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Distribution Indicators: Quantitative Distribution

The ideal distribution system is the one that is able to generate earnings today and ensure the stability of the distribution business of tomorrow, and the more extensive the distribution, the more needed from the possible points of support for the brand in the region, the more stable the sale of this brand. In this case, quantitative distribution is the intensity of development of distribution, a system of quantitative indicators that allows analyzing the degree of development of distribution of a particular brand. Distribution intensity indicators characterize the availability of goods in the analyzed region or in the regional panel under study.

When they talk about the quantitative characteristics of distribution in the region, they imply effective distribution, availability of a brand in stores, determined by various parameters: the level of representation in retail outlets, sales, price, range. Quantitative indicators of distribution are determined by the results of monitoring various parameters of availability of goods in the distribution network. Audit of the trade network, compilation of the so-called "market map", which allows to record all the outlets in the territory: hyper and supermarkets, chain and non-chain stores, kiosks and pavilions, open markets, etc.

When talking about indicators of quantitative distribution imply:

Intensive distribution index (IDI) - an indicator of intensive (numerical) distribution determines the availability of the brand. When in Russia they talk about IDI, they mean numerical distribution. To determine the numerical distribution (one of the quantitative indicators of distribution), it is necessary to create a so-called "market map" (to keep records of all outlets in the territory) and take for analysis only those outlets in which the supplied goods are subject to analysis. The indicator "numerical distribution" is calculated as a percentage ratio of the number of retail points in which the brand is represented to the total number of stores selling such goods.

Effective distribution index (EDI) - an indicator of effective distribution. The EDI indicator determines the availability of the brand in stores, taking into account the size of their turnover. Calculated as a percentage of the ratio of the total sales of a particular product brand in stores to the total sales of all similar goods in these stores.

Choice indicator (CI) is a selection indicator, or an indicator of relative market coverage. Determines the size of points selected for trade in this product. It is calculated as the ratio of the effective distribution index (EDI) to the intensive distribution index (IDI). If the received indicator is more than one, it means that large stores have been chosen for trade.

Average turnover share index (ATSI) is an indicator of the average share in turnover. The indicator determines the share of brand goods in the stores selected for the target distribution. It is calculated as the ratio of the sales volume of a brand of a certain product of a given manufacturer through the stores selected for distribution to the total sales volume of all similar goods in these stores.

Market share index (MSI) - a generalized indicator of the availability of the brand, an indicator of market share. It is calculated as the product of intensive distribution (IDI), relative market coverage (CI) and average share in turnover (ATSI) or the product of effective distribution and average share in turnover of the market share occupied by the supplier of the brand of a particular product, taking into account the numerical, effective distribution and average share turnover. This indicator summarizes the effectiveness of the supplier distribution strategy in the target region, in the selected target channels (stores).

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