TPx Glossary & Terminology

If you've ever found yourself in a meeting room filled with finance, tech, and sales people, you know the feeling of your head spinning as they start throwing around their own language of acronyms. It can be overwhelming to keep up with all the jargon, especially when it comes to Trade Promotion Management. All the acronyms associated with TPx can leave many of us scratching our heads. To help make sense of it all, we've put together a comprehensive list of TPM acronyms to help you navigate the complex world of trade promotions with confidence.

Glossary

ACR	**Accrual**	The recognition of revenues or expenses in a company's financial statements before the cash is actually received or paid. This is based on the accounting principle of matching revenues and expenses in the period in which they are incurred, regardless of when the cash transaction occurs.
ACN	**AC Nielsen Company**	ACN, or Nielsen, is a syndicated data supplier
ACV	**All Commodity Volume**	A metric used in the retail industry to measure the total sales volume of a particular product category or brand within a specified time period, typically over the course of a year.
AI	**Artificial Intelligence**	AI is the development of computer systems to perform tasks normally having human intelligence such as speech recognition, visual perception, decision making and language translators etc.
API	**Application Programming Interface**	A set of routines, protocols, and tools for building software and applications.
ASP	**Average Selling Price**	The average price at which a company's products or services are sold over a specific period. ASP is calculated by dividing the total revenue generated from sales by the total number of units sold.

B2B	**Business-to-business**	Business sells to other businesses (CPG Manufacturers are B2B).
B2C	**Business-to-consumer**	Businesses that sell to consumers (Grocery stores are B2C).
BI	**Business Intelligence**	Set of tools and methodologies that can analyze, manage, and deliver information which is relevant to the business. It includes reporting/query tools and dashboard same as found in analytics. BI technologies provide previous, current, and upcoming views of the business operations.
CID	**Cost per Increased Dollar**	The cost of gaining and incremental dollar in sales.
COGs	**Cost of Goods Sold**	The direct costs associated with producing and delivering a company's products or services. COGs include the cost of materials, direct labor, and overhead expenses related to the production and delivery of the product or service.
CRM	**Customer Relationship Management**	A set of practices that allows an organization to manage and analyze its past, current and future interactions with customers.
CX	**Customer Experience**	The impression the company makes on its customers. This includes direct interactions with the organization's stores and employees as well as the overall perception of the brand.
DA	**Database Administrator**	DBA is the big data term related to a role which includes capacity planning, configuration, database design, performance monitoring, migration, troubleshooting, security, backups and data recovery. DBA is responsible for maintaining and supporting the rectitude of content and structure of a database.
DC	**Distribution Center**	A Distribution Center (DC) is a facility used by companies to store, manage, and distribute their products to retailers, wholesalers, or directly to end customers.
Disp	**Display**	Any arrangement or presentation of products that are designed to draw attention, engage customers, and drive sales, in the context of the grocery industry it is typically a secondary location away from the main shelf set.
DSD	**Direct Store Delivery**	A distribution model in which a manufacturer or distributor delivers products to individual retail stores rather than a warehouse.

ERP	**Enterprise Resource Planning**	A process of managing crucial day-to-day activities and other parts of business. It's often assisted by software and technology.
ETL	**Extract, Transform and Load**	These three functions are combined together into one tool to place them from one to another database.
F&D	**Feature & Display**	A retail merchandising event that combines feature and display on the same products, in the same stores at the same time.
Feat	**Feature**	An advertisement of a product in a printed or electronic flier.
FMCG	**Fast Moving Consumer Goods**	Products that are sold quickly and at a relatively low cost. FMCG products are typically consumed or used on a daily or frequent basis, and include items such as food and beverages, personal care products, cleaning supplies, and household goods.
FSDU	**Free Standing Display Units**	Standalone displays which present specific available products. They're used in the retail industry to influence buying patterns.
GM	**Gross Margin**	A financial metric that measures the profitability of a company's products or services. It is calculated by subtracting the cost of goods sold (COGS) from the revenue generated by sales and expressing the result as a percentage of revenue.
IRI	**Information Resources, Inc**	IRI is a syndicated data supplier.
KPI	**Key Performance Indicator**	A measurable metric used to track and evaluate the performance of an individual, team, department, or organization in achieving specific objectives or goals.
MDB	**Multi-dimensional Database**	A kind of database which is optimized for OLAP (Online Analytical Processing) applications and data warehousing. MDB can be easily created by using the input of relational database.
ML	**Machine Learning**	Machine learning, a component of artificial intelligence, is a computer science field that makes use of statistical strategies to provide the facility to "learn" with data on the computer. Machine learning is used for exploiting the opportunities hidden in big data.

OLAP	**Online Analytic Processing**	It is the process by which analysis of multidimensional data is done by using three operators – drill-down, consolidation, and slice and dice.
OOS	**Out of Stock**	An item that is authorized to sell in a store and has shelf space, but no product is available.
P&L	**Profit & Loss**	A financial statement that summarizes a company's revenues, costs, and expenses over a specific period of time, typically a quarter or a fiscal year.
POP	**Point of Purchase**	The setup where retailers plan and execute the promotion of specific products, in the case of brick-and-mortar stores, it's often near the place where transactions are completed.
POS	**Point of Sale**	While POS is literally the point where the consumer purchase the product, in this context it typically refers to the data set of sales through the register, or sell-out data.
RGM	**Revenue Growth Management**	A strategic approach that aims to optimize a company's revenue growth by maximizing the value and profitability of its products or services. RGM typically includes pricing optimization, promotion effectiveness, product mix analysis and trade spend optimization.
RM	**Retailer Margin**	Retailer Margin is calculated as a percentage of the product's selling price. For example, if a retailer purchases a product from a supplier for $50 and sells it to a customer for $100, the Retailer Margin would be $50 or 50% of the selling price.
ROI	**Return on Investment**	A financial metric used to measure the profitability of an investment or project, (Net Profit / Cost of Investment) x 100.
RTM	**Route to Market**	The way a retailer provides the products to the target demographic at the right time. It's the channel or model of distribution which allows companies to sell their products to shoppers.
SaaS	**Software as a Service**	SaaS allows vendors to host an application and then make this application available over the internet. The SaaS services are provided in the cloud by SaaS providers.
SKU	**Stock Keeping Unit**	A detailed description of a purchasable item that includes all its attributes such as size, colour and other data relevant to tracking a store's inventory.

SOP	Standard Operating Procedure	A written document that outlines the steps, procedures, and guidelines for performing a particular task or process.
SQL	Structured Query Language	SQL is a standard programming language that is used to retrieve and manage data in a relational database. This language is very useful to create and query relational databases.
TPM	Trade Promotion Management	The process of budgeting, allocating, promotional planning and execution, reconciliations and creating financial accruals.
TPO	Trade Promotion Optimization	A process that involves using data and analytics to optimize trade promotions to maximize their impact on sales and profitability.
TPR	Temporary Price Reduction	A sale price indicated by a shelf tag in store, where the price is reduced for a specific period of time.
TPx	Trade Promotion (x includes trade promotion management, trade promotion optimization and effectiveness analytics)	According to the Promotion Optimization Institute (POI), TPx is inclusive of trade promotion management, trade promotion optimization, trade promotion effectiveness and analytics.
UPC	Universal Product Code	A special code printed on product packaging that allows for the identifying of a particular item. It consists of two components—a unique series of black bars which serves as a machine-readable barcode, and a 12-digit number placed below it.