

# Enhancing your independent pharmacy sales with ZIP code analytics

When you're responsible for the sales of a consumer manufacturing company, you know you have the opportunity to improve the performance of over-the-counter (OTC) products in independent pharmacies. However, while most companies have some data on sales performance in this channel, you often don't have access to the actionable insights to make the most of the opportunity.

Cencora's **CustomConnect** is a targeted suite of marketing and communication services. It can integrate tailored messages seamlessly into the workflows of independent pharmacies to facilitate the OTC sales process.

The program now includes an option for the **ZIP Code Analysis Report**, a powerful analytics tool. The ZIP Code Analysis Report enhances marketing campaigns by providing data-driven insights with geographic specificity. This makes it easier for you to make an impact on the independent pharmacies where you have the best opportunity to improve sales – without using additional resources to conduct this analysis on your own.

## Challenges for OTC sales at independent pharmacies

Many consumer product manufacturers have challenges in the independent pharmacy segment, resulting in missed sales opportunities. These challenges include:



**Lack of targeted market data** – Consumer manufacturing companies aren't able to invest in access to detailed sales data for their product category because sales and marketing resources are dedicated to other channels.



**Resource constraints on analysis** – Due to the resource limitations, there is also limited analysis of independent pharmacy data to know where to prioritize marketing tactics.



**Insufficient insight into marketing effectiveness** – The absence of sales data and analytics makes it difficult to determine which marketing tactics are driving results.



## CustomConnect with the ZIP Code Analysis Report

**CustomConnect** helps to maximize your brand visibility and product sales by delivering approved messaging through Cencora's extensive network of independent pharmacies. We help deploy multiple tactics – such as email, web banners, print brochures, and trade shows – to facilitate outreach to decision-makers and drive sales.

The **ZIP Code Analysis Report** is a new targeting solution that can be integrated with CustomConnect to further address manufacturer challenges in the independent pharmacy channel. The ZIP Code Analysis Report provides detailed information about market share by ZIP code, correlations between OTC product sales and prescription trends, as well as marketing campaign performance. You can make the most of your marketing spend by using the report's data and analysis to deploy the best performing marketing tactics in the exact ZIP codes where they will have the biggest impact.

**“When we show manufacturers the correlation between OTC product sales and prescription medications, they get insights into what their penetration rate should be,” says Robert Steidle, PhD, Vice President, SGS Analytics & Market Research at Cencora. “CustomConnect with the ZIP Code Analysis Report enables them to identify areas where they can gain share, prevent losses, or simply maintain their current success – helping optimize their efforts.”**

### Key components of CustomConnect's ZIP Code Analysis Report

- 1. Market share and size:** Market share and size by 5-digit ZIP code for an OTC product category distributed by Cencora
- 2. Opportunity ranking:** Highest opportunity ZIP codes where sales can be improved based on complementary medication prescription activity



### Detailed market share and size with ZIP-5 data

The ZIP Code Analysis Report delivers targeted marketing data by going beyond traditional ZIP-3 data with 5-digit ZIP code accuracy, offering detailed geographic insights of market share and size across the over 42,000 ZIP codes in the U.S.

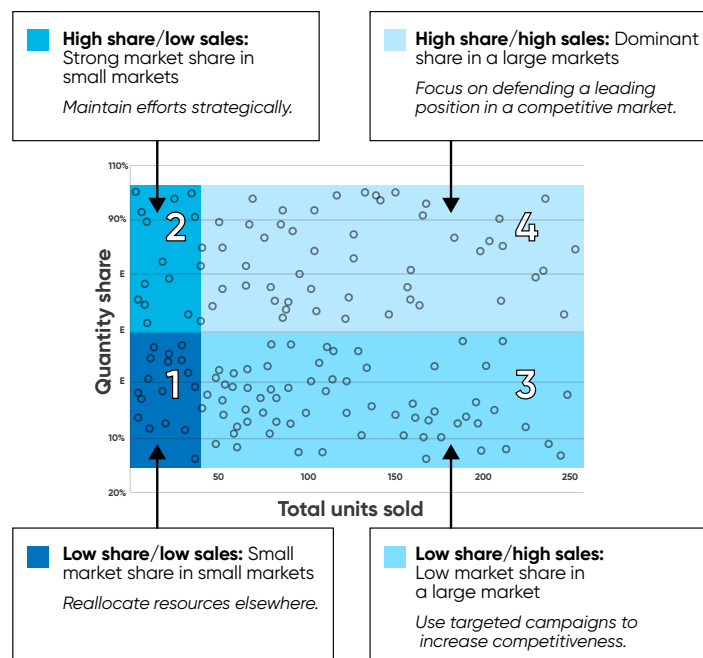
The geographic specificity of the data enables you to:

- Target specific areas where you may have a competitive advantage you can capitalize on.
- Identify highly competitive locations where you may need to defend a market position.
- Spot low performing markets where you may want to shift resources away from.

This can facilitate the tailoring marketing strategies by ZIP code, in order for these strategies to have the biggest impact (See Figure 1).

**Figure 1: 5-digit ZIP codes by market share and size**

The ZIP Code Analysis Report segments 5-digit ZIP codes into four categories, enabling companies to tailor marketing strategies with geographic specificity.



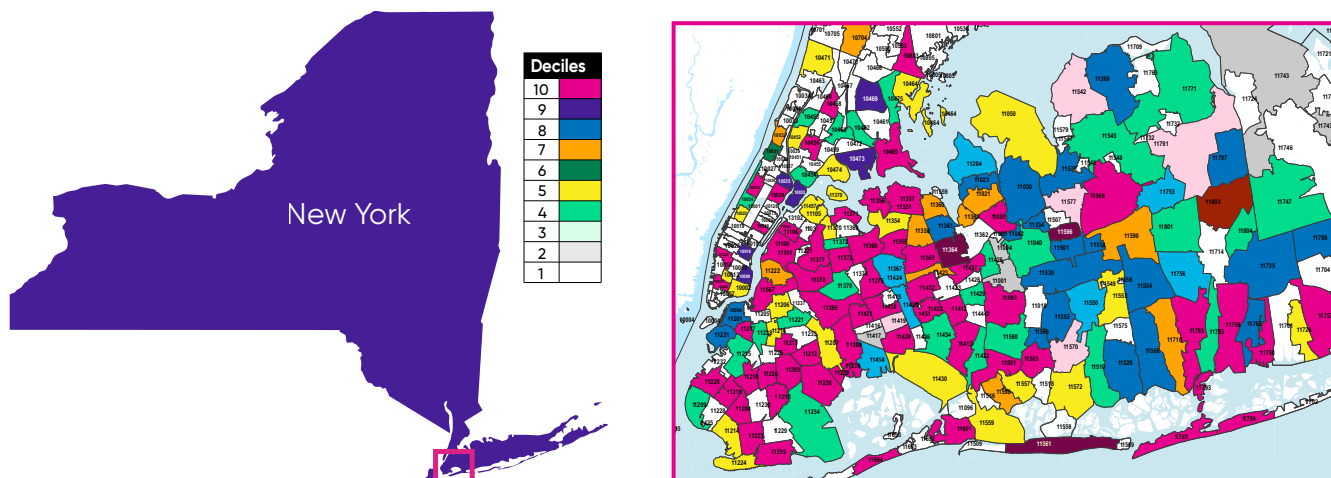


## Decile ranking for prioritizing opportunities

The ZIP Code Analysis Report further provides actionable analysis with opportunity ranking of ZIP codes into deciles based on the prescription activity of a complementary medication. Your product is more likely to be bought at independent pharmacies where a complementary medication is more frequently dispensed.

With this opportunity ranking, high-decile ZIP codes indicate areas with high prescription activity and greater OTC sales potential. Low-decile ZIP codes indicate areas where there may not be a significant opportunity to improve sales (Figure 2).

**Figure 2: Sample map of ZIP codes by opportunity ranking**



For example, vitamin manufacturers can identify ZIP codes in which GLP-1 prescriptions for weight loss are high. It may be a good opportunity to prioritize independent pharmacies in these ZIP codes that are also in the competitive low share/high sales category with promotion of OTC magnesium and vitamin D supplements – that are recommended for patients on a GLP-1 medication.

**“Effective sales and marketing is all about optimization,” says Brian Hausman, Cencora’s Director of Analytics. “You only have a certain amount of money to spend on marketing. The key is having a strategic tool that lends itself to tactical and operational decisions that maximize results.”**



## A/B testing to optimize marketing effectiveness

Without the right data and analysis, you may not know what your most effective marketing tactics are. A/B testing using the data of the ZIP Code Analysis Report enables you to determine the performance of CustomConnect tactics.

**A/B testing** is a quantitative approach where both locations are identical and one (A) receives a treatment and the other (B) does not. The difference in location performance is attributed to the treatment that was introduced to A.

The ZIP-5 data in the report enables you to use A/B testing for specific areas. Furthermore, quarterly updates to the ZIP Code Analysis Report can be used in A/B testing to detect changes over time.

## A/B testing with the ZIP Code Analysis Report could include:

- **Comparing presence vs. absence of tactics:** The sales data of areas where CustomConnect tactics are used could be compared to other areas that have identical market conditions where no tactics are used.
- **Testing variations of messaging:** A/B testing also can involve testing the sales impact of deploying one version of a message in a specific area and a variation elsewhere.

Utilizing ZIP Code Analysis to do A/B testing enhances the effectiveness of CustomConnect marketing campaigns. It provides insights about allocating resources to both the ZIP codes and the tactics that will have the biggest impact.

## Better data and insights for improving marketing tactics

The ZIP Code Analysis Report can be useful at any point during your planning cycle to optimize your CustomConnect marketing campaigns.

**“Manufacturers should incorporate the ZIP Code Analysis Report during their annual planning cycles, when determining marketing budgets and strategies. Integrating it early ensures that marketing plans align with data-driven insights, maximizing opportunities for growth,” says Amy Illig, Vice President, Promotions and Operations at Cencora. “But they can also add the ZIP Code Analysis functionality at any time in order to address specific challenges or goals in real time.”**

By adding this tool to CustomConnect programs, you can better drive market share growth, target high-potential areas, and allocate resources to the tactics that will have the biggest sales impact.



**Learn how the ZIP Code Analysis Report** can enhance your CustomConnect campaigns. [Contact Cencora today](#) to unlock new opportunities and maximize OTC product sales in independent pharmacies.