

# WHAT ESTIMATION METHODS ARE USED FOR NON-PARTICIPATING RETAILERS?

## OVERVIEW

Occasionally, sales for retail chains in your market are estimated, based on their participation in Nielsen Programs. This job aid classifies such retailers, highlights globally approved estimation methods and explains limitations associated with each method.

The table below describes three important Non-Participating retailer classifications:

Classification	Definition	Potential Reasons for Non-Participation
<b>Temporary</b>	The retail chain is expected to be out of the sample for up to six months.	<ul style="list-style-type: none"> <li>Discontinue collaboration due to hardware or software conversions</li> <li>Brief changes in Nielsen services, such as switch Nielsen Retail Audit to Scan programs</li> </ul>
<b>Permanent</b>	The retail chain has been (or is) expected to be out of the sample for more than six months.	<ul style="list-style-type: none"> <li>May not have required hardware or software to relay store-level data to Nielsen</li> <li>Choose to to preserve their data in the name of strategic advantage</li> </ul>
<b>Unclassified</b>	The length of time a retail chain is expected to be out of the sample is undetermined.	<ul style="list-style-type: none"> <li>A new chain enters the market and does not want to collaborate, perhaps in eCommerce, for example.</li> <li>Collaborators stops collaboration (with short-term notice)</li> </ul>

## NIELSEN GLOBALLY-APPROVED ESTIMATION METHODS

When non-participating retailers exist in the market, Nielsen evaluates feasibility associated with statistically estimating sales to give you a more complete view. If feasibility is confirmed, Nielsen estimates non-participating retail sales using one of our approved methodologies—and then aggregates the estimates with your other Nielsen data in your database.

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### ESTIMATION METHODS

The table below highlights three of the five globally approved estimation methods, and explains limitations associated with each method.

ESTIMATION METHOD	DESCRIPTION	WHAT SHOULD I KNOW ABOUT HOW TO USE THIS DATA?
<b>Biased Projection (BP)</b>	<p>Nielsen estimates the non-participating chain by projecting sales based on other participating retailers with specific and similar characteristics.</p> <p>Values in your database include estimates for the non-participating supermarket retailers based on sales from a similar supermarket.</p>	<p>Since information is based on similar stores, data can be limited when the non-participating retailer sell:</p> <ul style="list-style-type: none"> <li>• Exclusive brands or items with low distribution.               <ul style="list-style-type: none"> <li>○ Items with a special package or format, such as a 1.5 litre product only sold in a non-participating retail chain.</li> </ul> </li> <li>• Products only in the assortment for a limited period.</li> </ul> <p>Challenges in finding a similar store can occur when the non-participating retailers have a high incidence of:</p> <ul style="list-style-type: none"> <li>• Private label products.</li> <li>• Promotional activities.</li> <li>• Pricing variability.</li> </ul>
<b>Distribution Method (DM)</b>	<p>With non-participating store management permission, auditors periodically visit a predefined number of stores in the non-participating chain to record all items on-shelf with pricing and promotion.</p>	<p>Promotional impacts for a non-participating retailer is based on promotional activity in similar, participating stores.</p> <p>Challenges in finding a similar store can occur when the non-participating retailers with a high incidence of:</p> <ul style="list-style-type: none"> <li>• Private label products.</li> <li>• Promotional activities.</li> <li>• Pricing variability.</li> </ul>

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## WHAT ESTIMATION METHODS ARE USED FOR NON-PARTICIPATING RETAILERS?

### ESTIMATION METHODS (CONTINUED)

The table below highlights three of the five globally approved estimation methods, and explains limitations associated with each method.

ESTIMATION METHOD	DESCRIPTION	WHAT SHOULD I KNOW ABOUT HOW TO USE THIS DATA?
<b>Cash Slip Store Intercept (CSSI)</b>	<p>Nielsen auditors stand outside non-cooperating retail stores to monitor traffic and collect cash slips from willing consumers, every day at specific times.</p> <p>All data is aggregated in a 4-week cycle to get the best picture of a store's total average sales. The data from all audited stores are projected to be representative of the entire chain.</p>	<ul style="list-style-type: none"> <li>• Distribution is calculated based on regional aggregations, which can skew store-level availability.</li> <li>• Products only in the assortment for a limited period and items with lower penetration have higher standard error due to a smaller sample-size, since fewer people purchase them versus regular stock.</li> <li>• Data is produced on a one week delay.</li> <li>• Weekly data is estimated based upon the previous 4-weekly data. Since the data is aggregated over 4-weeks and averages are used: <ul style="list-style-type: none"> <li>• Promotions, sharp sales and seasonal spikes are likely to be spread over four weeks.</li> </ul> </li> </ul>
<b>Cash Slip Sister Store(CSSS)</b>	<p>This method is a combination of Cash Slip Store Intercept with the Distribution Method.</p>	<ul style="list-style-type: none"> <li>• Limitations from Cash Slip Store Intercept and Distribution Methods apply.</li> <li>• The benefit of this hybrid methodology is the increased ability to record items that sell infrequently through manual on-shelf audits.</li> </ul>
<b>CPS Estimation (CP)</b>	<p>Nielsen applies Consumer Panel Services purchase data as a surrogate of store-level retail sales and integrates them into the RMS data.</p>	<ul style="list-style-type: none"> <li>• This is used primarily in Germany, where represented non-cooperating retailers have large market share, and the likelihood of Household Panelists to purchase in these specific retailers is very high.</li> </ul>