

KEY RETAIL TERMS & ACRONYMS

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Acronym	Definition
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AM	Account Manager – Employee focused on managing relationship with retailer
AOV	Average Order Volume – what is predicted. The lower the AOV, the higher the conversion must be
ASP	Average Selling Price – Average price that a retailer sells a product for over a period of time
B2B	Business to Business
BGO	Blinding Glimpses of the Obvious
BOB	Best of Breed
BOM	Bill of Materials – Basic list of materials and costs to build a product
BUYER	Retailer employee focused on all aspects of buying & managing a category
CE	Consumer Electronics – CE retailers sell stereos, TVs, audio, PCs and other electronics products
COGS	Cost of Goods Sold – All of the costs associated with building a product to sell, including licenses and royalties
CPFR	Collaborative Planning Forecasting Replenishment – New standard codes and process for exchanging data with retailers
CRM	Customer Relationship Management
CTR	Click Thru Rate – sessions/impressions % of users who clicked an ad
CTS	Cost To Serve – All of the variable costs associated with selling through a retail account
DFI	Deducting From Invoice
DMM	Division Merchandising Manager – Retailer employee focused on managing multiple categories of products
DOJ	Department of Justice (US Government)
E3	Excellent Execution Everyday
EDI	Electronic Data Integration – A standard way of exchanging sell-in, sell-through & inventory data with retailers



Acronym	Definition
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EDLP	Everyday Low Price – A retailer policy of “no sales” and having the same price every day, pioneered by Walmart
EOL	End of Life – End of product life cycle when product is scheduled to be replaced on retail shelf
EOM	End of Month
EPC	Electronic Product Code – Electronic coding of information about a product coded on a RFID chip
EULA	End User License Agreement
FASB	Financial Accounting Standards Board – Creates standards and definitions for accounting, recent rulings on marketing expenses
FPP	Full Packaged Product – Products packaged to sell them one at a time off of a retailer’s shelf
FSI	Free Standing Insert – A stand alone retailer ad – Typically referred to a “circular” that is distributed in weekend papers
FY	Fiscal Year
GM\$	Gross Margin – A way to measure gross profit calculated as the difference between selling price and cost
GM%	Gross Margin expressed as a % – Calculated by dividing the Gross Margin \$ by the total sales \$
GMM	General Merchandising Manager – Retailer employee focused on strategy, management & profit of a broad spectrum on products
GMROF	Gross Margin Return on Floor – Gross margin or profit returned per floor space usually measure in gross margin per square foot
GMROI	Gross Margin Return on Investment
GMROI	Gross Margin Return on Investment

Acronym	Definition
GMROII	Gross Margin Return on Inventory Investment – Gross Margin \$ returned for every \$ invested in inventory (and inventory costs)
GNP	Gross National Profit
HQ	Head Quarters
IPQ	Initial Purchase Quantity
KPI	Key Performance Indicator
LCM	Life Cycle Management – Time & processes required to manage product from launch to end of life
LOS	Level of Service – Metric measuring % of time a vendor has pre-determined weeks of supply in all stores identified
LY	Last Year
MASS	Mass Merchant – Typically refers to a large national retail chain that appeals to the “masses”
MDF	Market Development Funds – Marketing investments given to retailers for specific ads, promotions and events
OOS	Out Of Stock – Physically means no product to sell or no product on the retail shelf, can be estimated from store inventory data
OPS	Typical abbreviation for Operations
OPM	Operations Product Manager – Responsible for launch of the product
OSP	Outlet Sales Productivity – Sell through measured at the retailer store level
OTB	Open To Buy – A retailer process and metric for calculating shipments needs based on current inventory and forward sell-through forecasts
P&L	Profit and Loss Statement – Generic term covering the financial evaluation of profit & losses by item or nature of expenditure or revenue item



Acronym	Definition
POP	Point of Purchase – Typically refers to all materials and physical setup in a retailer, in and around where the product is displayed
POS	Point of Sale – Typically refers to materials, brochures, signs at point of sale, or can refer to point of sale cash register
POSA	Point of Sale Activation – Process by which software becomes activated, useable, at the point of purchase
POV	Point of View
PR	Public Relations
PRM	Public Relations Management
RDF	Retailer Development Funds
RFID	Radio Frequency Identification – A microchip containing electronic product information & identification
ROI	Return on Investment – Generic term indicating profit returned or remaining after all investments (costs) are accounted for
ROP	Run of Press – Retailer ad that appears within a newspaper - e.g. an ad printed within a business section
R&R	Roles & Responsibilities
RSM	Release Services Manager – Process and system that enables product release to Manufacturing
RTV	Return to Vendor
Rule of 100	Retail Rule of 100 – An estimate of retailer profitability calculated by Gross Margin (%) times turns
SAM	Strategic Account Management
SCM	Supply Chain Management



Acronym Definition

Sell-in	Sales or shipments to a retailer
Sell-out	Sales or shipments to distributor
Sell-thru	Sales out to a consumer through a retailer
SG&A	Sales General & Administrative Costs – Typically refers to a "standard" way of calculating all major costs associated with selling a product
SKU	Stock Keeping Unit – A retailer term used to identify each individual product at a unique model and part number level
SOHO	Small Office Home Office – A general way of classifying a group of consumers who buy products for a small business or work at home office
SOV	Share of Voice – Share of your products' ad space relative to competitor products in the same ad
SW	Software
Ts&Cs	Terms and Conditions – Specific details on how each party will do business as specified in a contract or contract addendum
TO	Turnover or Inventory Turns – Calculated by dividing the sell-through for the period by the average inventory for the period
TY	This Year
UPC	Universal Product Code – Unique product code assigned to every product so that a bar code can be used for POS scanning
VP	Vice President – Position level in any organization
WOS	Weeks of Supply – How long inventory will last (in weeks) based on sell through rates – Reciprocal of Turns = 52 weeks divided by turns
YTD	Year To Date
YOY	Year Over Year