

An  Success Story

HOW AN IMPROVED DISTRIBUTION PROCESS HELPED REACH NEEDY YOUNG MOTHERS IN THAILAND



Many Asia-Pacific markets are experiencing unparalleled growth. Thailand is no exception, with its economy proving to be one of the most dynamic and prosperous in the region. The increasing affluence has been matched by a steadily rising birthrate as confident young couples buy homes and start new families.

Rapid changes in Thai demographics are opening many opportunities for marketers. Those best equipped to cash in are those with both local experience and knowledge of modern marketing and distribution techniques.

It's true that the biggest winners in Thailand will require an intimate knowledge of Thai people and have advanced sales and distribution techniques. But in fact any brand can quickly enjoy success in Thai markets by outsourcing its marketing and distribution functions. When multinationals seek such a partner, the name that inevitably surfaces is IDS.

The following pages detail how IDS Marketing and IDS Logistics successfully introduced a program in Thailand to expand awareness of customer's product range among new mothers .



A member of the Li & Fung Group



A LOGISTICAL AND MARKETING CHALLENGE

In 2002, IDS Marketing was approached by an existing customer to examine ways of stimulating consumer acceptance and sales growth for a number of their products in the infant nutrition category.

THE SITUATION

The customer in this case is a global multinational player in both healthcare and FMCG products. The requirement was for IDS Marketing to deliver samples of an infant nutrition product to new mothers while they were still in the post-natal stage of their hospital stay. This was crucial for both the mother and the infants' acceptance of the product.

There was a maximum of two-day window to deliver the samples. This meant after sample requests were entered into the IDS computer system, a perfect logistics follow-up was required for ultimate success and hopefully customer acceptance.

Previous attempts to achieve such a near perfect outcome had proven elusive. Hospitals and mothers complained that samples arrived long after mother and baby were discharged from the hospital, or didn't arrive at all.

The customer recognized that despite its best intentions, not only were the results disappointing, but also they were permanently annoying potential advocates for the brand.

After weighing its options, the customer decided to get help from IDS Marketing.

THE SOLUTION

IDS Marketing joined forces with IDS Logistics to perform a supply chain diagnostic. They analyzed the distribution process, from the moment a sample was requested by the hospital, to the time it was delivered to the mother.

The results revealed a key bottleneck at the customer's office. Here, written approvals had to be obtained from up to four different staff members. It was also discovered that the request would then need to be hand-delivered to IDS Marketing on the other side of Bangkok, thus creating further delays.

The entire process could take up to two weeks, resulting in disappointment for all concerned.

To correct the problem, IDS Marketing gave the customer direct access to its Warehouse Management System (EXceed CS) by creating a simple PC program that would allow direct access to the customer's sample products and hospital database.



Instead of four people approving the release of a sample, the person operating the sample ordering system at the customer's office was given the authority to approve. It was further mandated that all sample requests would be entered into the EXceed system the same day that the order was received.

IDS Logistics then promised the immediate dispatch of sample orders to locations outside of Bangkok on the same evening with more than 90% of deliveries being completed the following day. In Bangkok, more than 98.5% of deliveries were made the day following the receipt of order.

THE RESULT

The customer and the healthcare professionals were both very happy with the outcome. Complaints fell from a torrent to a trickle. New babies unable to get adequate supplies of natural mothers' milk were now able to get a nourishing quality substitute. The new mothers were able to leave hospital secure in the knowledge that their babies had a suitable milk substitute.

The use of the EXceed CS system had an additional and very positive spin-off, with the customer now receiving an array of computer generated management reports that provided a very detailed view of the sample distribution program.

Best of all, the customer noticed a dramatic increase in sales performance that was clearly influenced by the better availability of samples. Sales in 2002 jumped by more than 50% over the previous year, with significant year-on-year growth experienced since then.

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improved availability of samples. //**

COLLABORATING FOR SUCCESS – THE IDS APPROACH

The IDS Group offers a comprehensive menu of Integrated-Distribution Services in three key areas: marketing, logistics and manufacturing. Our role is to help multinational brand owners get their products into the hands of consumers in Asia.

- We have more than a century of experience in logistics and distribution in the Asia Pacific region
- We have invested millions of dollars to develop a cutting edge pan-Asian logistics and distribution infrastructure
- All our operations are supported by a sophisticated and transparent IT network that provides customers with complete visibility into every aspect of their supply chain operations
- We offer a complete range of marketing services including research, analysis, merchandising, promotions, sales, billing and collecting
- Our expertise reaches into every market segment, from footwear and fashion, to FMCG and healthcare
- IDS customers also have access to comprehensive contract manufacturing facilities in three Asian destinations
- We provide complete flexibility, customers can pick and mix the services they need most
- We own no brands nor operate any outlets of our own – all our resources and knowledge are dedicated to enhancing our customers' businesses
- We put together small, dedicated, experienced teams with the know-how, resources and entrepreneurial attitude necessary to enhance your business

INTEGRATED-DISTRIBUTION SERVICES FROM THE IDS GROUP

The IDS Group provides our business partners a menu of Integrated-Distribution Services in three core businesses across Asia:

Marketing, Logistics, and Manufacturing

Logistics is the fundamental enabler, connecting each into an end-to-end value chain from raw materials to consumer.

We call this unique proposition

Value-Chain Logistics

