



Create and keep customers

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We are what we repeatedly do. Excellence, then, is not an act but a habit.¹

In the current flat economy and high-risk environment, consumer choice reigns supreme. This is a diabolical cocktail for pharmacies expecting customers to keep walking in the door as they have done in the past.

So when the bottom-line gap caused by falling customer numbers can no longer be filled by easy generic profits, their failure to build strategies now aimed at creating and keeping new customers will become apparent.

Many retailers innovate their businesses by trying new customer-facing ideas such as: Jenny Craig's new store within a Target at Westfield with personal consultants in a convenient location; Woolworths and Coles click-and-collect online models; JB Hi-Fi range extension plus multi-channel initiative; and NAB telling us that in October online sales grew 26% compared with traditional retail 2.2%.²

Some pharmacy innovators revolutionise their customer health offer by giving them very good reasons to return—improving their health. In the meantime, the warehouse pharmacy types discount prices so customers buy their products in such huge quantities they don't have to buy yours, and then do their best to duplicate your service level, thus dissuading customers to switch back.

The answer is not to tackle them head-on; rather, move to an entirely different market position they are incapable of attacking. All of my 2012 columns were devoted to explaining how every pharmacy can do this. This month I step back to show how the various stages are built consecutively

in a logical process that positions your pharmacy as totally focused on customer engagement and delivering customer-valued, health-outcome benefits that create and keep customers who want to improve their health.

STAGES OF TRANSITION

Develop a one-page business plan for each ascending stage in Figure One that can be implemented within 6–12 months and then move on to the next. Critical success elements include the owner providing the leadership and recalibrating the pharmacy culture, from the owner/pharmacist(s) through to the part-time assistant.

The culture must shift from the current ingrained one to focusing everything across the pharmacy on providing customers with health solutions and benefits that make a

difference to their lives. A brief run down on each stage is as follows:

STAGE 1: Get the physical aspects right first as the enablers for the next stages.

The dispensary must be designed to speed prescription processing, saving technician time and reducing customer waiting time. It must also facilitate effective and efficient pharmacist-patient engagement at scripts-out and private consulting. Utilise appropriate stock-storage systems to save pick and replenishment time, plus redeploy wall space for S2/3 medicines which is vital. Remove irrelevant retail lines that can't play a part in customer health solutions (eg. gifts, chocolate etc). Ensure a good design so the whole pharmacy is trafficked.

STAGE 2: Move a pharmacist to the scripts-out and medicines section to engage with the customer and deliver basic professional services such as interventions, compliance and so on. Customers love interacting with the

pharmacist and give them a reason to return. Dispensary technician(s) swaps with the pharmacist and carries out the processing activities so no extra wages need be outlaid. Pharmacies of all sizes can do this.

STAGE 3: Ramp it up another level to pharmacist-provided health solutions encompassing a wider service and health-giving products, particularly pharmacy's exclusive S2/3 range. The aim is to solve various health problems and delight the customer. Many add another pharmacist at this stage as there are so many opportunities.

Recommend services provided in other departments of the pharmacy.

STAGE 4: Pharmacist condition management services are about providing highly specialised services to a target customer groups looking for help. Blockbuster formats target specific groups too, such as diabetes, wellness, wound care, baby health, sleep apnoea, and usually involve hiring experts such as nurses, nutritionist, naturopath and sleep therapists. Often a fee for service can be charged in addition to maintaining high product margins.

STAGE 5: Tell the market what the pharmacy can do for them, including existing customers and others who are attracted by the offer. Local area marketing and the internet are the two vital elements.

Creating and keeping customers is essential for those pharmacies wanting real growth and an insurance policy against the ravages of disclosed pricing cuts and rampant competition. Moving into a different business model, such as that outlined, works well financially and competitively and is habit-forming. ■

References available on request

FIGURE ONE:

Transition towards health solution-oriented service

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