



ReExe Training Center

www.reexe.com

Updated and supplemented edition 2014

Category Management Glossary

First part

Term/Acronym	Alternative Terminology	Definition
ABC	Activity Based Costing	An accounting method that enables a business to understand more clearly how and where it makes a profit. ABC identifies all major costs associated to relevant activities and then down to product level.
Assortment	Range	A selection of products that are chosen based on a number of attributes (including consumer need, retailer strategy) that maximizes efficiency and commercial return within a category or store.
Base Depth		The physical distance (usually expressed in mm) between the back and front of the base shelf.
Base Shelf		The lowest shelf of a fixture
Base Sales	Baseline Sales	Those sales of a product that would have occurred had there been no promotional or marketing activity.
Blocking		The grouping of products together within a fixture to produce a clearer display and reduce consumer confusion. Products can be blocked either horizontally or vertically within a fixture.
Brand Blocking		A group of products blocked by brand. E.g. Siting all of Campbell's Condensed Soups together.
Brand cannibalization	Brand Switching See Competitive Steal	Switching of sales within a brand. E.g. consumers buying 375g Kellogg's Corn Flakes instead of 250g.
Brand Loyalty		Defined as a measure of the expenditure on one brand as a proportion of expenditure by a household on all brands within a category or sub category.
Bulk Stacking		Use of in-store displays to create a visual impact. Bulk stacking can either be part of the normal gondola (e.g. in discount stores) or used as secondary displays, away from the gondola. Bulk stacking is often used to create an impression of value (e.g. special purchases, promotions) and encourage bulk purchasing.
Case Size		The number of products in an outer case.
Category		Products or services grouped together to reflect consumer usage or purchase occasion. For example 'Household Cleaning'.
Category Decision Tree	Purchase Decision Hierarchy	The order of priority in which shoppers make their purchasing decisions. The hierarchy is usually described like a family tree and details the various products attributes (such as price, flavor, size, brand etc.).
Category Management	CM Cat Man	The strategic management of product groups through trade partnerships, which aims to maximize sales and profits by satisfying consumer and shopper needs. Tool ↔ Category Management Definition factsheet
Cluster		A group (consumers, stores, locations) that identifies "likes" characteristics or attributes. Ranges can be targeted at cluster groups to better meet consumer needs. Stores can be clustered and managed depending on their catchment area.
Competitive Steal	Brand Switching Brand Cannibalizations	Switching of sales from one brand to another usually as a result of a promotion E.g. consumers purchasing Boddingtons Draught Bitter instead of Tetley Draught Bitter (or vice-versa).



ReExe Training Center

www.reexe.com

Updated and supplemented edition 2014

Color Blocking		Merchandising a group of products by the product color or packaging color.
Consumer		The end user of a product. The consumer is not necessarily the same as the shopper, who is the person who buys the product or service. The term customer is often used (by retailers) when referring to the consumer.
Consumer Demand	Consumer Sales	The average daily sales of a product.
Core Range		The products that form the "must stock" range within a store or category. These products offer what is regarded as the "minimum" choice and usually include key brands.
Coverage	Market Coverage	A measurement of range cover - the percentage in either value or volume terms that a given retailer's range covers within a market or sub-sector. For example, retailer X's range accounts for 25% of the complete market's value compared to retailer Y's range accounting for 15%.
Cross Merchandising		The display of a product in a different category to its usual location, due to an associated relationship (e.g. can openers within the canned food section). Cross merchandising assumes there is an element of lateral thinking and shopper logic to the purchase.
Cubic Foot	Cube	The literal shelf space that a three dimensional cube would occupy.
Days on Hand	Days Stock	The average inventory (in units) divided by the average daily movement of the unit.
Depth (of product or tray)		The physical space (usually expressed in mm) measured from the front to the back of a product or tray.
Depth (of range)		Refers to the number of variants/sizes of a product within a range. A deep range may include a large number of product sizes within the same product. Finite in-store shelf space usually necessitates a trade-off between 'depths of range' versus 'width of range'.
DPC	Direct Product Cost	A method of assigning all costs of a particular product (manufacturing, distribution, stockholding, handling, store displays etc.) directly to that product.
DPP	Direct Product Profitability	A means of defining the actual profit achieved by a retailer or distributor from an individual product, having taken into consideration direct product costs (see DPC).
Direct Store Delivery		The manufacturer delivers products directly to the retail store and does not go via a retailer distribution center (RDC).
Distribution		This can be measured as the number of stores that a product is stocked in, or based on total volume sales. The level of distribution can be classified in a number of ways although is usually reported as a % of total market or total stores of a specific retailer.
Dressing the fixture		Enhancing the visual image of a gondola by the use of display material.
Dual Merchandising		The positioning of a product in more than one place in a store, in recognition that it may have more than one use (e.g. tonic water as a soft drink and as a mixer with gin).
Efficient Store Merchandising		Optimization of space allocation at store level that aims to avoid out of stocks and at the same time maintains minimum stock levels.
EPoS	Electronic Point of Sale	The method of recording store sales by scanning the product bar code at the point of purchase.
Eye Level		The predominant part of the fixture that shoppers look at when



ReExe Training Center

www.reexe.com

Updated and supplemented edition 2014

		purchasing. Research has shown that when a shopper approaches a fixture, natural vision is limited and there is a greater emphasis aimed at eye level. Eye level can change depending on the length of the fixture.
Eye Tracking		A technique that records a shopper's eye movement as the fixture is scanned. This technique is used for aiding the merchandising of products.
Facing		The physical (linear) space that a single product occupies.
Facings Deep	Units per facing	The number of units placed from front to back in a single position on a fixture.
Finger Space		The distance from the top of a product to the underside of the shelf above.
Footfall		The number of shoppers who pass through a category expressed as a % of total store shoppers.
Frequency of Purchase		How often a product or category is purchased by consumers over a given period of time.
Geo-demographic Data		Information which matches geography with consumer demographics (including lifestyle, age, income, social class etc.). Census data is matched with postcodes to produce profiles or classifications of consumers.
Gondola	Fixture Shelving Unit	The physical unit that products are displayed on.
Gondola End	Aisle End Fixture End	The selling space that is located at the end of an aisle. Due to the increased consumer flow around gondola ends, they are often used for promotional or new product display.
Height (of product or tray)		The physical space (usually expressed in mm) measured from the base to the top of a product or tray.
Horizontal Blocking		The grouping of products horizontally along a shelf for example all the products of a certain brand.
Horizontal Facings		The number of horizontal facings of product on a shelf.
Horizontal Space		The horizontal space taken up by products. It usually refers to a particular brand or category segment.
Hot Spot		A position on a shelf or display that generates increased interest, or sales of a product.
Incremental Sales		The additional sales of a product that have happened directly as a result of promotional or marketing activity. Sales over and above Base Sales.
In-Store Theatre	Fixture Display Retailtainment	Relates to any additional display material that enhances and adds excitement to the shopping experience. Usually refers to temporary cardboard or plastic display units, point of sale and signage.
Inventory	Stock Level	The level of stock available. Usually refers to products on the fixture itself, or in the total store when measured as part of demand management. (As opposed to the warehouse or total chain as often used in Supply Chain terminology)
Inventory Value	Stock Value	The monetary value of stock available.
KPI	Key Performance Indicators	Measures that are deemed essential in monitoring the category for example volume sales, gross margin.
Lead Time		Cycle time between order placement and delivery of goods. Lead times are usually expressed in number of days or hours.