

Determining stocking options by market for durables



We are marketers of durables and have a wide spread of retail outlets. We want to identify best stocking options by markets.

DATA REQUIRED FROM THE GUIDE

- Contribution from Consumption to MPV - Volume I
- Contribution from CD1, CD2 and CD3 to Consumption - Volume I

SOLUTION

The Guide categorises durables into three segments based on price bands. We first list the various districts, its overall aggregate potential and contribution to MPV from CD1, CD2 and CD3. This will help arrive at a median value for each durable type as illustrated in table below. As an illustration, let us consider districts with similar contribution from consumption to MPV across states.

State	District	Contribution to MPV			
		Consumption	CD1	CD2	CD3
Andhra Pradesh	Warangal	11.71	2.83	2.03	1.12
Andhra Pradesh	Anantapur	14.1	3.31	1.98	1.19
Gujarat	Banas Kantha	11.71	1.69	0.80	1.15
Madhaya Pradesh	Jabalpur	12.8	2.72	1.58	1.82
Maharashtra	Sangli	16.66	3.12	1.90	1.74
Median			2.73	1.66	1.41

Based on the median we then assess market types as Poor, Average and Good as illustrated in the table below. On this basis we can decide stocking options or retail format.

State	District	CD1	CD2	CD3
Andhra Pradesh	Warangal	Average	Good	Poor
Andhra Pradesh	Anantapur	Good	Good	Poor
Gujarat	Banas Kantha	Poor	Poor	Poor
Madhaya Pradesh	Jabalpur	Average	Average	Good
Maharashtra	Sangli	Good	Good	Good

RESULT

As can be seen that Sangli offers good potential for durables across price bands and Banas Kantha is not worthwhile to consider.