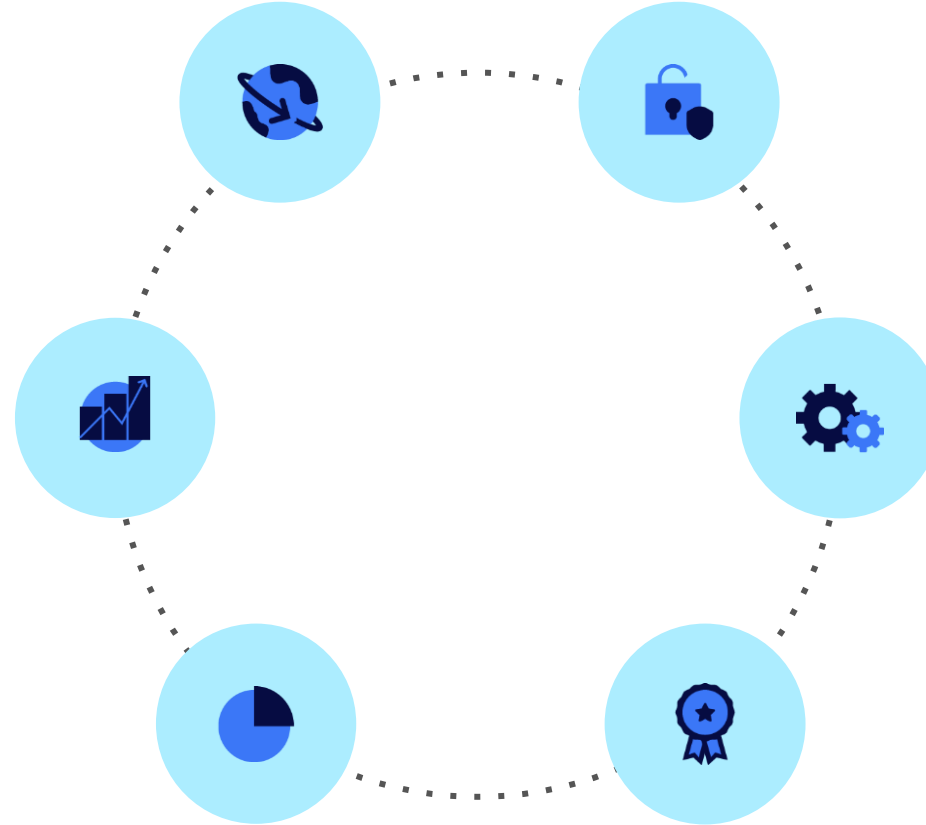
# At the end of this session, you will understand

What is RMS data

How does NielsenIQ collect  
RMS data

Where does NielsenIQ collect  
data

What are NielsenIQ geographies



How are products coded

How does NielsenIQ report time

What types of Facts are  
reported

# The data behind the insights



**NIQ**

## RMS – Retail Measurement Services

RMS data is a **collection of sales transactions** captured during the checkout process enabling you to answer questions such as:

How is the retailer performing vs the remaining market?

How are products performing?

What is driving growth & decline?

Is my product on the shelf?

How effective was the promotion?

## What is RMS data?

Commonly referred to as Point-of-Sales (POS) or scan data

RMS (Retail Measurement Services) or Scan data is NIQ's Syndicated database, which provides Retail Sales information.

# How is POS data captured?



# Channel Definitions: Food, Drug



## Food Stores

- Sell food and non-food items (including dry grocery, canned goods and perishable items)
- Annual sales volume of \$2MM or more
- 50% or more of sales coming from edible products



## Drug Stores

- Sell prescription pharmacy items and HBC products
- Annual volume of \$1 million or more
- Rx sales not exceeding 85% of total sales



# Channel Definitions: Mass, Dollar



## Mass Merchandiser

- Sell competitively priced items in a departmentalized format
- Stores are typically a 40,000 – 160,000 square foot single level structure
- At least two of the following categories must be sold in large quantities and have an extensive selection: food, HBC, paper products



## Dollar Stores

- Focus on high-turn inexpensive consumables (i.e. - HBC, cleaning supplies, dry foods, candy)
- Stores are typically a 3,000 – 30,000 square foot structure
- Most merchandise is priced below \$10 with no merchandise over \$20



# Channel Definitions: Club, Military



## Club Stores

- Include membership club stores distributing packaged and bulk foods as well as general merchandise
- Characterized by high volume on a restricted line of popular merchandise in a no-frills environment, the average club stocks approximately 4,000 SKUs; 40% of which are grocery items



## Military Commissary

- A grocery store operated by the U.S. Defense Commissary Agency within the confines of a military installation

# Channel Definitions: Convenience, Liquor



## Convenience Stores

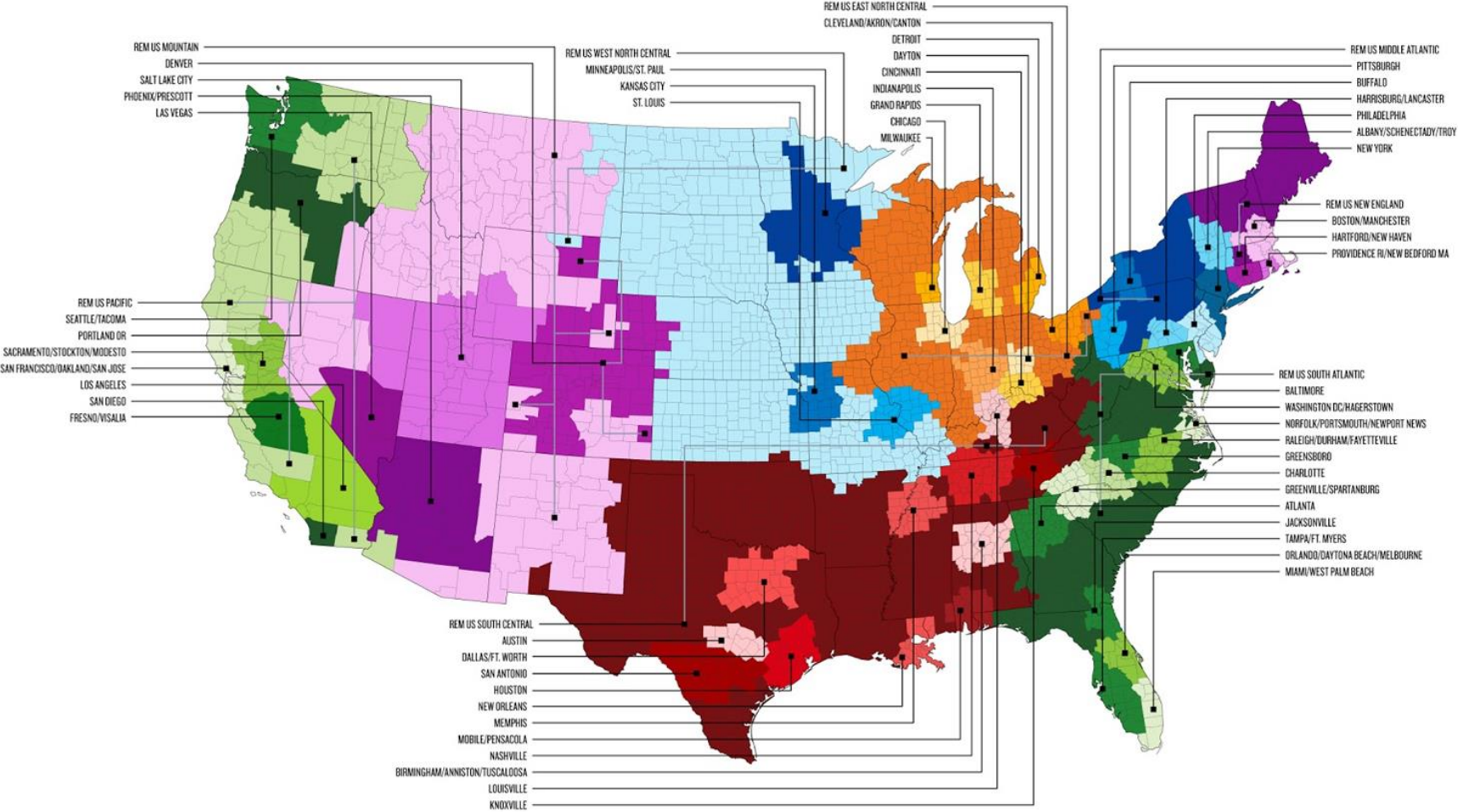
- Small format stores (800 – 3,000 square feet) carrying a limited selection of SKUs (500 – 1,500)
- Stores must operate at least 13 hours per day and carry a limited selection of grocery items including at least two of the following: toilet paper, soap, disposable diapers, pet foods, breakfast cereal, tuna fish, toothpaste, ketchup, and canned goods



## Liquor Stores

- Stores that carry beer, wine or liquor as their primary destination category
- This includes outlets connected to a drug store or a supermarket that share a banner name but have a separate entrance just for the alcoholic beverages

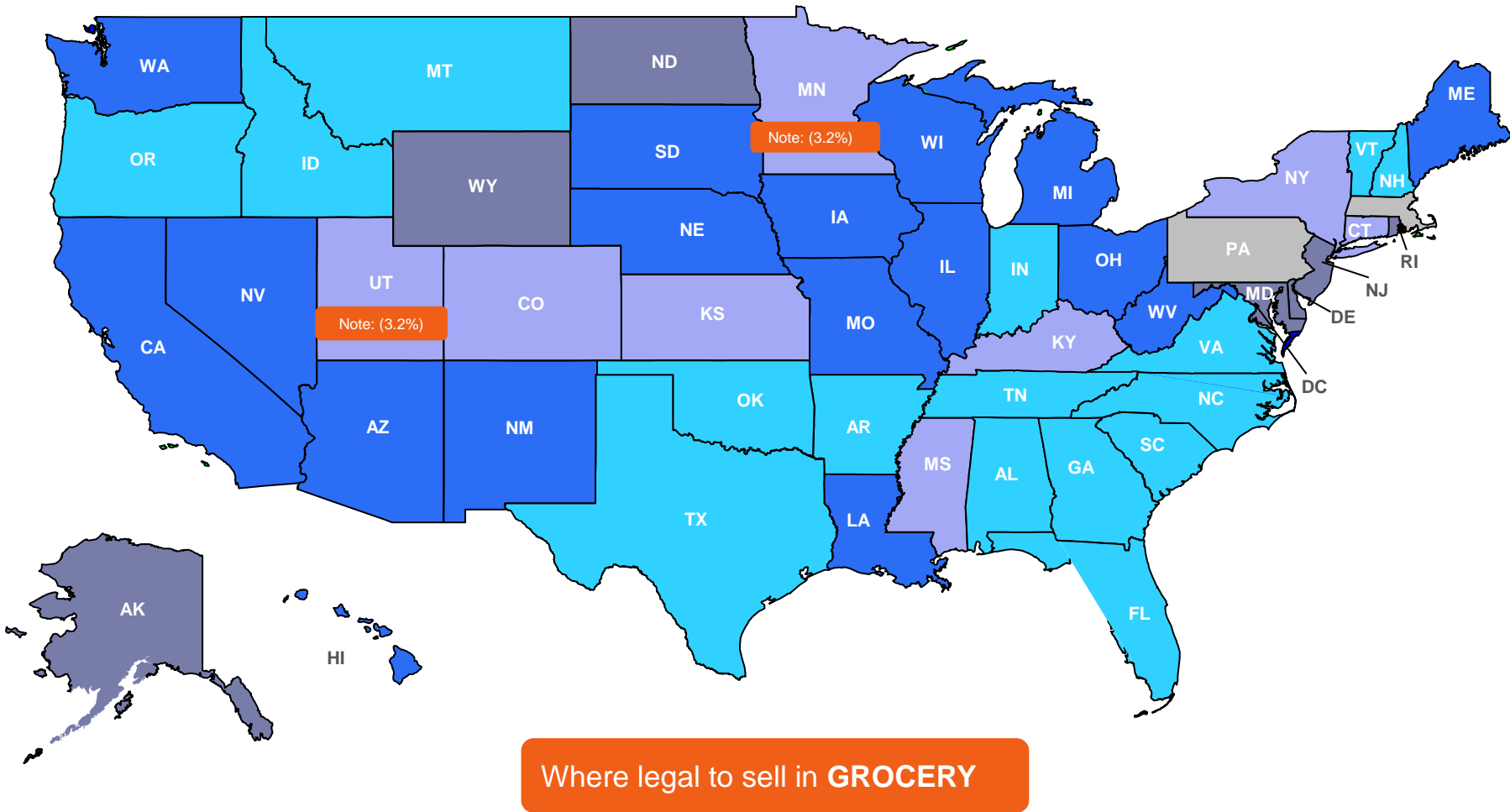
# Map: xAOC Channel



# When It Comes to Alcohol, It's Not the United States

## Different Rules By State/Category

- Wine, Liquor, and Beer available in grocery stores
- Wine and Beer available in grocery stores. No Liquor can be sold in grocery stores
- Beer available in grocery stores. No Wine or Liquor can be sold in grocery stores
- No Alcoholic Beverages can be sold in grocery stores
- Limited # of licenses per chain allowed to sell one or more categories (generally Beer and Wine); increases gradually over time



# Two Door States & Separate Entrance Stores



- In some states, Grocery and other xAOC type stores may sell alcohol with the appropriate license but only in a store **separate** (e.g., next door or close by) from the regular store
- As of 2021, Minnesota is the last state still requiring grocery and convenience stores to only sell 3.2 ABV beer.



## Examples

**Florida** – Spirits



**Minnesota** – All alcohol



While state laws do change, this is a slow process.

# The Three Tier Distribution System





## What Happens When You're At A Retailer?

- What made you decide to go to a particular retailer?
- Why did you choose the products in your cart? Do you like the brand? There's a promotion?
- Does the price matter?
- How is Category volume (Units, Dollars) doing?





# What is a purchase?

A purchase is a transaction that is comprised of 4 dimensions

## Markets



Where the purchase occurred

## Products



What the consumer purchased

## Facts



Detail about the purchase

## Periods



When the purchase occurred

# How is a retailer's data obtained?

Retailers transmit RMS data to Nielsen on a daily or weekly basis.



## Tapes & transmissions

- Quantity (Units)
- Price
- UPC code & description



## NielsenIQ reports

- Dollars
- Units
- Average price
- ACV

# Our Product Portfolio

Delivering value to key retailer and manufacturer needs



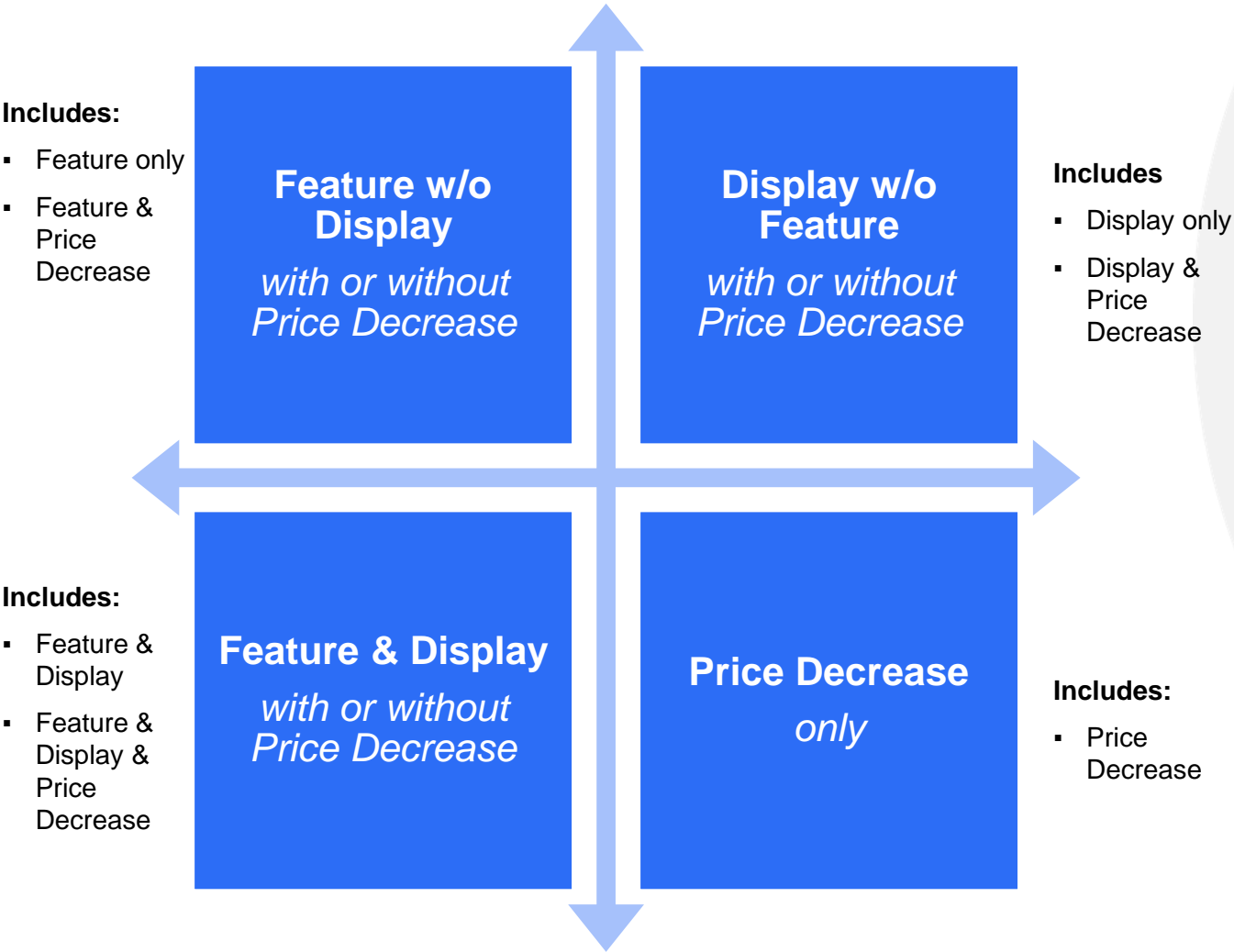
# How are Promotions reported?

NIQ



# How are Promotions reported?

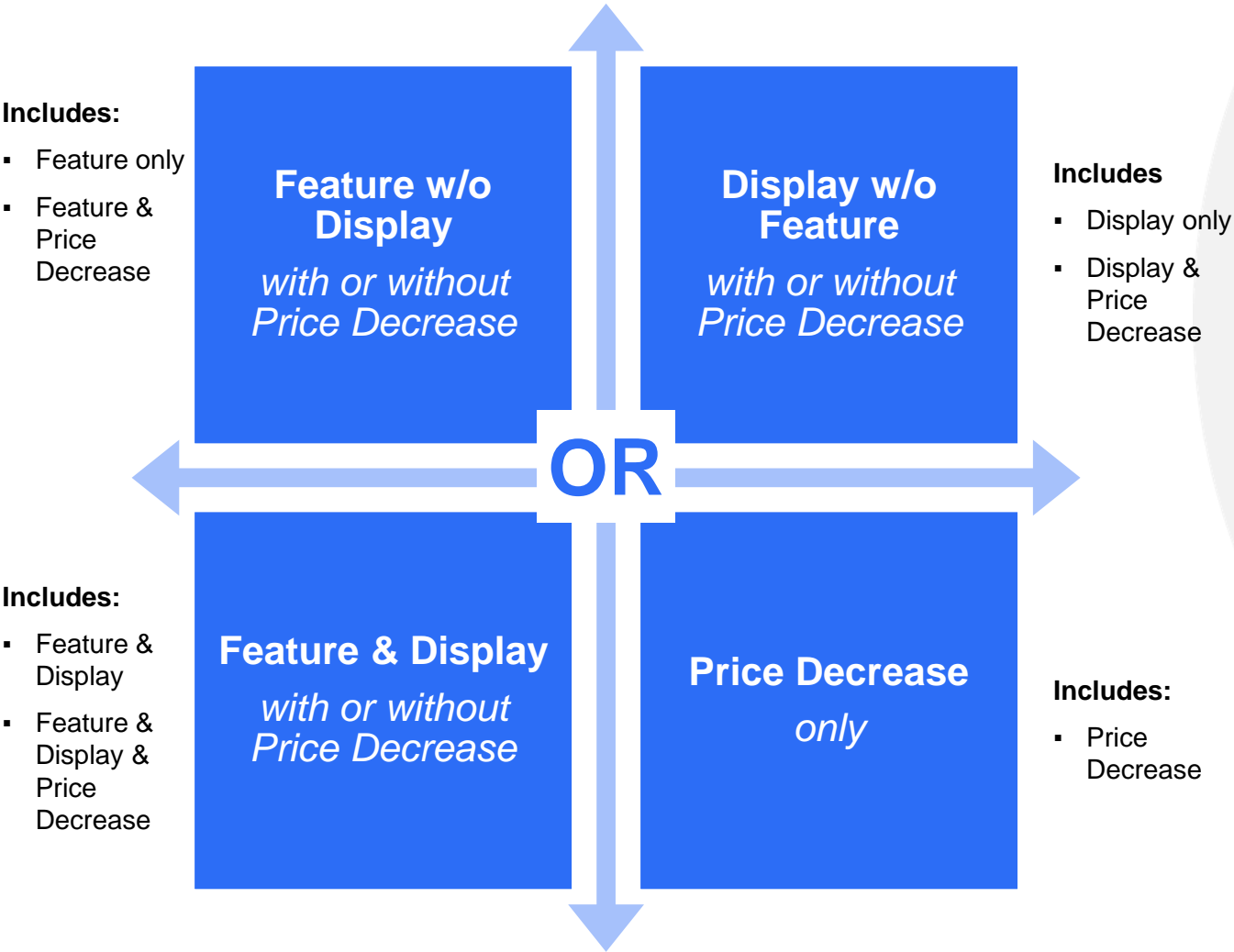
Promotion types are organized by various condition combinations





# What's included in "Any" Promo?

The Any Promo facts include any of the following conditions:



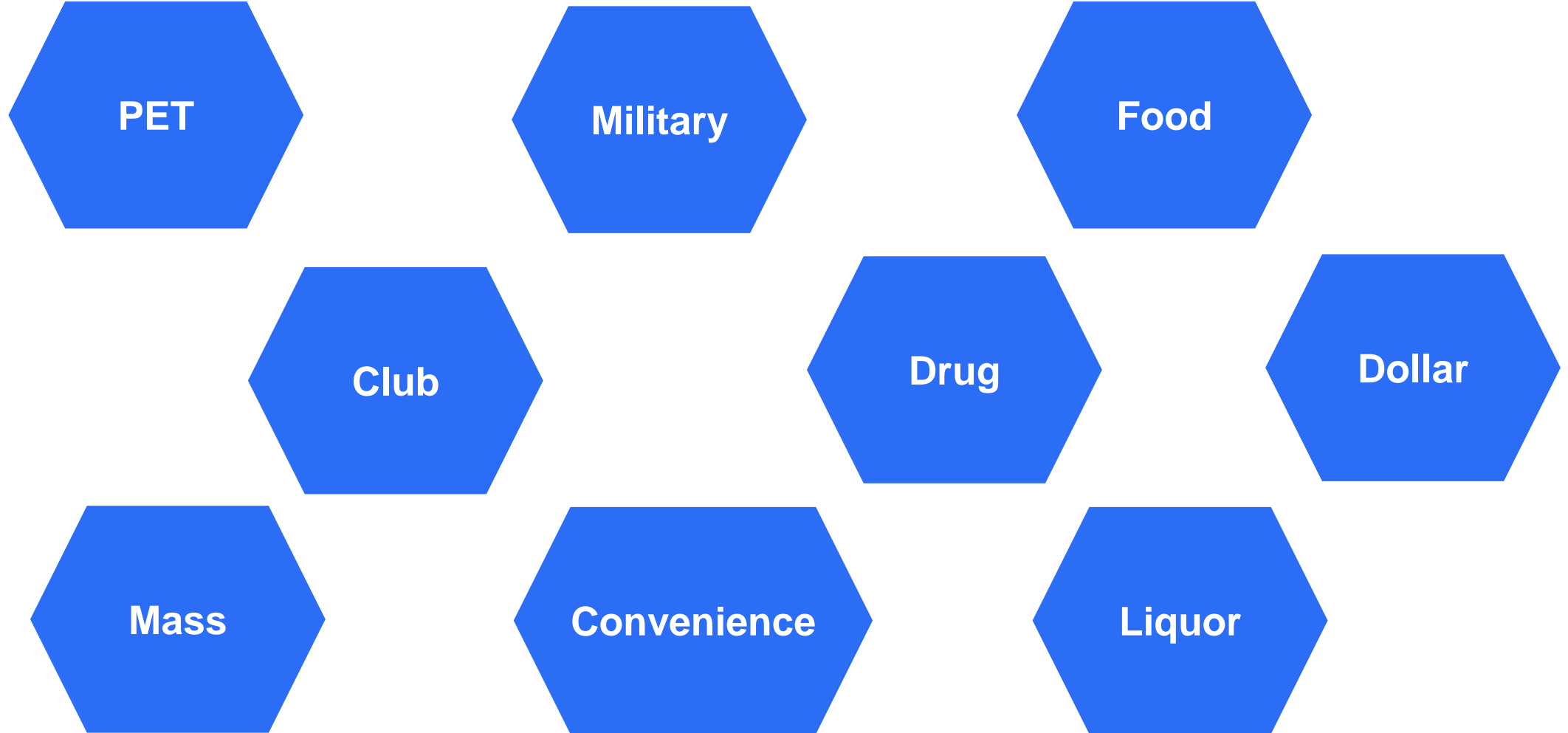
# Where is **POS** data collected?





# From where is POS data collected?

Data is collected from the following channels:



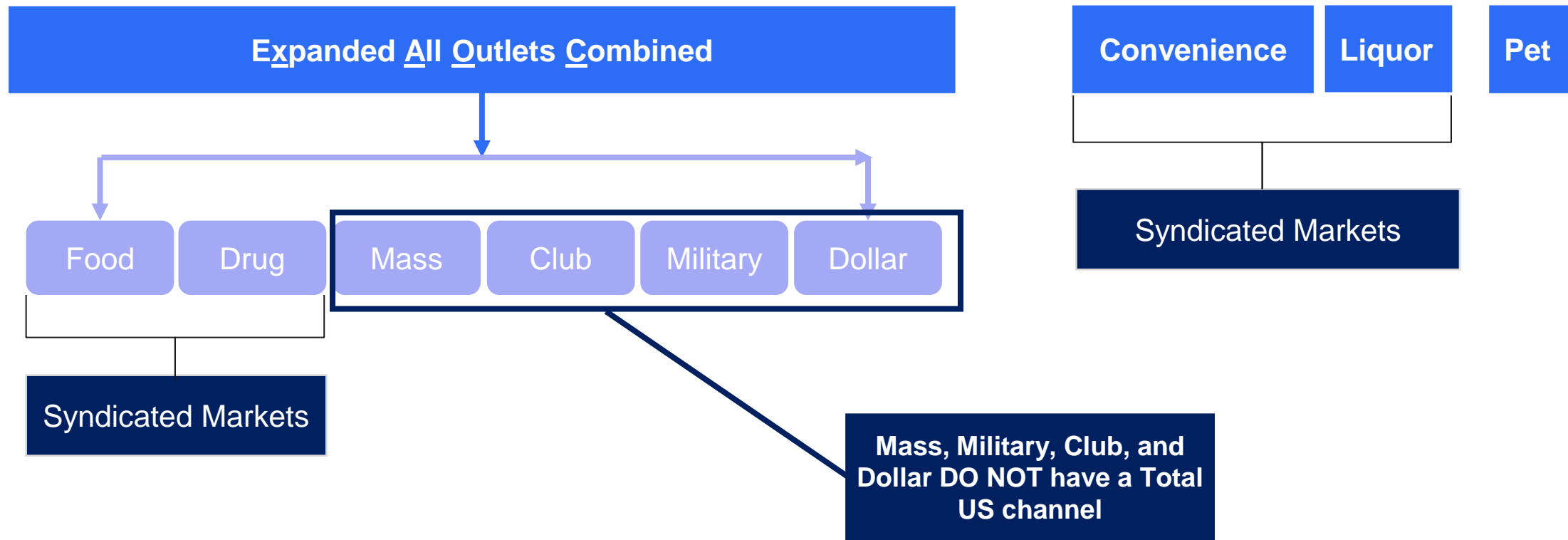
# What are NielsenIQ Geographies?

**NIQ**



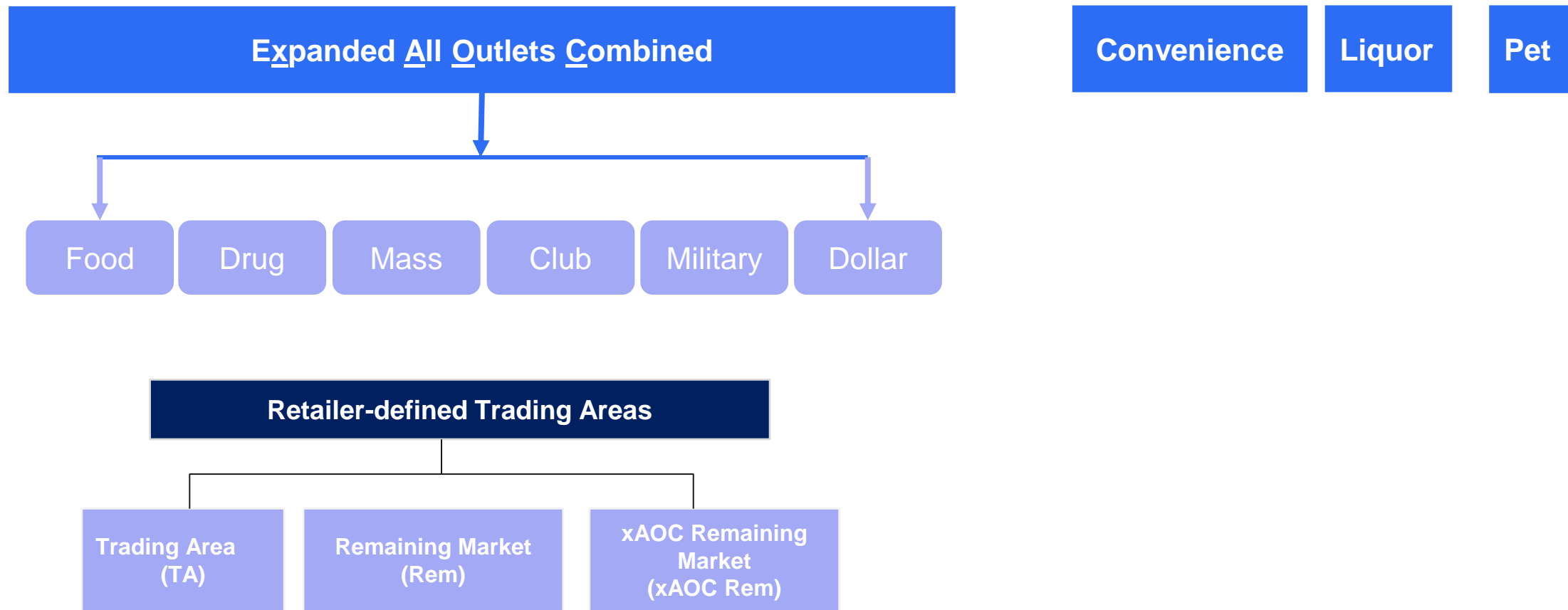
# How are geographies structured?

Expanded All Outlets Combined (xAOC) encompasses the largest collection of channels at the Total US level.



# How are channels segmented by retailer?

Retailers have defined their own custom geographies, called Trading Areas (TAs), that are used for retailer-specific and competitive analysis.



# How are Trading Areas defined?

Retailer-defined Trading Areas include both the retailer specific data as well as the competitive data for a defined geography.

## Trading Areas:

The retailer’s stores within their defined boundary

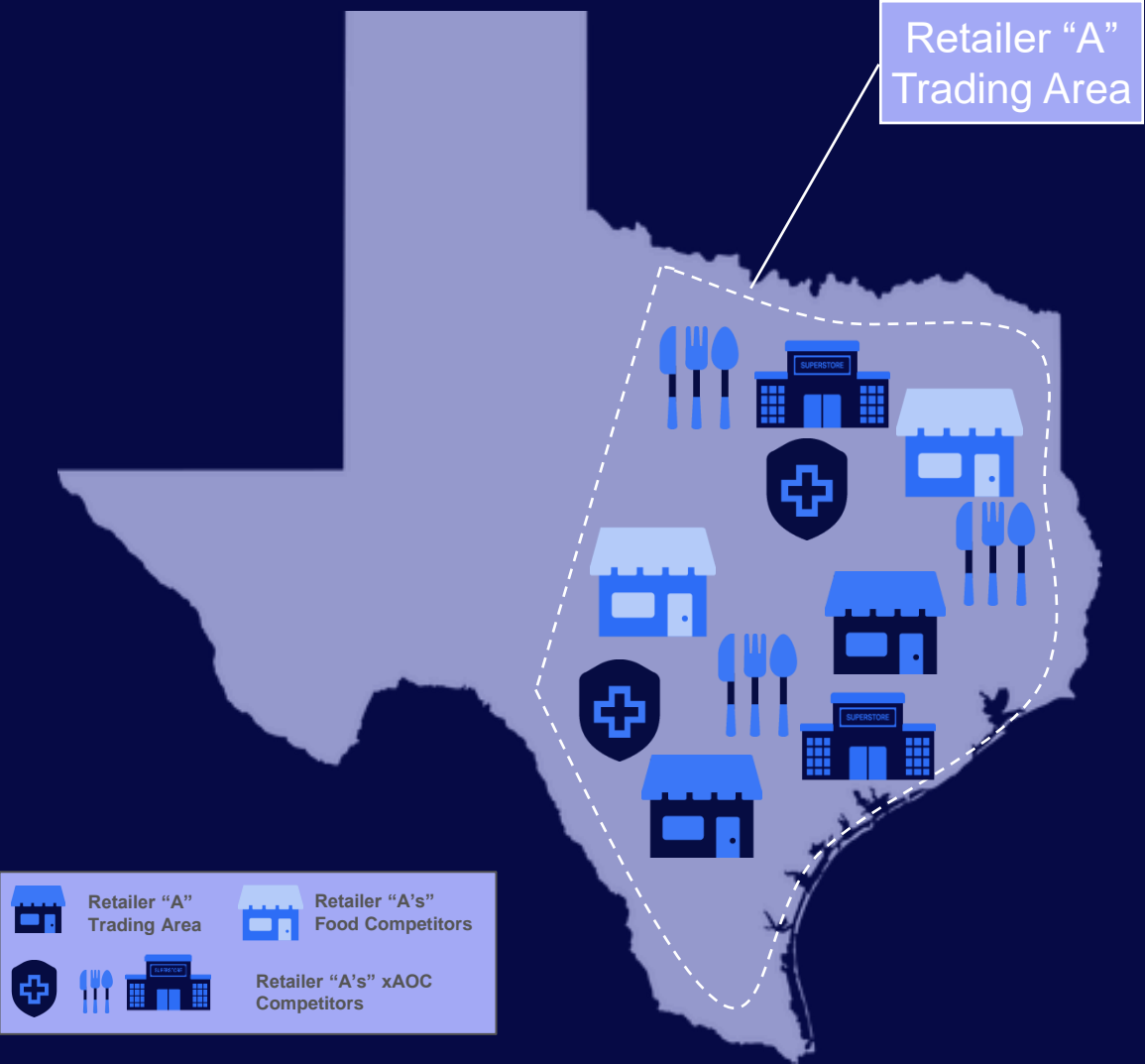
## Remaining Market:

The retailer’s same channel competition within their defined boundary

## xAOC Remaining Market:

The retailer’s xAOC competition within their defined boundary

\*Retailers can define their boundaries by county



# How is **Volume** Defined ?



**NIQ**

# How is Volume reported?

Volume is reported as units, equivalized units and dollars.



Units

- ▶ Number of unique packages scanned
- 



Dollars

- ▶ Number of units sold  $\times$  unit price
- 



Equivalized Units (EQ)

- ▶ A calculation that combines units sold and measure of size (i.e. – count, ounce)

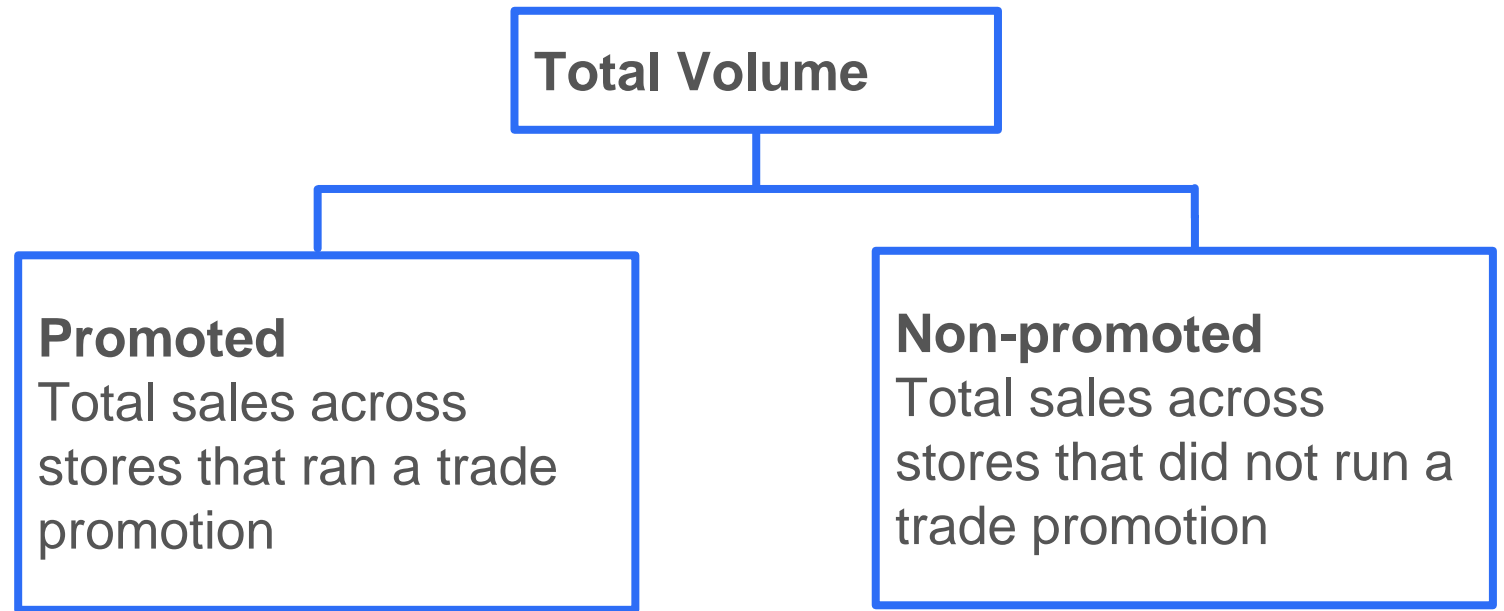
Example: A manufacturer makes an 8-oz, 16-oz and 32-oz product and want to equalize to pounds

- 8-oz =  $\frac{1}{2}$  EQ unit
- 16-oz = 1 EQ unit
- 32-oz = 2 EQ units



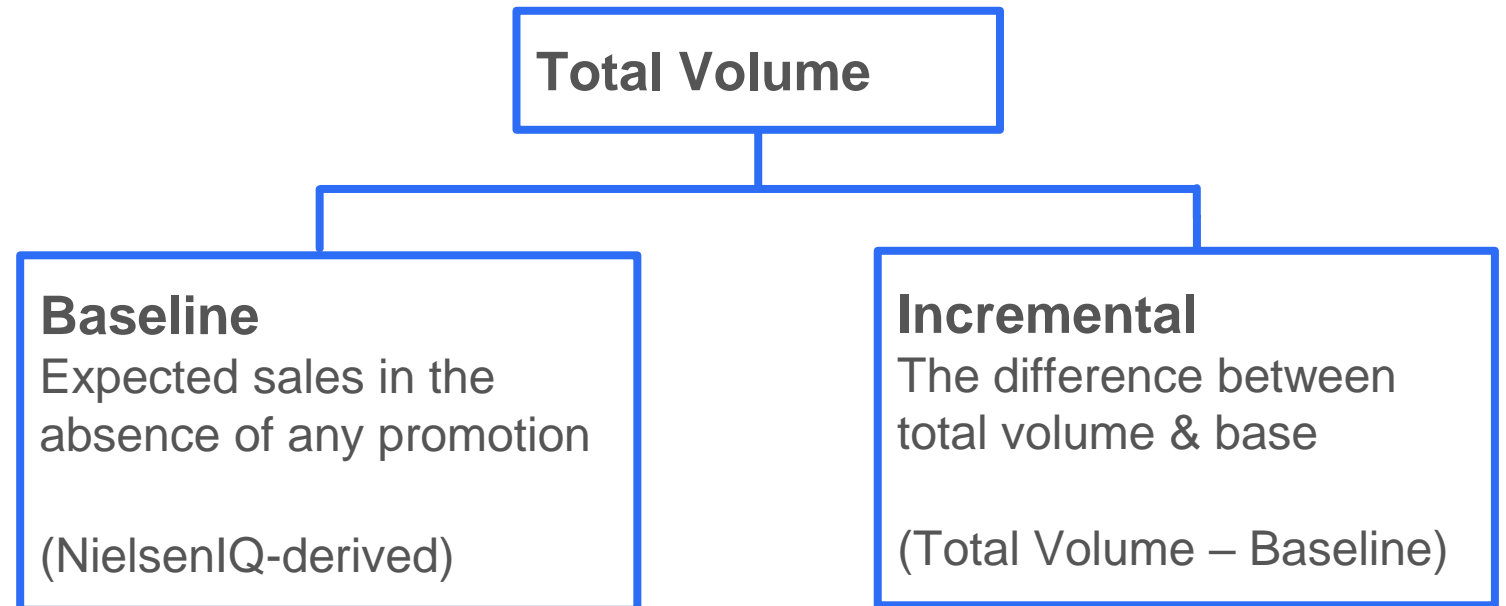
# How is Volume classified?

In each week, a product's volume is classified as promoted or non-promoted depending on the store where it scanned.



# How else is Volume classified?

Based on historical performance, a product's expected volume is statistically calculated each week. This baseline represents the volume that would have sold regardless of any in-store promotion activity.



# RMS APPs

NIQ



## Where can you find RMS data

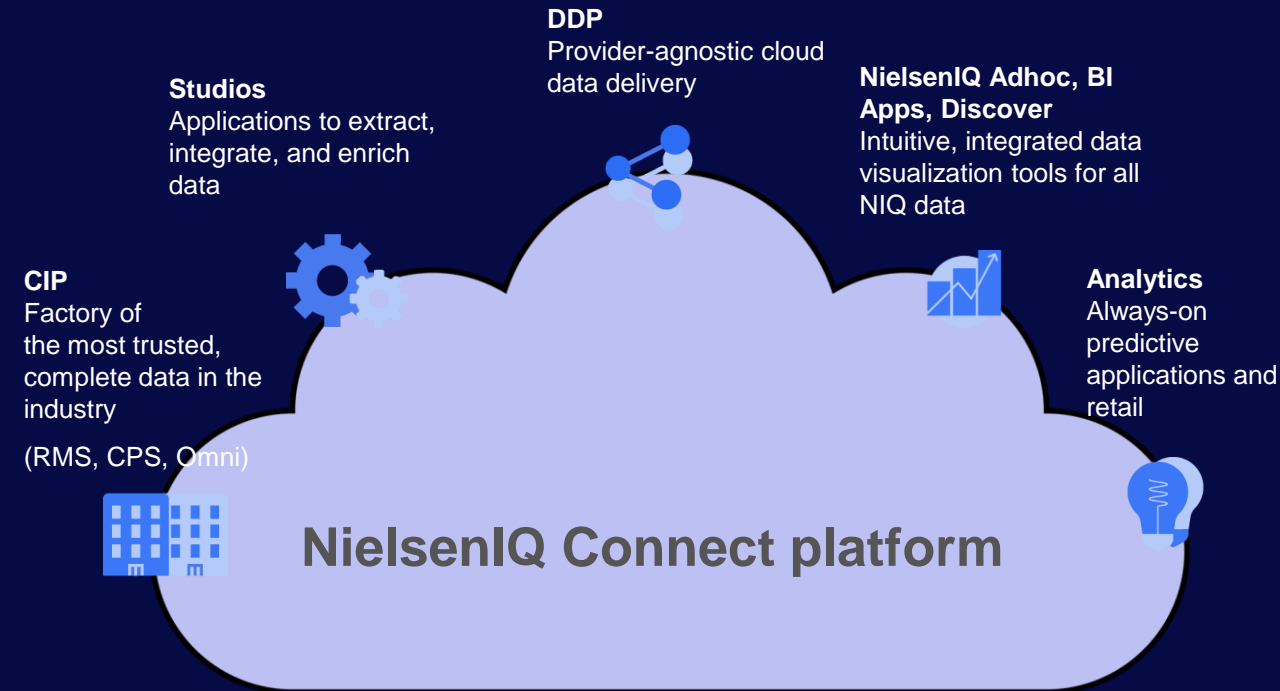
**Connect** – contains multiple apps to allows users many ways to create an analysis

**Connect AdHoc (legacy tool)** allows users the ability create an analysis on specific and granular data.

**NielsenIQ Discover** allows users through an intuitive interface to quickly dive into insights.

**Business Drivers** allows users the ability to dig deeper into specific business questions and understand what's driving their business.

## NielsenIQ Connect





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*Thank you.*

