



# Market Consumption

## Interpretation & Calculations

### OVERVIEW

The Market Consumption report lets you analyze a behavioral profile and its associated consumption value by detail-level geography. This analysis helps you identify which geographic units in your analysis area to focus on based on the consumption rate of its households in addition to its product usage and total number of households.

### BUSINESS ISSUES IT CAN SOLVE FOR:

- Identify the analysis areas in which households use a product or service by selecting one or more consumption profiles.
- Compare the frequency with which each analysis area consumes different products.

### WHAT QUESTIONS CAN IT ANSWER/WHY IS IT IMPORTANT?

- Where is the opportunity to increase the size of the sale?
- What is the volume or frequency for a product or service in an area?

### SAMPLE REPORT OUTPUT

Market Consumption		Base				Behavior		Average Consumption		Total Consumption		
Analysis Area Code	Analysis Area Name	Use Microwave Popcorn - 1mo (H)										
		Base Count	Base % comp	Estimated Users	% Comp	Users/100 HHs	Market Potential Index	Demand/Users	Market Consumption Index	Total Demand	% Share	Market Demand Index
13089	Dekalb County	308,098	13.85%	60,569	12.90%	19.66	95	3.72	99	225,574	12.75%	94
13135	Gwinnett County	309,822	13.93%	66,032	14.06%	21.31	103	3.67	98	242,644	13.71%	101
13015	Bartow County	[A] 38,089	[B] 1.71%	[C] 8,811	[D] 1.88%	[E] 23.13	[F] 112	[G] 3.95	[H] 105	[I] 34,817	[J] 1.97%	[K] 118
13231	Pike County	6,351	0.29%	1,533	0.33%	24.14	117	3.89	103	5,959	0.34%	121
	Total	2,224,325	100.00%	469,489	100.00%	21.11	103	4	100	1,769,677	100.00%	113

- A. Base Household Count: The number of households in the selected geography. Ex) There are 38,089 households in Bartow County.
- B. Base % Comp: The percentage of households in the selected geography compared to the total number of households in the base analysis area. Ex) Bartow County makes up 1.71% of Atlanta.

- C. Estimated Users: The total number of households/adults in each analysis area that fit the profile behavior. Note that if this is an adult profile, which is denoted by '(A)' in the profile name, this will be the estimated number of adults; otherwise, it is the estimated number of households. Ex) There are an estimated 8,811 households in Bartow County that use microwave popcorn.
- D. % Comp: The percentage of estimated users in the selected geography compared to the total number of estimated users in the base geography. Ex) 1.88% of microwave popcorn users in the Atlanta CBSA are located in Bartow County.
- E. Users/100 HHs: The proportion of households/adults that have the profile behavior compared to the total households in the selected geography. Ex) Out of every 100 households in Bartow County, there are an estimated 23.13 households that use microwave popcorn.
- F. Market Potential Index: The likelihood that the selected geography has households with the profile behavior, as compared to the base geography. Ex) Bartow County is 12% more likely to have households that use microwave popcorn compared to other counties in the base analysis area. An index of 100 is considered average.  
Note: If the data was run with the Analysis Area Index prompt turned off, the index compares to the entire U.S. instead of the base geography.
- G. Demand/User: The consumption per expected user in the selected geography. Ex) For households that are expected to buy microwave popcorn in Bartow County, the average household will spend \$3.95 on microwave popcorn.
- H. Market Consumption Index: The likelihood of finding sales/user in your selected geography. Ex) The amount of microwave popcorn sales per user household in Bartow County is 5% higher than the average sales per user in other counties in Atlanta. An index of 100 is considered average.
- I. Total Demand: The total expected consumption in the selected geography. Ex) There's an estimated \$34,817 in microwave popcorn sales in Bartow County.
- J. %Share: The percentage of expected consumption in the selected geography compared to the total consumption in the base analysis area. Ex) Bartow County makes up 1.97% of the expected microwave popcorn sales in Atlanta.
- K. Market Demand Index: The likelihood of finding expected consumption in your selected geography. Ex) The expected amount of microwave popcorn sales in Bartow County is 18% higher than other counties in the base analysis area. An index of 100 is considered average.  
Note: If the data was run with the Analysis Area Index prompt turned off, the index compares to the entire U.S. instead of the base analysis area.

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## REPORT FORMULAS

This analysis uses the following formulas:

- Percent Composition

$$\frac{\text{Geounit Count}}{\text{Total Count}} \times 100 = \text{Percent Composition}$$

- Users per 100 Households

$$\frac{\text{Estimated Behavior Count}}{\text{Base Count}} \times 100 = \text{Users / 100 HHs}$$

- Market Potential Index (MPI)

$$\left( \frac{\text{Estimated User Count}}{\text{Base Count}} \right) \times \left( \frac{\text{Profile Total Behavior Count}}{\text{Profile Total Base Count}} \right) \times 100 = \text{Market Potential Index}$$

- Market Consumption Index (MCI)

$$\frac{\text{Geounit's Consumption Rate (Measure)}}{\text{Profile's Total Consumption Rate (Measure)}} \times 100 = \text{Market Consumption Index}$$

- Percent Share

$$\frac{\text{Geounit's Total Demand}}{\text{Analysis Area's Total Demand}} \times 100 = \text{Percent Share}$$

- Market Demand Index

$$\left( \frac{\text{Geounit's Total Demand}}{\text{Geounit's Total Base HHs}} \right) \times \left( \frac{\text{Profile's Total Demand}}{\text{Profile's Total Base HHs}} \right) \times 100 = \text{Market Demand Index}$$