

SOURCE OF VOLUME ANALYSIS

The Source of Volume analysis identifies sources of growth or decline. Marketers need to make informed decisions on strategies to manage their franchise of brands as they experience fluctuations in sales over a period of time. This analysis enables the development of targeted strategies based on the source of sales volume change.

Determine the source of sales change over time

When your brand is experiencing substantial sales growth or declines, you need to uncover where the volume is coming from or going to. Running a Source of Volume analysis, changes in sales are attributed to one of the following sources:

1. Retained customers increasing or decreasing their buying rate of the brand
2. A total of new / lost households to the brand
3. A total of new / lost households to the product category
4. A total of lost or new households to the entire Store

These key insights enable informed decision-making when developing your brand strategy with the retailer and are to be run in conjunction with the Switching Analysis.

Answer Critical Business Questions

- What portion of the change in sales can be attributed to cAtategory Expansion or Contraction?
- What is the impact of New, Lost and Retained Households on my products performance?
- Where did new customers come from: new to store, new to the category or from other items within the category?
- Have my recent price or assortment changes caused households to enter or leave the product category or retailer?
- Is my newly launched flavour line extension able to attract new households to the retailer or product category?

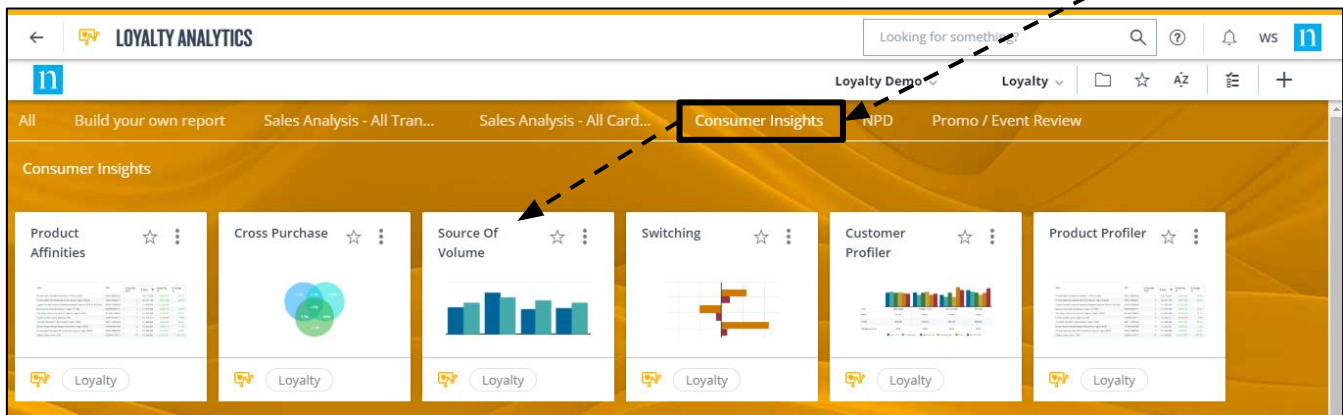
Key Benefits

- Discover what role your brand has within the category; does it attract new households to the retailer or product category or is it converting category buyers into your brand or product line?
- Evaluate if you are growing amongst your loyalty or retained customer base.
- Review if tactical or strategic decisions within your product portfolio are performing against their KPIs and helping the retailer gain category expansion.

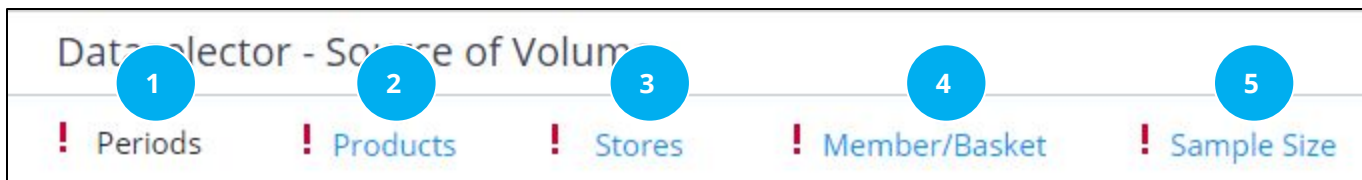
SOURCE OF VOLUME

SETUP YOUR SOURCE OF VOLUME ANALYSIS

Navigate to the list of available templates and click the source of volume template listed under Customer Insights.



SELECT THE DATA REQUIRED FOR YOUR REPORT



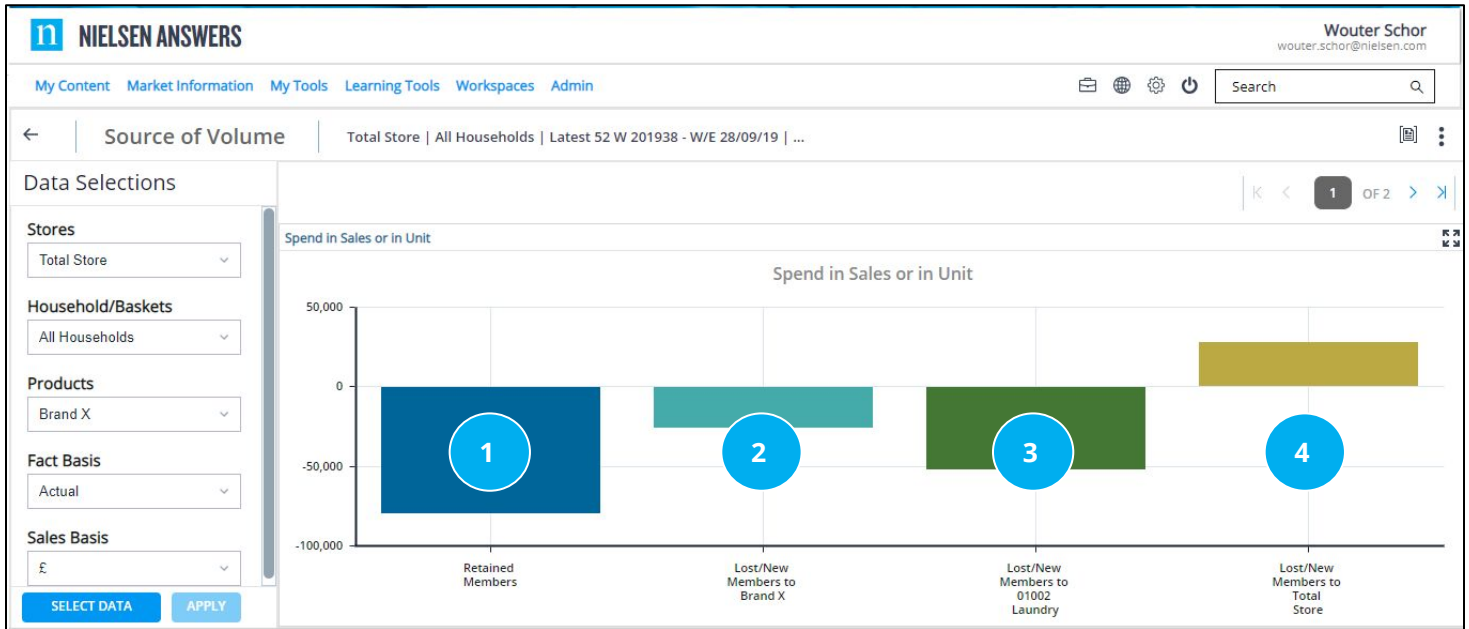
1. **Periods:** Select any time period and the equivalent prior period you are interested in.
2. **Products:** Select your product groupings either from the hierarchy or, alternatively, use Sum and Group By to select a combination of product characteristics. The product share base represents the parent category as shown in the report.
3. **Stores:** Select any store group for this report.
4. **Customer Basket:** Select a value which is based on your loyalty card program.
5. **Sample Size:** Run the report on 10% or 100%.

TIPS & WATCHOUTS

1. Consider the product's purchase cycle when choosing the length of the time periods.
 - a. For example: if *household detergent* is chosen with a latest 4 weeks period for the pre and post period, it would be highly unlikely that many customers would have purchased the product in both four week periods.
2. Shorter time periods for the pre and the the post period work fine for products which are purchased frequently, such as milk or soft drinks.

SOURCE OF VOLUME

DATA & FACT DEFINITIONS (P1)



The Source of Volume analysis breaks down the source of change into four different pillars: **Retained (1)**, **New/Lost to Product (2)**, **New/Lost to Product Share Base (3)** and **New/Lost to Store (4)**. In this example, we are looking into Brand X's laundry detergent to defend its product listing in Valuemart.

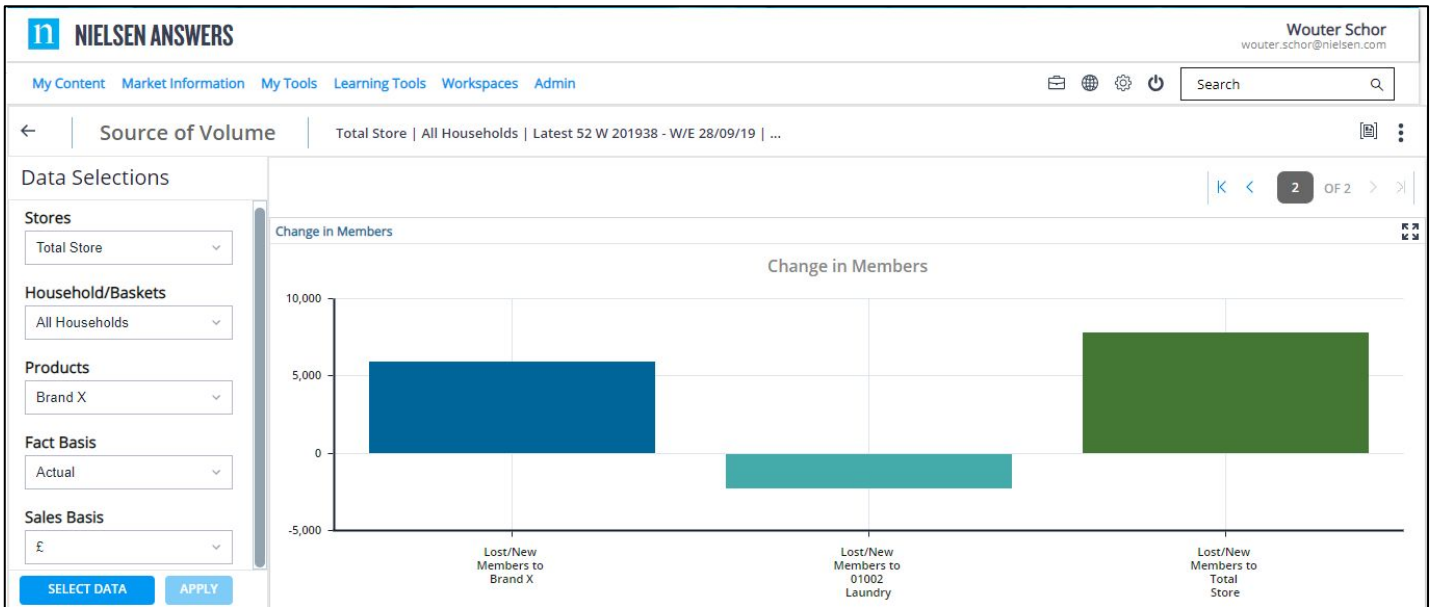
With the selections identified the Source of Volume breakdown is explained as follows:

Segment	Comparison Time Period			Selected Time Period		
	Shopped in Valuemart	Bought Laundry Detergent	Bought Brand X	Shopped in Valuemart	Bought Laundry Detergent	Bought Brand X
RETAINED	✓	✓	✓	✓	✓	✓
NEW TO BRAND X LAUNDRY DETERGENT	✓	✓	✗	✓	✓	✓
LOST FROM BRAND X LAUNDRY DETERGENT	✓	✓	✓	✓	✓	✗
NEW TO BOTH LAUNDRY DETERGENT AND BRAND X	✓	✗	✗	✓	✓	✓
LOST FROM BOTH LAUNDRY DETERGENT AND BRAND X	✓	✓	✓	✓	✗	✗
NEW TO VALUEMART	✗	✗	✗	✓	✓	✓
LOST FROM VALUEMART	✓	✓	✓	✗	✗	✗

SOURCE OF VOLUME

DATA & FACT DEFINITIONS (P2)

Analyze the actual change in the number of households illustrated by the different bars.



Since retained households have the same actual numbers in both periods, it's not represented on this graph. In this case, the way to interpret the results is that while there are overall more households new to Brand X in the current period, the lost spend of lost households has been more than the new spend brought in; heavier buyers have left the brand and have been replaced by households buying less of Brand X therefore, there is a loss in sales volume overall.