

XPLN

The Importance
of Insight



CASE STUDY

Klosterfrau Healthcare Group

Full data power for the traditional brand: How more
transparency strengthens online trade



Orientation for the brand that gives orientation itself

The Klosterfrau Healthcare Group is one of the most important German pharmaceutical companies and, with more than 1,700 employees at 17 locations worldwide, it is one of the leading international suppliers in the field of self-medication. Its origins go back to 1826, when Maria Clementine Martin, the convent nun (DE: Klosterfrau) who gave the company its name, founded a small company in the immediate vicinity of Cologne Cathedral to manufacture her remedies. This way, she wanted to share her rich knowledge of the healing powers of nature with her fellow human beings.

This claim has not changed until today, only the range has become somewhat larger. Based on new scientific findings and combined with the development of new markets, the product range has been constantly expanded and currently counts more than 220 innovative products.

Among others, the Klosterfrau Healthcare Group includes Divapharma GmbH in Berlin and Cassellamed GmbH & Co. KG in Cologne. In addition to the best-known Klosterfrau products – the genuine Klosterfrau Melissengeist and Klosterfrau Mobilind Franzbranntwein – and the taxofit assortment, more than 200 other products are sold. These include such well-known preparations as neo-angin throat tablets, nasac, Soledum and Bronchicum.

The Klosterfrau Healthcare Group is a fundamental part of home pharmacies with its many helpful products.

This historically grown and shaped brand image needs to be aligned with current perceptions and ensure optimal presentation in online retail – which extends to the price mapping of each individual product in every environment involved. To achieve this, the company has been working with XPLN since the beginning of 2020.



Challenge

Knowing what is happening to do the right thing

The more extensive the company's own range, the more difficult it is for brands to achieve transparency in online retailing and to know what is happening at which point with which product. Given its size and product portfolio, the Klosterfrau Healthcare Group thus needed a far-reaching overview of the active environment and the multitude of channels on which its products are sold - and of each individual product there. It was initially unclear what the presentation of the brand and its products by online retailers looked like.

The essential questions were:

- _____ Which retailers offer the products?
- _____ Through which portals, platforms, stores?
Which products are offered?
- _____ What prices are charged for which product?
What does this look like for the competitor products?

Elementary information for the Klosterfrau Healthcare Group to understand price movements and correlations - for example, to be able to compare them with seasonal developments such as the hay fever or cold season. And to derive insights for further pricing and visibility measures.

Until then, the company had relied primarily on its own empirical values. However, it was clear to those responsible that they needed well-founded figures, data and facts for a targeted approach, and that this could hardly be done manually.

Therefore, the Klosterfrau Healthcare Group was looking for a suitable solution partner who could meet these challenges

in an automated manner and with appropriate data quality, and after some research, XPLN came to its attention.

"It was primarily the extensive expertise in data research and analysis, but also the market knowledge including the deep expertise in the pharmacy segment, which immediately set XPLN apart from other providers," says Niklas Gerwin, Channel Manager E-Commerce at Klosterfrau Healthcare Group, naming the decisive reasons for the cooperation. "The clear differentiator for us is that XPLN scores above all with comprehensive consulting, in addition to the outstanding software."

Transparency as the goal

The first and fundamental objective of the collaboration was to establish a reporting system for the company's entire product portfolio, which Klosterfrau Healthcare can use to continuously analyse the market. In view of the enormous volume and scope of the product range, the scope is initially limited to the German market. The reporting was realized within the first few weeks of the collaboration. XPLN acts primarily as a reliable data provider here and provides an elementary contribution for the fact-based analysis and resulting gain in knowledge.

The overriding goal was and is to obtain a holistic picture of price movements in all relevant e-commerce channels and price search engines. Including the development of competitors' prices in comparison to our own. And also to gather knowledge about the pricing strategies of the competition in the various channels in order to create – based on all this – maximum transparency for the Klosterfrau Healthcare Group.

Solution & Implementation

Act in a data based, targeted and thus successful manner

In order to obtain a detailed and holistic picture of price movements, XPLN collects all the necessary data on the retailers involved, as well as on the company's own products and those of its competitors, from all the relevant sources (portals, platforms, stores) and makes it available in an automated manner. The XPLN software creates smart, analysable data records for the Klosterfrau Healthcare Group's reporting. There, these flow into a secure data warehouse and are used by the company's own business intelligence, in combination

with internal sensitive data, to create and derive more in-depth analyses.

Since XPLN has extensive expertise in brand performance on marketplaces, the acquisition of sources such as Google, Idealo and Amazon was virtually part of the standard repertoire. The direct connection of other data sources, portals, price search engines and online pharmacies was also realized in a short time.



Monitoring provides market overview

A key factor for e-commerce at the Klosterfrau Healthcare Group is to use the collected and analysed data to gain an overview of the environment and the market and to be able to answer internal questions. That includes understanding price movements and correlations – for example, why a campaign performs particularly well or less well, as the practical example on page 4 illustrates.

Price monitoring provides valuable information on whether a competitor's product was sold at a lower price during the same period, and if so, how much cheaper it was, and whether there is a connection with a possible poor performance of the company's own product.

In this context, it was helpful that XPLN stored the historical data (prices, dealers, availability, etc.) from the history of the products in its own database. This enabled the historical data to be viewed and included at the start of the project instead of starting from scratch.

Positioning in the complex competitive environment

Competitor monitoring is also being implemented on ten German online platforms, pharmacies and price comparison sites. For this purpose, new crawler software was implemented for website collection, with the help of which XPLN collects data on Klosterfrau Healthcare Group products and relevant competitor products.

For the evaluation, prices, availabilities, retailers and product data etc. of around 520 products are updated on the platforms on a daily basis. 40 of these are Klosterfrau Healthcare Group products, all others are competitor products. This Big Data set is merged into smart, analysable data in the XPLN software and made available to the Klosterfrau Healthcare Group via interface for further analysis and enrichment with internal data.

Example of data use in practice: clear effects in marketing

An exemplary insight into the details of the analysis of price movements and their direct impact on the marketing strategy shows how far the use of data extends:

Among other things, the Klosterfrau Healthcare Group receives data from XPLN on the prices of its own products and those of its competitors. Using its own analysis tool, it evaluates the data and compares the results with its current marketing campaigns. If such a campaign has gone particularly well or particularly badly, it is now possible to analyse how the competitor's products were priced at the time of the campaign and thus possibly understand what the reasons were. Triggers and parameters can be identified and appropriate consequences drawn by adjusting and optimizing further action.

In one specific case, the Klosterfrau Healthcare Group had advertised its own product. However, a competitor had – as the analysis showed – massively dropped in price during the similar period. As a result, the advertising measure had a rather weak effect for the product of the Klosterfrau Healthcare Group and instead probably contributed to more attention for the product category and the competitor's product, which was sold at a lower price.

Thanks to the increased transparency in market and price developments, the Klosterfrau Healthcare Group can evaluate such developments and generate learnings for the future.



Recognize and understand, then adjust and optimize

The project was designed for continuity and therefore for iteration from the outset. Similar to a Minimum Viable Product (MVP), which delivers usable results and successive added value in every development phase. Already in the first phase, a few months after the start, it had reached the first important milestone with the realization of the Klosterfrau Healthcare Group's own price monitoring tool.

In each subsequent iteration, the project continues to be scaled. "Data and market analysis are an ongoing process for us," confirms Niklas Gerwin. "With the generated data and the

corresponding learnings, we can further develop and optimize the process – become more concrete and perform better – and expand the tool, for example, because we recognize which data sources we can still link together."

The Klosterfrau Healthcare Group has already integrated numerous insights gained this way into its own actions and, for example, into the pricing strategies of its own brands or taken them into account in the respective product life cycle. Data has long been used to better understand market movements and to have a transparent market comparison. Findings and analyses are shared with all relevant departments by means of regular reporting.

Conclusion & Outlook

Data is the key to transparency

Sound data – that sounds like a "treasure trove of data" that simply needs to be unearthed. And the data is indeed there. Generated from the right sources and properly combined, analysed and evaluated, they hold knowledge and insights that companies can use to secure decisive competitive advantages. The Klosterfrau Healthcare Group impressively demonstrates how this works. How data makes it possible to understand market movements, successfully align pricing and communication strategies with them, and optimize tools and processes with the help of data-based insights.

"Test, learn, adapt" is the central credo in channel management and e-commerce at the Klosterfrau Healthcare Group. It stands for continuity and further development. For questioning the status quo, turning the possible screws, analysing one's own performance, and in turn transferring the corresponding learnings into targeted action.

The fundamental prerequisite for this is a self-image as a data-driven company, a corresponding digital infrastructure, and cooperation with a partner who understands both. We know who the Klosterfrau Healthcare Group recommends.

XPLN

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You've read enough.
Let's talk!

We are very familiar with your day-to-day work in the e-commerce sector. And we know why reliable data is the key to confident decision-making.

Let's sit down and talk about how we can address the challenges you face every day and improve your sales and margins together.

TELL ME MORE

ABOUT XPLN

XPLN unearths buried e-commerce data troves and reveals their riches, empowering our clients to make confident decisions and take decisive action. Our unique SaaS+ approach combines AI-based software with human expertise and data consulting to correctly interpret data and use them profitably. It informs crucial branding decisions by major brands and retailers and offers structure for maximized performance. This is the heart of XPLN – The Importance of Insight.

XPLN supports key players in diverse industries such as Calvin Klein, Tommy Hilfiger, Gardena, Euronics and Swarovski.

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