Brand Development Index

Description: A comparative market-by-market measure of a brand's sales performance.

Purpose: Used to decide the relative sales value of one market over another.

Figures Needed: a. The brand's sales per market (as percentage of total).

b. Population per market {as percentage of U.S.}

Formula:

$$\frac{\textbf{Market brand sales x 100}}{\textbf{Market 's population in \%}} \textbf{ = Brand Development}$$

Steps:

1. Multiply markets sales percentage by 100.
2. Divide the sales figure by market's percentage of population.
3. Repeat for all markets
4. Rank order markets from highest BDI to lowest.

Illustration: Market A has a 2.4% of brand sales and 3.8% of U.S. population. Market B has 2.9% sales and 3.0% U.S. population. Which market has the higher BDI?

$$\frac{2.4 \times 100}{3.8} = \textbf{63 Market A's BDI}$$

$$\frac{2.9 \times 100}{3.0} = \textbf{96.6 or 97 Market B's BDI}$$

* BDI figures are not standardized. Firms use brand distribution, CDI, retail sales, and media coverage populations to compute BDI. Shown is the most basic style used.