

GPS



Growth. Performance. Success.

2024 ANNUAL CONVENTION



Maximizing Front-End Sales with Innovative Merchandising and Marketing Strategies

NCPA 2024 Annual Convention and Expo

Columbus, Ohio

Speaker



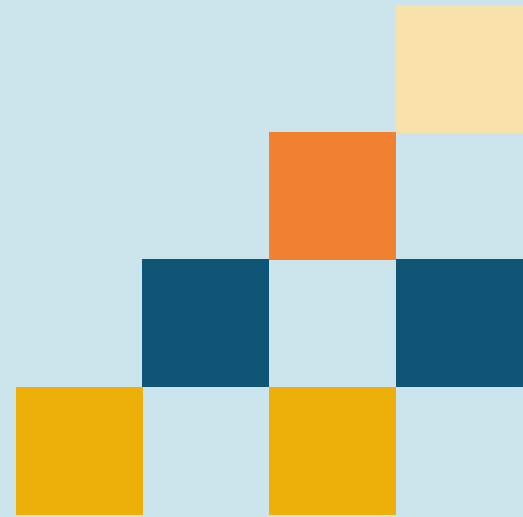
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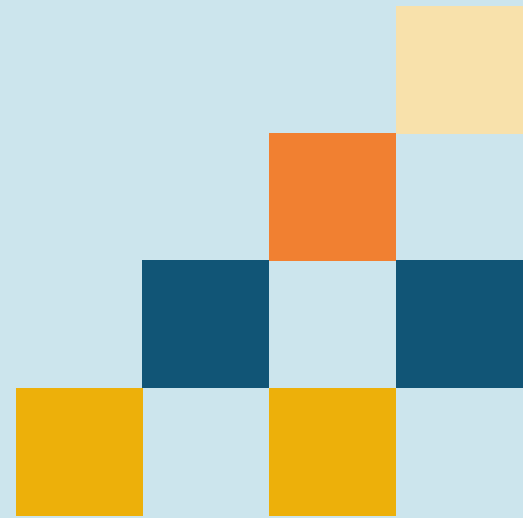
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Pharmacist and Technician Learning Objectives

1. Discuss the role that data can play in identifying the front-end product needs of your patient population.
2. Describe merchandising strategies for increasing patient access to self-care items and consumer goods.
3. Summarize marketing strategies to increase foot traffic and engage patients and consumers.



Maximizing Front-End Sales

Agenda

1. Why focus on non-prescription aisles?
2. What do customers want from the front end?
3. How does this support the pharmacy?
4. Who could manage that space?
5. How are assortment decisions made?
6. How will the pharmacy – and patient – benefit?
7. When is the right time to get started?



As my late mother used to advise:

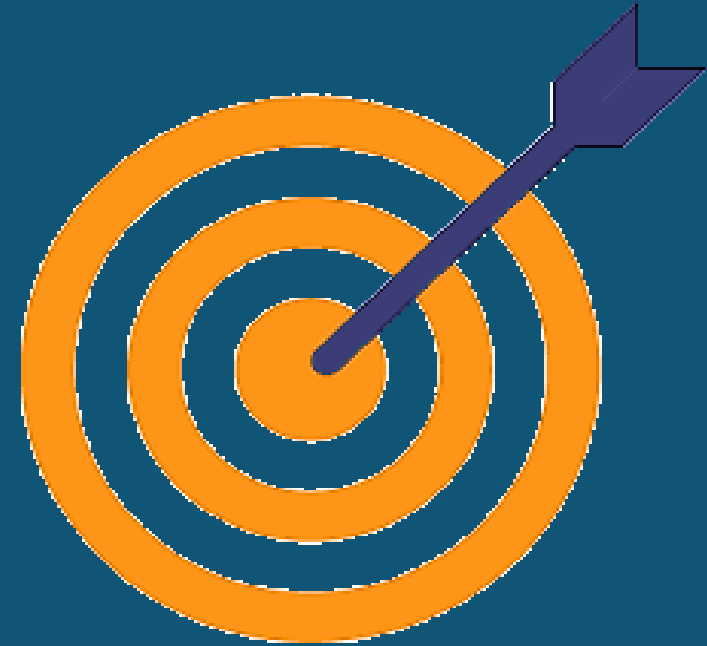
“There will be no buts about it.”



Why focus on the front-end?

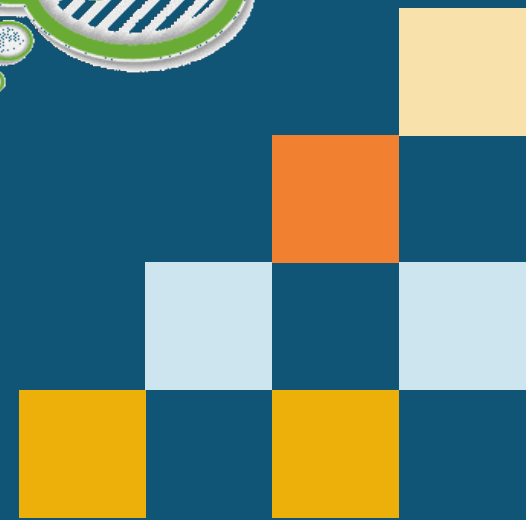
Why focus on the front end?

- First impressions
- Self-care (r)evolution
- Expanded patient care
- Emerging products & categories
- Use of space / “theater”
- Higher margin items



Can the front-end form an impression of your pharmacy?

- Threshold to your operation
- Expression of business “health”
- Sets the tone for your guests’ visit
- Differentiates you from competitors
- It represents your “curb appeal”



Believe me, it matters: APPEARANCE

Influences revenue and sales.

Consumers form an opinion of your store based on how the appearance of your building, inside and out, makes them feel.

- Appeal to all five senses
- Assign and share responsibilities
- Enter through the front door
- Walk the aisles

It takes someone no more than 3 seconds to determine whether they like you or want to do business with you in the future.

Is your front-end inviting and does it say, “come on in?”

**What do customers
want from your
pharmacy?**

How do you discover their needs?

- Examine Rx information
- Review POS data
- Explore demographics
- Listen and observe
- Assess neighborhood gaps



It comes down to one word: **EXPERIENCE**

This refers to **how you interact with customers**

- Stimulating and inspiring
- Engage with customers and patients
- Keep storefront well-lit and clean
- Feature products and services that are meaningful
- Differentiate from your competition in innovative ways

Thousands of small customer experiences feed into an overall impression of your operation.

What message are you and your team sending?

**How does this
support my
pharmacy?**

How does this support my pharmacy?

- Enhanced patient care
- Holistic treatment
- Wellness focus
- Reliable advice



Demonstrates a commitment to selfcare.

- Right size and organize categories
- Stock products to meet “need states”
- Remain in stock on must-have items
- Pay attention to new-to-market items
- Walk the aisles – every day!



Do not underestimate your INFLUENCE

Independent pharmacies are a **vital part of the healthcare ecosystem** and a key partner to a person's health and well-being.

- Patient-focused and influential
- Accessible to patients (and trusted!)
- Diligent management of medications
- Advise on OTCs and dietary supplements
- Educate on potential side effects

One conversation can help guide a patient's outcome and provide unparalleled care.

Do you advise patients on OTCs and other non-Rx essentials?

**Who could manage
that space?**

It won't take care of itself.

- Step up to the challenge
- Skill sets required
- Experience and knowledge
- Training & retraining
- Toolsets and support
- Merchandiser assistance



Keeping your house in order

- Identify tools to assist
 - ✓ Planograms
 - ✓ Merchandisers
 - ✓ Publications
 - ✓ Peer groups
- Delegate responsibility
- Reward performance
- Listen to feedback



MAINTENANCE keeps things in order

Your retail shelves are more than just aesthetically pleasing elements; they **attract customers and bolster sales.**

- Communicate the importance of maintenance
- Establish a maintenance schedule
- Conduct regular inspections
- Promptly address repairs
- Train, train, train

64% of shoppers surveyed said they had walked out of a store due to poor physical appearance and disorganization.

What do customers say about how you maintain your store?

Source: "The Brick and Mortar Retail Report," Service Channel, December 19, 2022

**How are effective
assortment
decisions made?**

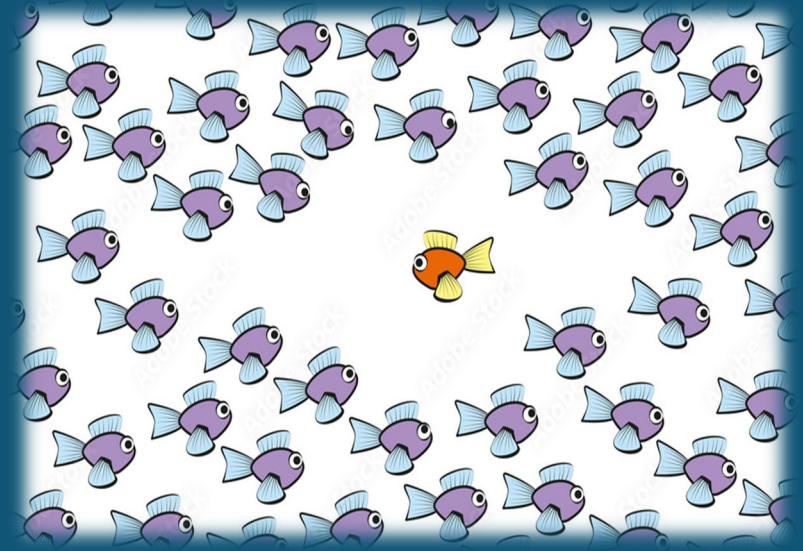
What kinds of products should I add to my store?

- You're in the command center
- Listen to your customers
- Look at your demographics
- Ask your team members
- Fill a gap (or two)
- “Know when to hold ‘em ... know when to fold ‘em”



Where do I find unique products?

- Your wholesaler
- Tradeshows
- Other industry events
- Local sources and artisans
- Specialty wholesalers
- From colleagues & friends



It's about the bottom line: PERFORMANCE

New items attract shoppers and entice existing customers to return. **They drive sales growth.**

- Prepare to let go, move on, and try something new
- Don't forget these tactics to test and learn:
 - Try the product or category in multiple locations
 - Promote the new item to your customers
 - Test various prices (and don't be afraid to discount)
 - Explore product trials and special displays

New products – and innovative categories – are the lifeblood of any retail operation.

How are you igniting the aisles with new categories and items?

**How will patients
(and the pharmacy)
benefit?**

It's about patient care ... AND your bottom line!

- Make non-prescription products available
- Consumers buy these items someplace
- Growth rate approaching 4% per annum
- Rx costs are a big concern within U.S.
- Each person the in the U.S. spends around \$120.00 on OTC's annually
- Higher margin opportunity



Source: Bush, L and Sommers, B.D. (2022). Improving Prescription Drug Affordability Through Regulatory Action. JAMA Health Forum



Sharpen your front-end skills

- Remain a forever student
- Enlist your team to boost front-end results
- Work with your wholesaler or buying group
- Read publications/engage in education
- Seek advice from subject matter experts
- Discuss it with colleagues involved in independent pharmacy



Front-end management takes PRACTICE

Practice means intentionally repeating an activity to improve performance. This leads to **high levels of expert performance**.

- Offer customers a full store experience
- Pay attention to the appearance
- Don't underestimate your influence
- Ensure ongoing maintenance
- Select items that fuel performance
- Put this into everyday practice!

Practice may not lead to perfection ... but it can result in excellence.

How are you inspiring your team to put your pharmacy front-end on display each day?

**When should a
focus on the
front-end begin?**

Start NOW!

Recognize that many want to take control of their health

- Understand reasons consumers visit your pharmacy
- Cater to the needs of self-directed shoppers
- Provide education and advice
- Offer a seamless experience in and out of the store



93% of adults prefer to treat their minor ailments with OTC medicines before seeking professional care.

Source: Consumer Healthcare Products Association (CHPA)

Put a spotlight on your front-end

- It starts with a top-down commitment
- Ensure a firm foundation grounded in wellness
- Add items and categories that meet shopper needs
- Train your team to care about the front of store
- Manage the space with diligence
- Complement your brick-and-mortar presence with a web storefront



Present health and well-being with **CONFIDENCE**

Dispensing prescriptions is a major part of your business; however, you must also **identify and fulfill patient needs** beyond the Rx counter.

- Knowledge and health literacy
- Mental well-being
- Self-awareness
- Physical activity
- Healthy eating
- Risk avoidance or mitigation
- Responsible use

Spiraling health care costs, poor health outcomes, and health disparities indicate a need to better support U.S. patients on their health care journey.

Do your patients know they can rely on you?

“CE” Lessons to maximize YOUR front-end



Questions?



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