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# Certified Professional Category Manager (CPCM)

## Category Management Association (CMA) Category-Manager

**Version Demo**

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## QUESTION NO: 1

A supplier recommends adding a new item because it has strong sales in a small set of stores. The item's Sales per Point of Weighted Distribution is high, but its household penetration is low. Which recommendation is MOST appropriate?

**A.** Test distribution expansion in stores with similar shopper demand before pursuing a broad rollout.

**B.** Roll the item out to every store because its Sales per Point of Weighted Distribution is high.

**C.** Delist the item because low household penetration proves it lacks shopper appeal.

**D.** Increase the item's price to improve household penetration.

## ANSWER: A

**Explanation:**

**Test distribution expansion in stores with similar shopper demand before pursuing a broad rollout.** is correct. High Sales per Point of Weighted Distribution indicates that the item performs strongly where it is currently available. Low household penetration indicates that its buyer base is still narrow. Together, these findings support a targeted opportunity: expand selectively into stores whose shoppers resemble the locations where the item already succeeds, then evaluate whether productivity remains strong.

A broad rollout would assume that strong performance will transfer to all stores without testing local demand. Delisting the item would ignore its strong productivity, while increasing price would not address the question of where additional distribution is most likely to succeed.

## QUESTION NO: 2

A low-volume SKU is proposed for delisting because it contributes only 1% of category sales. Shopper research shows that its buyers are disproportionately new to the category, and removal testing indicates that most of its volume would leave the category rather than switch to another item. Which action is BEST?

**A.** Delist the SKU because its category sales contribution is below 2%.

**B.** Retain the SKU while reviewing its space allocation and operational economics.

**C.** Replace the SKU with the highest-selling item in the category.

**D.** Increase the SKU's facings until its item share matches its buyer share.

## ANSWER: B

**Explanation:**

**Retain the SKU while reviewing its space allocation and operational economics.** is correct because the SKU appears to have meaningful incremental contribution despite its low item sales. If most volume would leave the category when the SKU is removed, its sales are not simply duplicated by existing alternatives. It may serve a distinct shopper need and help recruit or retain category buyers.

A category manager should still review margin, supply complexity, shelf productivity, and the SKU's role in the assortment. However, delisting solely because of low sales would ignore the evidence that the item contributes incremental category volume. Adding facings without assessing productivity would also be premature.

## QUESTION NO: 3

Using the chart, what is the most complete insight for Mid-Mart regarding the Snack Category?

**A.** The Snack Category is 5.0 points behind the Total Store driven by the Club Channel and represents a $10,000 opportunity.

**B.** The Snack Category is 5.0 points behind the Total Store.

**C.** The Snack Category is 5.0 points behind the Total Store driven by the AO Grocery Channel and represents a $10,000 opportunity.

**D.** The Snack Category is 5.0 points behind the Total Store and represents a $10,000 opportunity.

**ANSWER: A**

**Explanation:**

The Snack Category is 5.0 points behind the Total Store driven by the Club Channel and represents a $10,000 opportunity. This is the most complete insight because it combines the three elements needed to turn performance data into an actionable category-management finding: the magnitude of the category's performance gap versus the Total Store benchmark, the channel responsible for driving that gap, and the estimated financial value available from closing it. A five-point deficit establishes the scale of the issue, while identifying the Club Channel focuses subsequent analysis and action on the relevant competitive or channel dynamic rather than treating the category result as a broad, undifferentiated problem. Expressing the implication as a $10,000 opportunity translates the performance gap into a commercial outcome that Mid-Mart can prioritize, evaluate, and use to support recommendations. This structure reflects the category-management practice of using facts to identify an issue, isolate its source, and quantify the business opportunity before developing tactics. Category management is intended to support shopper- and data-led decisions that improve category and retailer results; see the Category Management Association and NielsenIQ's overview of category management.

## QUESTION NO: 4

A retailer's loyalty data shows that its frequent category buyers spend an average of $48 per quarter in the category at the retailer. The retailer does not know how much those households spend on the category at competing retailers. What can the retailer conclude about its Share of Wallet?

**A.** It has a 48% Share of Wallet because households spend $48 per quarter.

**B.** It cannot calculate Share of Wallet without the households' total category spending across retailers.

**C.** It has a high Share of Wallet because the households are frequent category buyers.

**D.** It can calculate Share of Wallet by dividing household spend by category sales at the retailer.

**ANSWER: B**

**Explanation:**

**It cannot calculate Share of Wallet without the households' total category spending across retailers.** is correct. Share of Wallet measures the proportion of a shopper's total category spending that is captured by a specific retailer. Loyalty data identifies spending within the retailer, but it does not independently show purchases made elsewhere.

The retailer can use the loyalty result to assess internal category spend and segment its buyers, but a household panel or another source with market-wide household spending is needed to calculate Share of Wallet. Dividing retailer spend by total retailer sales would measure neither household Share of Wallet nor market share.

## QUESTION NO: 5

What does the Product Demographic Affinity Profile (PDAP) Index measure?

**A.** The strength of a demographic group's preference for a product or category compared to the general population.

**B.** The total sales of a product to all demographic groups.

**C.** The likelihood of a product succeeding in a new market.

**D.** The percentage of a product's sales within a specific region.

**ANSWER: A**

**Explanation:**

The strength of a demographic group's preference for a product or category compared to the general population is correct because the Product Demographic Affinity Profile (PDAP) Index is an affinity, or indexing, measure. It evaluates whether a specified demographic group purchases or contributes sales for a product or category at a rate that is disproportionately high, typical, or low relative to an overall benchmark population. In category-management store clustering, this makes PDAP useful for connecting localized customer demographics to category-specific demand. A high index signals that the category has a stronger-than-average relationship with that demographic, helping teams identify stores with similar demand potential and tailor assortment, space, promotion, and execution decisions accordingly. The essential feature is the comparison: the measure is not simply a count of sales or a demographic description, but a relative indication of product-category affinity. This use of indexed consumer and shopper data is consistent with category-management practice, which applies shopper insight to localized assortment and merchandising decisions. See the Category Management Association and NielsenIQ's overview of consumer segmentation for context on using demographic and shopper data to understand demand.

**QUESTION NO: 6**

What are the three steps of Rolfe's Reflective Model for storytelling?

**A.** 'Who?', 'What Happened?', and 'What Now?'

**B.** 'What If?', 'Why Not?', and 'What's Next?'

**C.** 'Why?', 'How?', and 'What Next?'

**D.** 'What?', 'So What?', and 'Now What?'

**ANSWER: D**

**Explanation:**

'What?', 'So What?', and 'Now What?' is the correct three-stage framework in Rolfe's Reflective Model. Originally developed by Rolfe and colleagues as a concise approach to professional reflection, it guides a person from describing an event or observation, through interpreting its significance, to deciding an appropriate future response. In category-management storytelling, this provides a practical structure for turning data into a decision-oriented narrative. 'What?' establishes the relevant facts, such as shopper, market, sales, or range-performance observations. 'So What?' identifies the business meaning of those facts: the implication, opportunity, risk, or insight that leaders need to understand. 'Now What?' converts that insight into a clear recommendation, priority, or action plan. The sequence prevents a category review from stopping at descriptive reporting and instead ensures that the story connects evidence with strategic action. This is especially valuable when communicating category insights to stakeholders, because the audience can follow a logical path from the observed situation to the reason it matters and the action required. The University of Edinburgh's reflection guidance describes Rolfe's model using these same questions and explains their progression from description to making sense of the situation and planning next steps. See University of Edinburgh: Rolfe et al.'s Reflective Model and Rolfe, Freshwater, and Jasper's published model.

**QUESTION NO: 7**

How many units do we need to sell at $16 to Break-Even on Gross Profit?

| Item A Price | Item A Gross Profit | Item A Units Sold |
|---|---|---|
| $20 | $6 | 100 |
| $16 | $2 | X |

**A.** 300

**B.** 100

**C.** 125

**D.** 600

**ANSWER: A**

**Explanation:**

**300** is correct because this question asks for break-even in *gross-profit dollars*, meaning the total gross profit earned at the new selling price must equal the original total gross profit. The starting item economics show gross profit of $6 per unit and sales of 100 units, producing $600 in total gross profit ($6 × 100). At the proposed $16 selling price, gross profit falls to $2 per unit. Therefore, the required unit volume is calculated by dividing the $600 gross-profit target by the new $2 gross profit per unit: $600 ÷ $2 = 300 units.

This is a standard retail pricing and category-management volume trade-off: a lower price may require substantially more unit movement to preserve gross-profit contribution. Gross margin is the difference between sales revenue and the cost of goods sold, and evaluating the dollar contribution—not just the margin percentage—is essential when assessing a price change. The calculation also illustrates why category managers should consider the demand and volume response required before implementing a price reduction. See the Corporate Finance Institute's gross-margin overview and the AccountingCoach explanation of break-even analysis.

## QUESTION NO: 8

A retailer's category sales grew 8%, while Total Store sales grew 3% and the total market category grew 10%. Which statement provides the most useful category-management insight?

**A.** The category is underperforming Total Store because it grew only 8%.

**B.** The category is outperforming the retailer's Total Store but trailing the market, creating a need to diagnose the retailer-specific gap.

**C.** The category is gaining market share because its sales grew faster than Total Store.

**D.** The category's performance matches the market because both results are positive.

**ANSWER: B**

**Explanation:**

**The category is outperforming the retailer's Total Store but trailing the market, creating a need to diagnose the retailer-specific gap.** is correct. The category is a positive contributor within the retailer because its 8% growth exceeds Total Store growth of 3%. However, the category is growing more slowly than the total market at 10%, which indicates that the retailer may be losing relative category momentum versus competitors.

A complete insight compares the category with both an internal benchmark and the relevant external market benchmark. Stating only that sales grew 8% misses the strategic context, while claiming the retailer is gaining market share would contradict its lower growth rate versus the market.