

# 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

$$\text{Sales} / \# \text{ of stores selling}$$

### 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

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



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



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## 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 sales**