

# ABC Segmentation Report (Beta Version)

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NATIONAL - ALL PRODUCTS

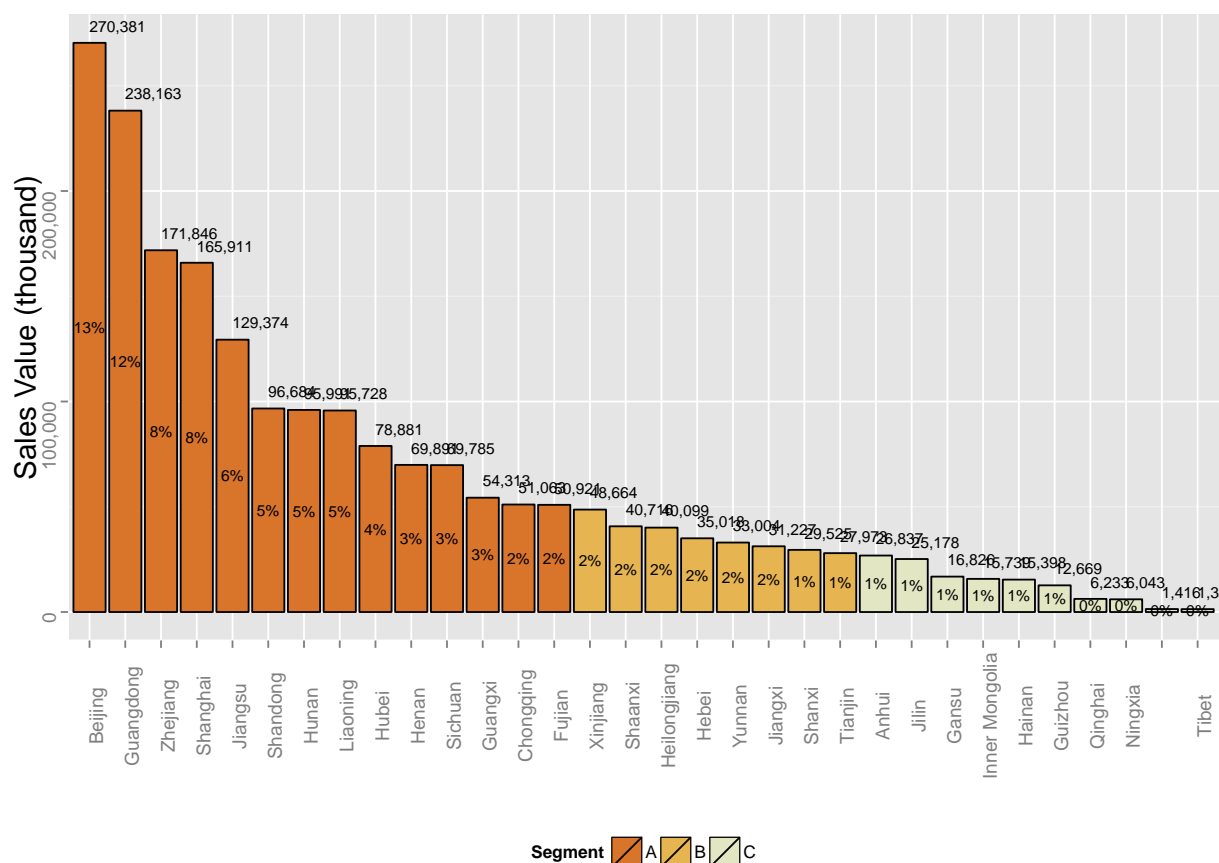
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## Executive Summary

According to the TMS of 2014, the sales value of Anhui province was 2,052,875 thousand (CNY). The total sales and growth rate of A, B, C segments in 2014 was 1,641,911, 308,283, 102,680 thousand (CNY) and 14.4%, 14.5% and 14.4% respectively.

## 1. Province Segmentation Review

Fig.1 Sales Value & Contribution by Province  
(ALL Products, CNY)



According to the TMS of 2014, the sales value of Anhui province was 2,052,875 thousand (CNY). The total sales and growth rate of A, B, C segments in 2014 was 1,641,911, 308,283, 102,680 thousand (CNY) and 14.4%, 14.5% and 14.4% respectively.

## 2. Terminal Segmentation Review

Dive into the terminal level, the ABC segment result of 2012 to 2014 is shown as below. In 2014, there were 665 terminals lie into A segment and the proportion was 1.9% by # of terminal:

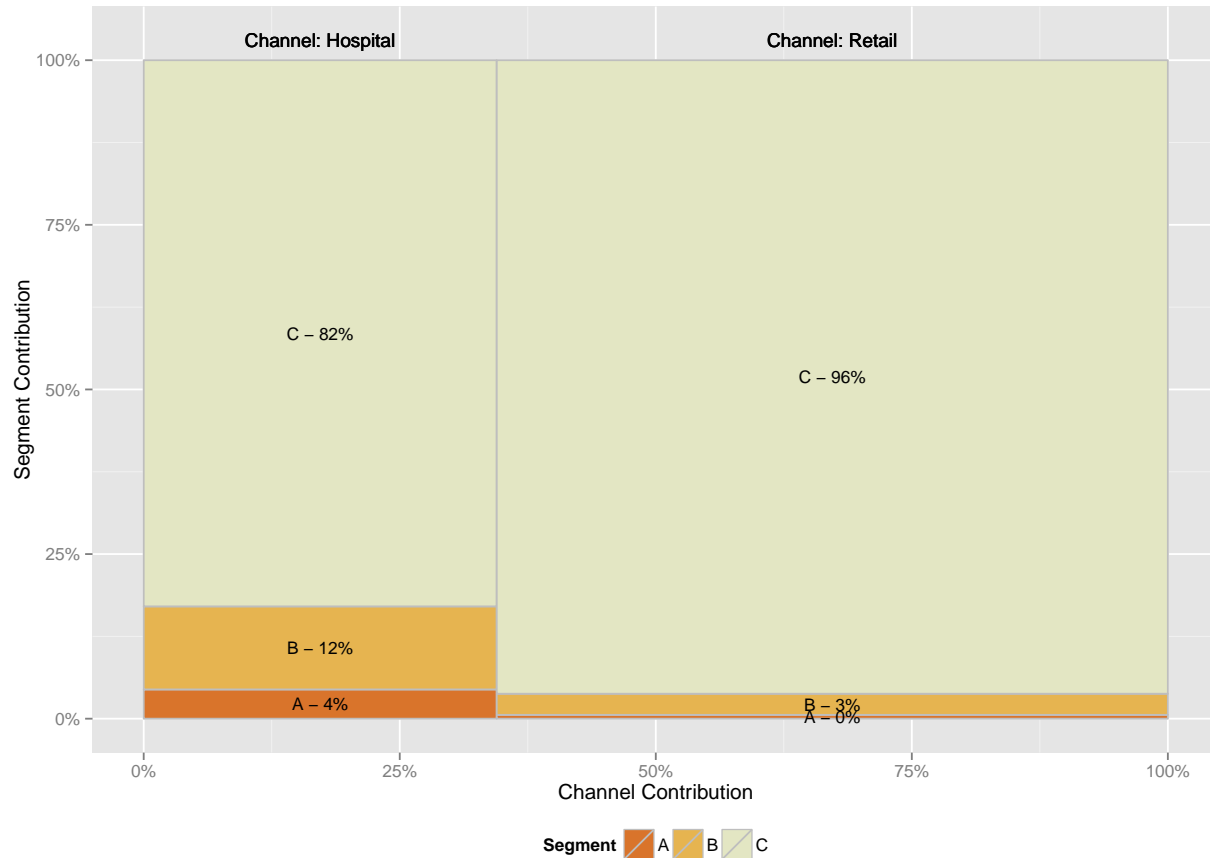
Table 1: Number of Terminal by ABC Segments

Segment	2012	2013	2014	Share2012	Share2013	Share2014
A	575	604	665	1.7%	1.8%	1.9%
B	1989	2190	2246	5.9%	6.4%	6.5%
C	31073	31425	31908	92.4%	91.8%	91.6%

From the perspective of terminal type, Hospital terminal took 34% share by # of terminal. The segment A terminals in hospital part took 4% and in retail part took 0% by # of terminal respectively.

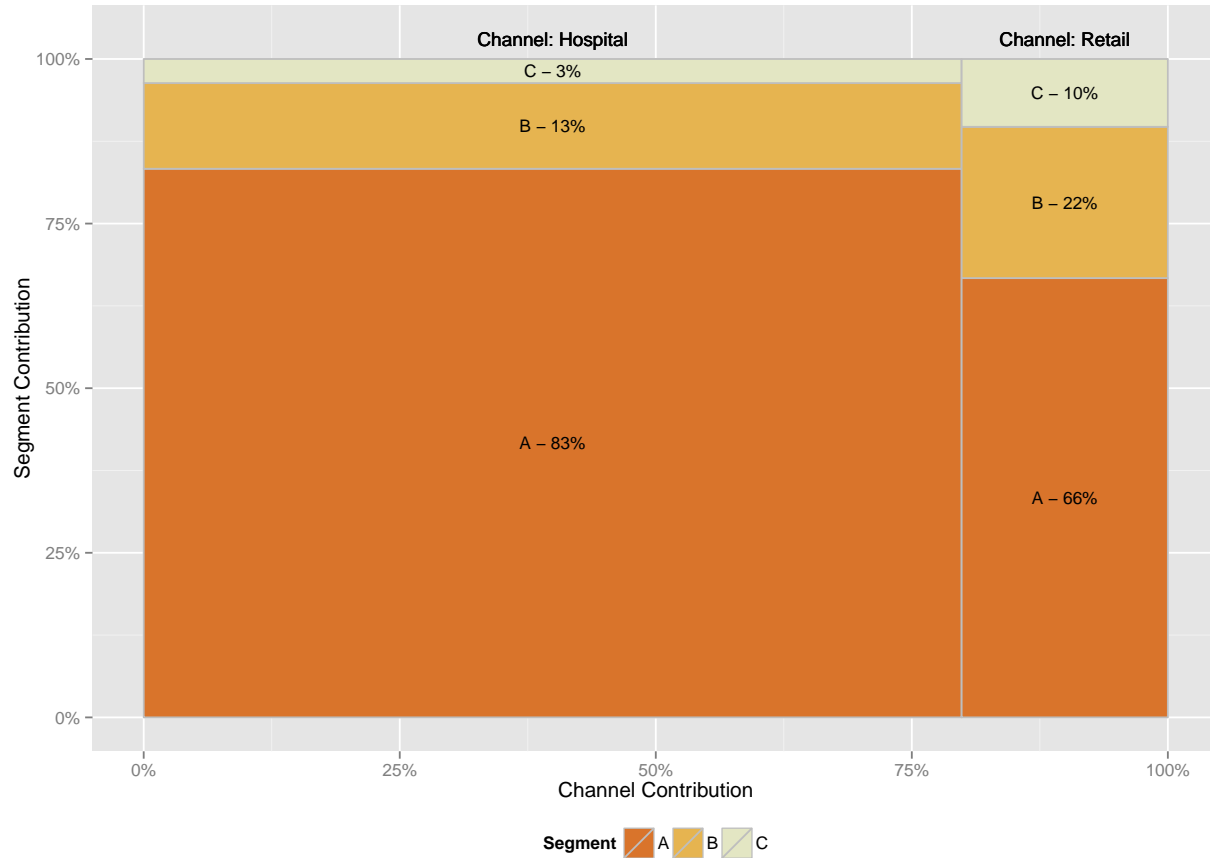
Fig2 # of Terminal by Segments and Channel

(ALL Products, # of Terminal)



From perspective of terminal type, Hospital terminal took 80% share by sales value. The segment A terminals in hospital part took 83% and in retail part took 66% by sales value.

Fig3 Sales Value by Segments and Channel  
(ALL Products, CNY)

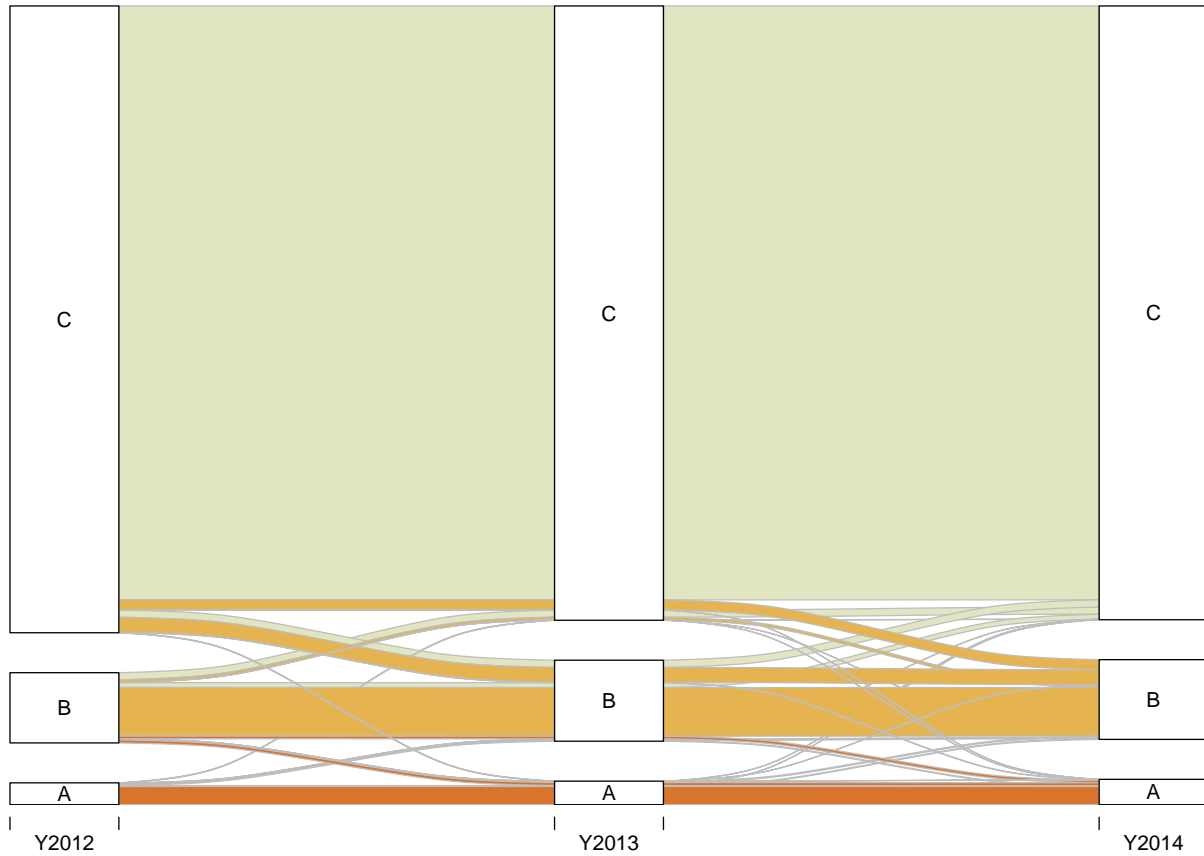


The sales performance of ABC segments in 2014 is tabulated as below:

Table 2: Sales Performance by ABC Segments

Segment	Metrics	2013	2014
A	TMS_Volume	17,167,257	20,544,670
A	TMS_Value	1,434,975,114	1,641,910,924
A	Growth	16.22%	14.42%
B	TMS_Volume	10,555,313	12,497,792
B	TMS_Value	269,196,236	308,283,326
B	Growth	16.25%	14.52%
C	TMS_Volume	4,380,716	5,048,148
C	TMS_Value	89,721,747	102,680,428
C	Growth	16.24%	14.44%

The terminal segments progress from 2012 to 2014 at terminal level (In # of terminals) shown as below:



### 3. About ABC Segment Method

About ABC Segment Method, based on Pareto Principle, the portion of the distribution having a large number of contribution far from the “head” or central part of the distribution. Specific to ABC Segment Method, Segment A contributes 80% sales, Segment B contributes 15% and Segment C just contributes the rest of 5%. So when making decisions, we should pay more attention to Segment A, less to B and nothing to C.