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DISTILL VENTURES

ESTD | 2013

# NIELSEN TRAINING

UPDATED DECEMBER 2024

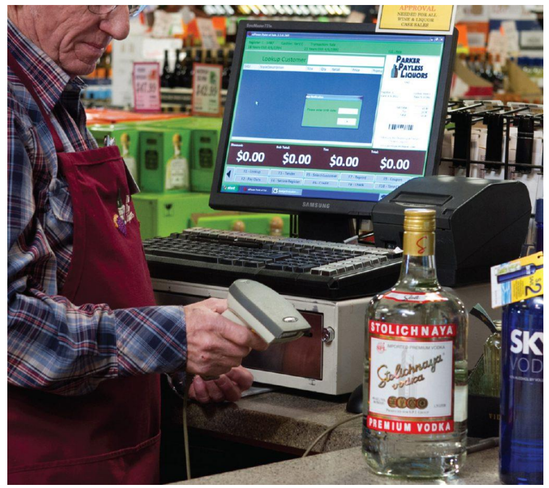
# OVERVIEW

- What is Scanning Data
- Four Dimensions of Scanning Data
  - Time
  - Geography
  - Product
  - Measures

# SCAN DATA- WHAT IS IT?

Scan Data is the collection of data from participating Retail registers across the country






Nielsen Scan Data

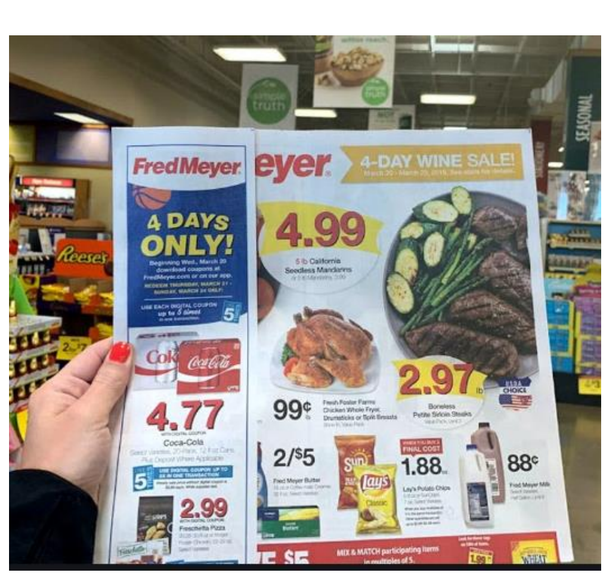
Scan Data is NOT the measurement of product presence, but rather its movement to the consumer via consumer purchase at retail

# THREE SOURCES OF NIELSEN SCANNING DATA

**Retail Store Scanning Information**


**Nielsen Display Auditing**

**Nielsen Database**




**Nielsen Feature Coders**

# RETAILER STORE SCANNING INFORMATION

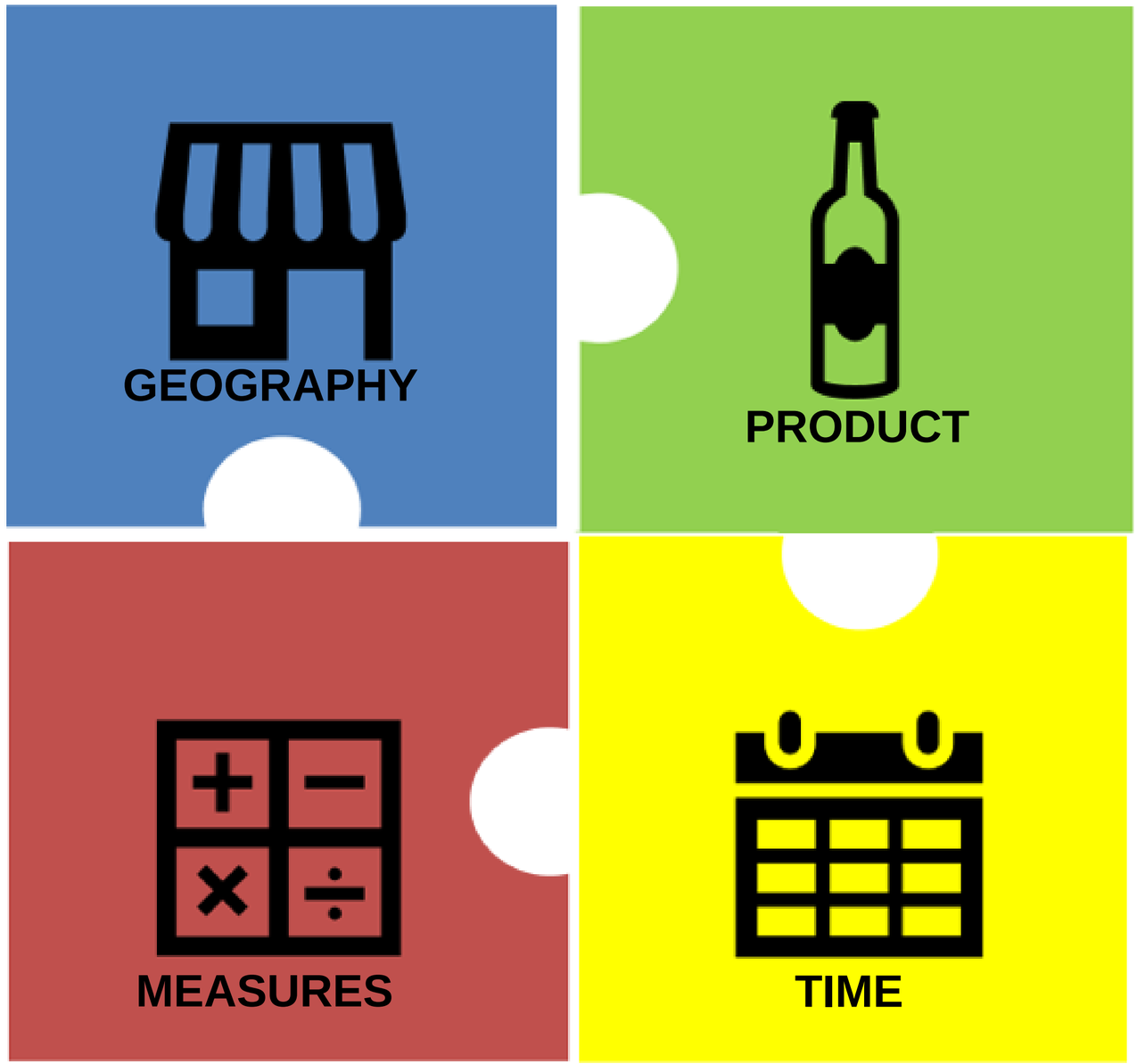

- Consumer Sales and Retail Price Data is provided by retailers and delivered to Nielsen weekly
  - Retailers report Store #, week ending date, Dollars, Units, and UPC
  - Nielsen does not capture coupons, advertising, or environmental measures

- Data is UPC Code Driven
  - Items are coded by Nielsen with a full set of characteristics (for example, brand, size, origin, varietal, etc.)
- Nielsen receives data for ALL products with a UPC, across ALL categories sold

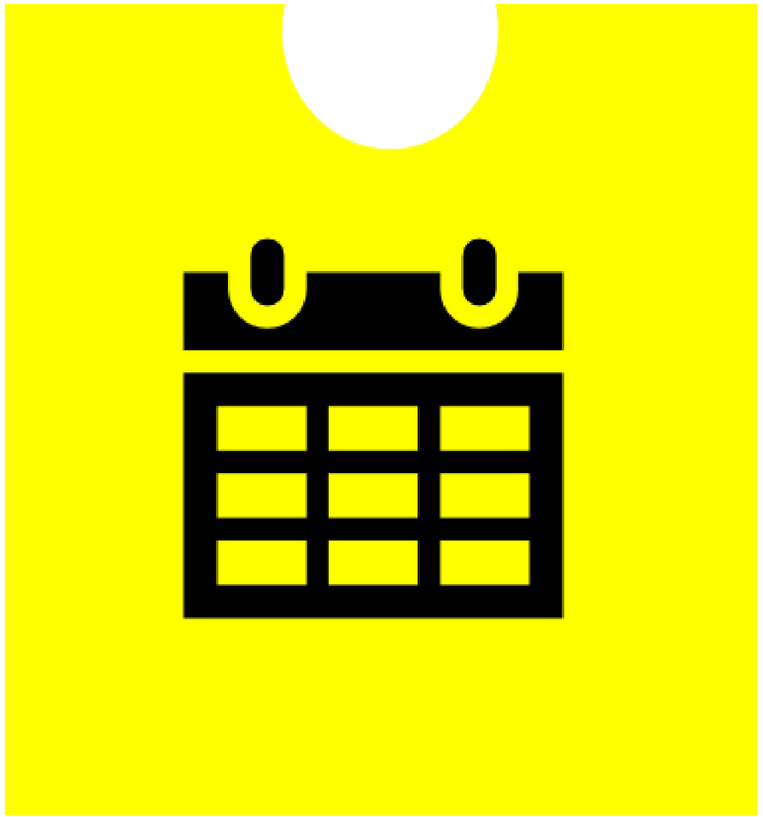
# SCANNING DATA CAN TELL MANY STORIES…

- What items people buy…
- Where items are purchased…
- When items are purchased…
- How much is *paid* for items purchased…
- How much of each item is sold


# THERE ARE FOUR DIMENSIONS OF A SYNDICATED DATA SET



# TIME DIMENSION: THE “WHEN”



- Our Nielsen data has 3 years of weekly history
- Typically look at single weeks, 4-weeks, 13-weeks, 26-weeks, 52-weeks, in reporting
- Other combination of periods (Fiscal Year, Calendar Year, Holiday, etc.) can be custom created
- Our Database is updated every 4 weeks, mid-week, with data through a Saturday

# OUR NIELSEN SCANNING DATABASE UPDATES EVERY 4 WEEKS

- Data is available about 12 days after the week ends
- (i.e. data for the week ending January 25, 20225 updates Thursday February 6)

## Nielsen Update Calendar 2025

**January**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | **1** | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | **20** | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

**February**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | **17** | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | |

**March**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

**April**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | **18** | 19 |
| **20** | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

**May**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | **26** | 27 | 28 | 29 | 30 | 31 |

**June**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | **19** | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

**July**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | **4** | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

**August**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

**September**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | **1** | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | | | | |

**October**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | **13** | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | |

**November**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | **11** | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | **27** | 28 | 29 |
| 30 | | | | | | |

**December**

| S | M | T | W | Th | F | S |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | **25** | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

○ Data Ending Date  ▭ Database Updates

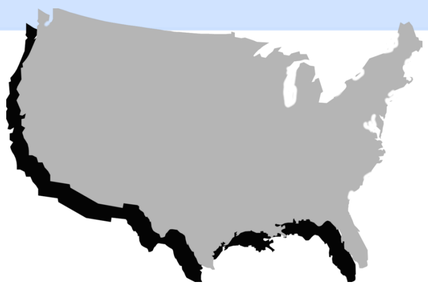
# GEOGRAPHIC DATA

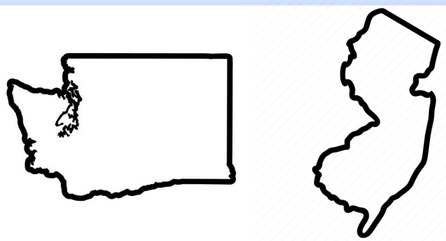
- What is Geography?
- Channels
- Terminology
- Retailer Trade Areas
- Market Maps

# GEOGRAPHY DIMENSION: “THE WHERE”

- There are three types of Off-Premise geographies Nielsen reports on

| Channels | Markets/Regions | Account Level |
|---|---|---|
| • Data collected from a sample of stores and projected to represent a larger retail channel<br>• *EXAMPLE:* ***Total US xAOC*** *(eXpanded All Outlet Combined)* | • Data collected from a sample of stores and projected to represent a larger retail channel confined within a geographical boundary<br>• *EXAMPLE:* ***Arizona xAOC, NY Liquor*** | • Actual store level data collected from all stores within that account definition. No projection methodology used<br>• *EXAMPLE:* ***Raley’s Corp TA, ABC Liquor*** |





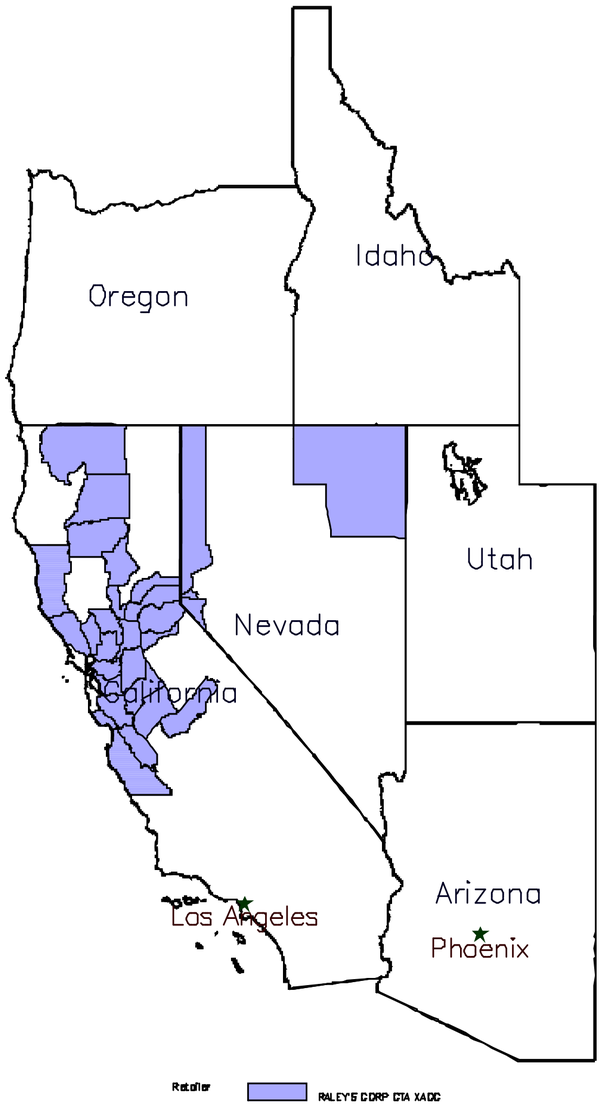
SAFEWAY

# WHAT CHANNELS ARE CAPTURED BY NIELSEN DATA?

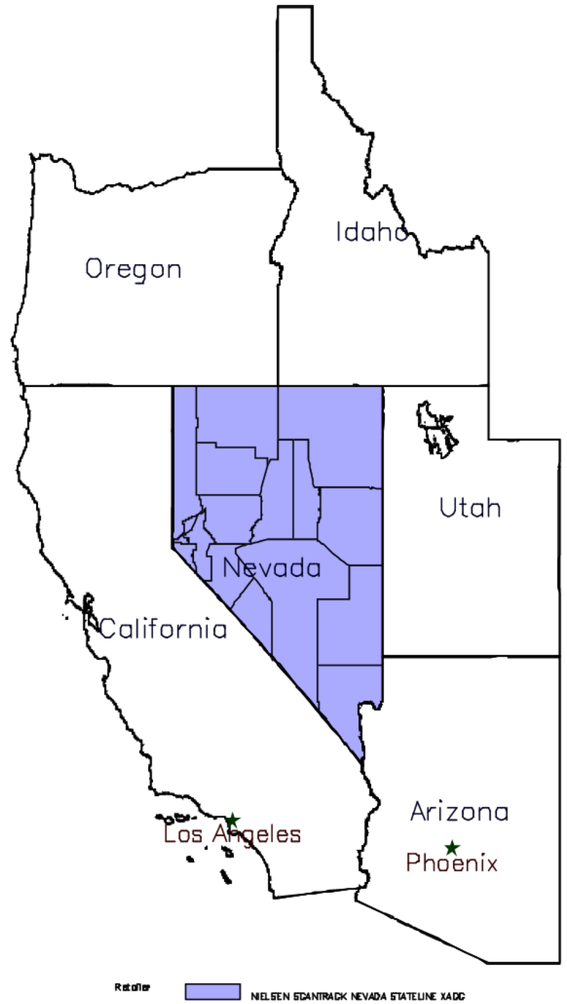

- Nielsen does not report online sales separate from traditional in-store sales
- Some retailers do include online sales when they report to Nielsen
- Key retailers NOT included in Nielsen data:
  - Costco, HEB, Winco, NABCA
- While Nielsen does not offer Kroger trading areas, Kroger IS included in the data

# MARKET MAPS

RALEY'S CORP CTA XAOC




NIELSEN SCANTRACK NEVADA STATELINE XAOC




- If you have questions as to what is included in a geography, reach out to Emily Welcker and she will get you details

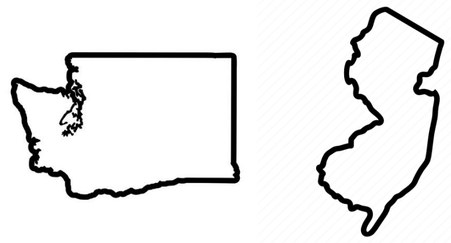
# GEOGRAPHIES ON THE DV DATABASE

National Geographies:

Projected from national sampling across chains and independents. Because these geographies are projected, tiny brands or segments can have highly varying projections depending on the sample

- TOTAL US XAOC + LIQUOR OPEN STATE
- TOTAL US LIQUOR OPEN STATE
- TOTAL US XAOC

# GEOGRAPHIES ON THE DV DATABASE



State-Level Geographies:

*Projected* from sampling across chains and independents. Because these geographies are projected, tiny brands or segments can have highly varying projections depending on the sample

- ARIZONA XAOC
- CALIFORNIA LIQUOR
- ILLINOIS XAOC
- MICHIGAN XAOC
- NEVADA XAOC
- NEW JERSEY SMM LIQUOR
- NORTHERN CALIFORNIA XAOC
- OHIO XAOC
- SOUTHERN CALIFORNIA XAOC
- WASHINGTON XAOC

*Partially projected* from sampling across chains and independents: XAOC is not projected but is 100% as-reported by retailers; Liquor is projected from sampling of chains and independents:

- COLORADO XAOC CENSUS + LIQUOR STATELINE
- FLORIDA XAOC CENSUS + LIQUOR STATELINE
- NEW YORK XAOC CENSUS + LIQUOR STATELINE

*Not projected* but is 100% as reported by retailers in the geography:

- TEXAS CUME LIQUOR CENSUS

# GEOGRAPHIES ON THE DV DATABASE

Retailers:

*Not projected* sales are 100% as reported by each retailer. These geographies should be reporting what actually sold through the register in each retailer. Since there is no projection, we would not expect high variation, and the data should be exact

- AAFES TOTAL CONUS TA
- ABC LIQUOR TA
- ALBSCO DAL & FT WTH TA
- ALBSCO JEWEL ILLINOIS
- ALBSCO NOR CAL DIV TA
- ALBSCO SO CAL DIV TA
- BEVERAGES & MORE CALIFORNIA TA
- BEVERAGES & MORE TOTAL TA
- CVS TOTAL CORP NORTHERN CALIFORNIA
- CVS TOTAL CORP SOUTHERN CALIFORNIA
- CVS TOTAL CORP WO HI TA
- GOODY WinCo TOTAL TA
- HY-VEE TOTAL TA
- MEIJER TOTAL TA
- NEXCOM TOTAL CONUS TA
- RALEY'S CORP TA
- TARGET TOTAL ENTERPRISE TA
- TOTAL SPECS CORP ALL STORES TA
- TOTAL WINE & MORE TOTAL STORE ARIZONA
- TOTAL WINE & MORE TOTAL STORE FLORIDA
- TOTAL WINE & MORE TOTAL STORE NEVADA
- TOTAL WINE & MORE TOTAL STORE NORTHERN CALIFORNIA
- TOTAL WINE & MORE TOTAL STORE SOUTHERN CALIFORNIA
- TOTAL WINE & MORE TOTAL STORE TA
- TOTAL WINE & MORE TOTAL STORE TEXAS
- TOTAL WINE & MORE TOTAL STORE WASHINGTON
- TWIN LIQUORS TOTAL TA
- WFM TOTAL TA

# PRODUCT DIMENSION

- DV data: Spirits database
- Item Coding Details

# WHAT IS MEASURED IN NIELSEN?

- Nielsen codes every item that has a UPC Code
- Suppliers send in new items for Coding
- Nearly all characteristics are coded from the package
    - Characteristics are static (do not change unless package changes)
- Items can be analyzed individually, as low as individual SKUs, or by grouping with single or multiple characteristics
    - i.e. Domestic Tequila $30+

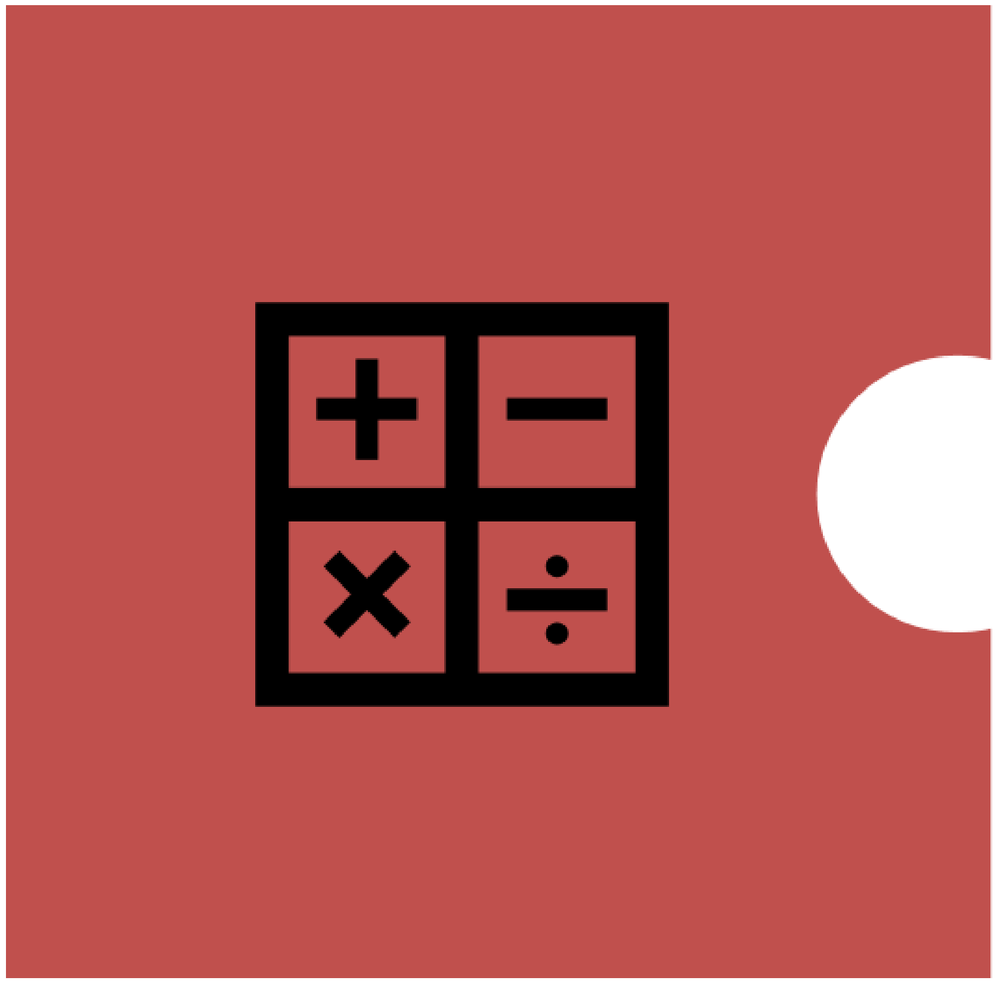
# EACH SPIRITS SKU HAS OVER TWO DOZEN CHARACTERISTICS CODED

| |
|---|
| Total Spirits |
| Vodka |
| Unflavored |
| Not Organic |
| 750ml |
| Domestic |
| 80 Proof |
| Premium Price Tier |
| Glass Bottle |
| 61994-70000 |


Item details help to:

- Analyze products within their competitive set
- Leverage characteristics to identify competitive items and item gaps
- Create selling stories

# MEASURES



- Define four Measure types
- What are the Volumetric Measures? How are they used?
- Promoted vs Non-Promoted volume
- Baseline

# NIELSEN MEASURES

- Facts are measurements of retail activity.  Nielsen Measures fall into 4 main categories:

| | |
|---|---|
| **VOLUME:**<br>Dollar/Unit/EQ Sales<br>Market Share | **PRICE:**<br>Average, Non-Promoted<br>Promoted |
| **CAUSAL:**<br>Merchandising Activity by Promo Type<br>(Feature, Display, F&D, TPR) | **DISTRIBUTION:**<br>% All Commodity Volume, Distribution Points |

# NIELSEN MEASURES: VOLUMETRIC

# VOLUMETRIC MEASURES QUANTIFY TOTAL SALES

- *Volumetric Measures help explain the performance of a product or brand and answer the following questions:*

How much are we selling?

How many dollars/ units were sold?

How are our sales doing compared to competition?

Are we gaining or losing share?

Are sales increasing, decreasing, or staying the same?

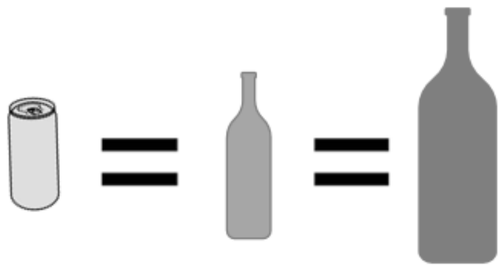
What is the sales % change? How does that compare to the segment or competitors?

How do our products sell on promotion?

What would we have sold without the promotion?

# VOLUMETRIC MEASURES CAN BE REPORTED THREE WAYS

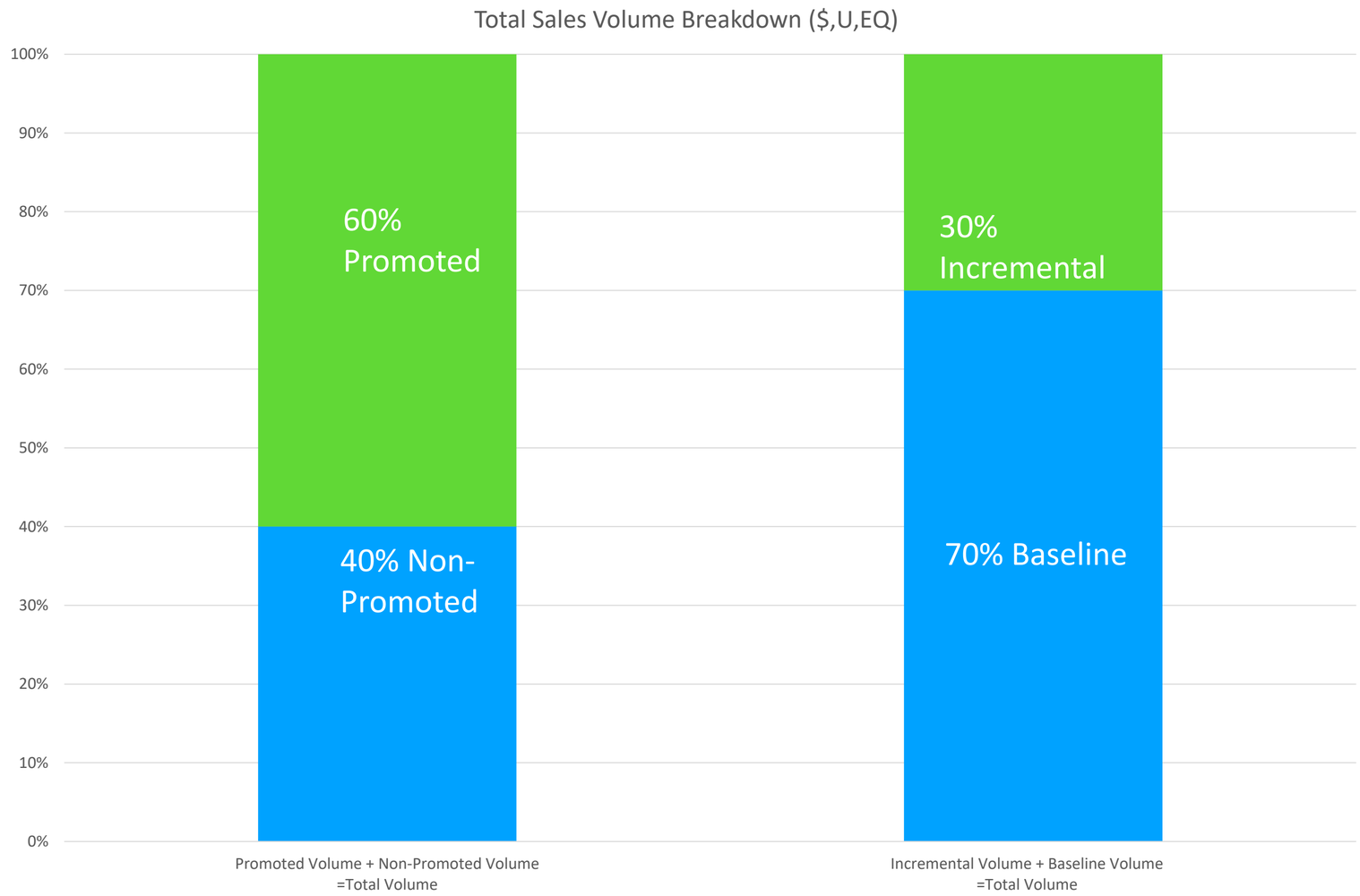
- **Unit Sales** –Actual number of units sold, as measured by register ring *regardless of size*



- **Dollar Sales** – Actual consumer dollars spent on product, as measured by register ring


- **Volume Sales** (9L EQ) – Equivalized over all sizes to 9L

# TOTAL SALES CAN BE DECOMPOSED IN 2 WAYS




**Total Volume = Non-Promoted Volume + Promoted Volume**
**Total Volume = Baseline Volume + Incremental Volume**

# A PROMOTION CAN BE ANY COMBINATION OF TPR, FEATURE, OR DISPLAY

- Actual sales that occur when any combination of the below are available in store

TPR


Feature


Display

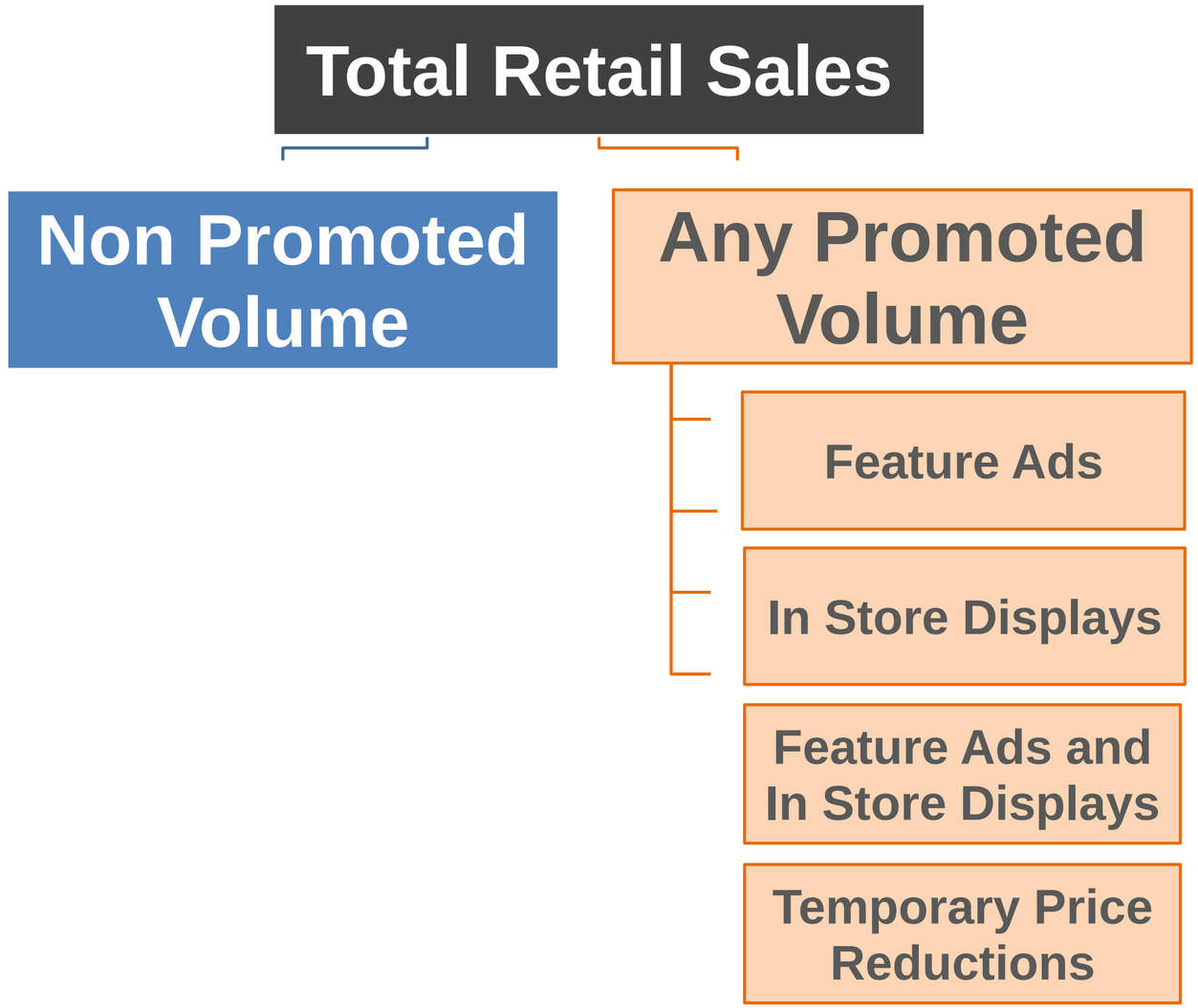
# NIELSEN MEASURES: CAUSAL

- Causal is an overlay based on Merchandising Activity

| | |
|---|---|
| **VOLUME:**<br>Dollar/Unit/EQ Sales<br>Market Share | **PRICE:**<br>Average, Non-Promoted<br>Promoted |
| **CAUSAL:**<br>Merchandising Activity by Promo Type<br>(Feature, Display, F&D, TPR) | **DISTRIBUTION:**<br>% All Commodity Volume, Distribution Points |

# CAUSAL FACTS- PROMOTIONAL ACTIVITY

- Causal facts represent merchandising activity



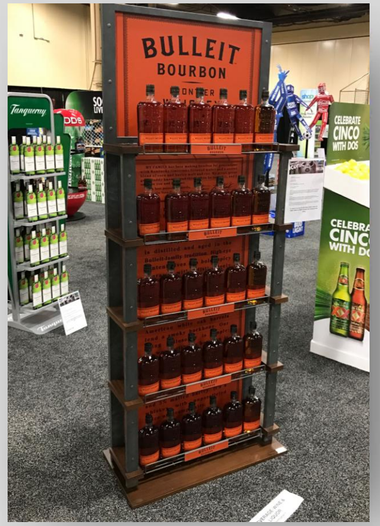
# PROMOTIONAL TYPES

## FEATURE


**Feature ads** (often called simply “features” ) is an advertisement sponsored by a retailer in a:

- weekly newspaper
- Sunday paper
- In-store supplement
- direct mail campaign [from the retailer]
- Coupons/FSIs are NOT captured by Nielsen

## DISPLAY




A **display** is a **temporary** exhibit of goods, sometimes with decorative material and/or advertising in a store

- To be classified as a display, an in-store condition must:
  - Products available in a secondary area outside normal stocking location
  - Contain actual merchandise and be in a self-service area of the store
- Displays are recorded via observation from in-store audits in sample stores
- Nielsen collects Display data weekly

## TPR


A **Temporary Price Reduction**, or TPR, is a temporary price decrease of 5% or greater from the normal selling price of a product

- “Temporary” in this context, means for seven weeks or less. When a lower price extends into an eighth week, it becomes the regular, everyday price for the item, except for Walmart

# NIELSEN MEASURES: PRICING

**VOLUME:**
Dollar/Unit/EQ Sales
Market Share

**PRICE:**
Average, Non-Promoted
Promoted

**CAUSAL:**
Merchandising Activity by
Promo Type
(Feature, Display, F&D, TPR)

**DISTRIBUTION:**
% All Commodity Volume,
Distribution Points

# THREE MAIN PRICE MEASURES

- **Base Price**
  - The estimated (modeled) Frontline Price in the absence of promotion
  - *Business Usage:*
    - *Helps to understand what consumers see as an everyday shelf price*
    - *Helps to understand what a product's price would have been in the absence of promotion*

- **Promoted Price**
  - Average Weighted Price of all promoted sales
  - Available for total promotions or by promotional type; i.e. display price
  - *Business Usage:*
    - *Used to determine what the consumer is paying on average for a product when it is promoted, or to validate retail support for merchandising campaigns*

- **Average Price**
  - The average weighted price of all non-promoted and promoted sales
  - Overall average of Total Dollars divided by Total Units
  - *Business Usage:*
    - *Used to determine what the consumer pays on average*
    - *Helps identify competitors in your price range*
    - *Not reflective of actual price paid, not as helpful for tracking compliance*

# NIELSEN MEASURES: DISTRIBUTION

**VOLUME:**
Dollar/Unit/EQ Sales
Market Share

**PRICE:**
Average, Non-Promoted
Promoted

**CAUSAL:**
Merchandising Activity by
Promo Type
(Feature, Display, F&D, TPR)

**DISTRIBUTION:**
% All Commodity Volume,
Distribution Points
Category Weighted Distribution

# WHAT IS DISTRIBUTION?

- **Distribution**: is a primary driver of change in base sales and can help determine where your products are sold

- Distribution measures can help answer questions such as:
  - How many stores carry my product?
  - Where is my product carried vs competition?
  - How quickly is a new product gaining Distribution?

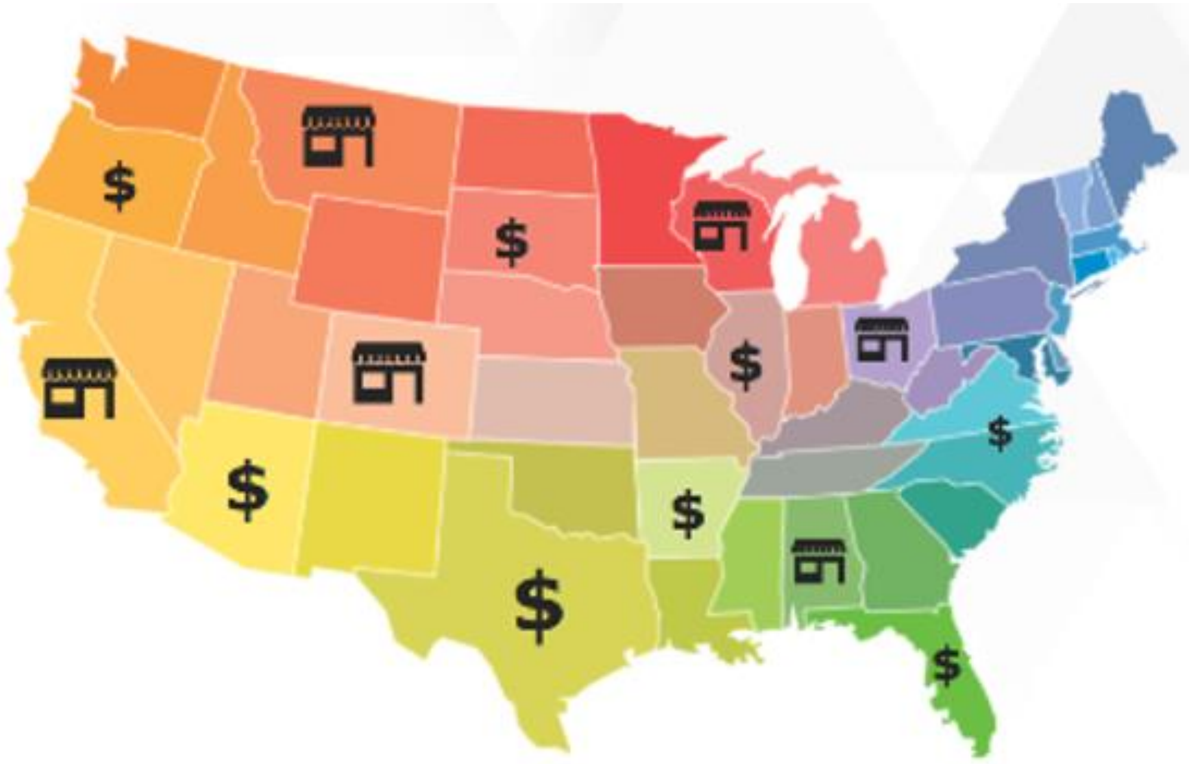
- Nielsen counts a product in Distribution in a store if it sells in the time period analyzed

- Nielsen does not survey shelves to see if a product is in Distribution

# ALL COMMODITY VOLUME (ACV)

**What is ACV?**

- ACV is the total annual dollar sales within a geography, expressed in millions of dollars
  - It represents the entire store sales rather than the sales for a specific product




Nielsen ACV is a calculation, and any item under 5.2% ACV is considered to be in very low distribution, preventing accurate projections

# DISTRIBUTION: CATEGORY WEIGHTED DISTRIBUTION

- **%CWD** is distribution, weighted by Total Spirits Dollars sold in each store; instead of All Commodity Volume, Distribution is calculated by All Spirits Volume

$$\frac{\text{Summation of all Spirits CWD\$ of stores that sold at least one unit during the aggregated time period}}{\text{Summation of CWD\$ of all stores in the geography}}$$

- In Nielsen, we use **% CWD** instead of simple %ACV. This limits the universe to just stores selling Spirits, so it is possible to achieve 100%. Using simple % ACV we could never reach 100% ACV due to stores that can not sell Spirits.

- At DV we will use the terms ACV, Distribution, and %CWD interchangeably, but we always use %CWD with Nielsen Data

# %CWD VS ACCOUNTS SOLD

- %CWD is **NOT** the same as Accounts Sold. While both measures define the breadth of distribution of your item, they do not match

- With Accounts Sold all stores are created equal


- With Nielsen measured % CWD, stores that drive more Spirits sales (Total Wine & More) are more heavily weighted than stores that do not (Mom and Pop Deli)

# EXAMPLE OF %CWD

If stores identified in green sold your product this week:

What would the %CWD be?

What is your Accounts Sold?


$75,000 (15%)


$100,000 (20%)


$25,000 (5%)


$65,000 (13%)


$125,000 (25%)


$30,000 (6%)


$50,000 (10%)


$30,000 (6%)

# EXAMPLE OF % CWD ANSWER


$75,000 (15%)


$100,000 (20%)

*$65,000 +*
*$75,000 +*
*$100,000 +*
*$125,000*
*=$360,000*
*$500,000 (Market CWD $)*


$125,000 (25%)


$65,000 (13%)

***%CWD= 73%***

*Product Sold in 4 of 8 Stores*

***% of Accounts Sold= 50%***

# NIELSEN MEASURES: VELOCITY

- Velocity is a measure combining Volume and Distribution

# VELOCITY OR SALES RATE

- **Velocity is a powerful measure that:**
  - Measures how quickly or efficiently a product sells where it is stocked
  - It is a way of comparing sales of products despite their differences in distribution and size
  - Tells you how well an item is turning where it is carried
  - Can be used to analyze hurdle rates to identify potential disco targets
  - Can be used to identify items that may be at risk of delisting
  - Is used to quantify the value of expanded distribution
- **Velocity can not be accurately calculated for items with less than 5.2% CWD**

# SALES PER POINT OF CWD

- Comparing within the same Geography

**Velocity**: the volume of a product sold per point of CWD representation in a market. Indicates the rate at which products move through a market

Velocity = (Volume/ CWD)
FYI: NOT the same as internal data ROS

***Business Usage*** *– Comparing sales rates of products with dissimilar distribution within a single geography. This fact may be used to derive an estimate of anticipated sales for partially distributed products. Use this fact to equivalize a brands sales position by assuming that all brands have equal retail availability.*