

Making Customer Segmentation a Reality at Customer Facing Level

Client ~ External

AAH Pharmaceuticals are one of the largest distributors of Pharmaceuticals in the UK. They are part of the Celsio group one of the largest distributors of Pharmaceuticals in Europe. They operate a retail arm that trades under the Lloyds fascia
AAH Pharmaceuticals have direct relationships with:- Independent Pharmacists, Dispensing Doctors, Regional Multiples and National Multiples.

The Brief

- ~ Development of a Value and Needs based approach to segmenting the Independent and Dispensing Doctors customer base.
- ~ Develop a Value and Needs based approach to segmenting the regional multiple and national chain customer base.

What we did

- ~ Established a steering group and champion team.
- ~ Analysed the customer base on a value and customer needs base.
- ~ Segmented the customers and tested the profiling against a sample of actual customers.
- ~ Developed the generic customer proposition.
- ~ Worked through the champion team to segment the proposition to reflect customer needs and value. Providing a proposition footprint by segment.
- ~ Worked through the champion team to develop a contact strategy that reflected customer need and value potential. Implemented through the team and into the sales force and telesales.
- ~ In conjunction with IT developed the linkage between the segmentation framework and approach to the sales force CRM system.

Improving your customer management
for bottom line growth



Developing a Customer Centric Organisation

The Impact

- ~ Re-deployment of sales resources to enhance coverage of key current and potential customers.
- ~ Customer retention increased.
- ~ Increased value through share increase of the top customers.
- ~ Increased efficiency in managing the commercial resources (cost release)
- ~ Low value, low potential customers increased margin due to the change in the cost of the contact.
- ~ Improved new business conversion and development due to additional field force focus.
- ~ Clarity around where the proposition needed to be enhanced and areas that provide competitive advantage.

The result

Over the last three years average volume has increased by 6% and up until this year value at 6-7%. Profit is double digit (We are unable to detail actuals due to client confidentiality).

What next

With the segmentation framework in place, AAH want to look at enhancing their customer experience by segment. They are also looking at developing the proposition for key segments to drive competitive advantage. That will be part of another case study.

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