



Ensure your retail offering stays well

So, the New Year is nearly upon us. We have hopefully sold all the Christmas stock and should have our pharmacies back in shape. Every year, we approach the New Year with resolutions about losing weight or giving up alcohol, but do you make any resolutions about how you want your business to look?



With the rise in consumer sentiment and growth in the economy, we have to remain optimistic about what 2019 will hold for our businesses.

In this article, Darren Kelly, Business Development Manager, IPU, looks at what we need to look at to ensure that the health of our retail businesses stays in peak condition.

Do you have a plan for the business on an ongoing basis? Or, do you believe that it will keep plodding along the same way? The pharmacy world

“The larger chains have departments that look after these areas for them and even the symbol groups are bringing this cohesion into the market, but you can be as proactive as you wish to be with some clever planning and delegation with your own teams.”

is changing and to stay in touch we need to evolve and move with the changes. The retail element of pharmacy is growing year-on-year and, in order to capitalise on this, we need to ensure that we have the staff, the premises and the plan to succeed.

Many independent pharmacy owners ask me how they can be as proactive with their pharmacies as some of the bigger chains appear to be on a retail footing. I always refer back to planning. The larger chains have departments that look after these areas for them and even the symbol groups are bringing this cohesion into the market, but you can be as proactive as you wish to be with some clever planning and delegation with your own teams.

Promotional planning

Sounds like lots of work, but really all that is required is to put in place a simple structure, to help you and your team know where you want to market your business this year.

Simply,

- Highlight the main holiday events and health awareness events taking into account any local or regional events, that may be happening where you are. Use an IPU Wallplanner to highlight the events and keep all the team in the loop;

- When you are buying in stock of special offers, look at the different types of offers you want to have. Break it down into men's, women's, children's, or bath, shower, hair etc. Once you break it down, pick the best offer that is available for which category and order accordingly. Also, sometimes you may need to walk away from an offer if it will lead to overstocks;

- One-in-one-out policy. Your shelves are not elastic so make sure that there is a plan for where the stock will go. Remember, nothing sells from the stockroom;

- Agree a promotion cycle timeframe with the team. Plan out promotions to ensure that you can avail of the best value. By having a specified promotion cycle, customers will be waiting to see what are the next “unbelievable offers” available in their local pharmacy. Remember, most “two for €3.00”, “two for €5.00” offers are available in the grocery multiples, so having these will give your customers the message that they can get just as good value in their local pharmacy;

- Identify where in the pharmacy you will

promote, for example, window displays, gondolas, hot spots etc.; and

- Draw out the areas of the pharmacy and plan the promotion on paper before any stock is ordered or merchandised. This takes away any confusion with regards to ordering or dealing with sales representatives. Once you have this in place, all staff should be singing from the one hymn sheet.

Merchandising

I am always asked “what are the best special offers to have in the pharmacy?”. My reply is “the ones that sell”. It sounds simple, but how many times do you see products mixed together because they are banded packs, so the perception is, that is all the customer needs to see. Customers like to see a pattern to the display. The customer's concentration will only hold so long, so, if there are 10 promotions all squeezed together and no real clear message, the customer will walk away. This is probably the biggest area of concern that I see around “selling” the message to your customers in the pharmacy sector.

Effective merchandising is so important in ensuring that you maximise the retail sale, whether it is an impulse sale or a decision purchase.

Remember, your shelves are not elastic so don't try and fit everything on them. When an offer is over, it's over. Take the sales and move on; don't just order a pile of stock when you are at the end of the cycle just so you can have it in stock in case a customer is looking for it. If you are planning correctly, you are buying better. If you are not planning out your promotions, you are buying your next special offer while you still have stock of the previous promotion, which will undoubtedly sit in the stockroom or in bundles on a shelf, generating no sales and creating a cluttered feel to any promotion.

Staff planning

Everyone plans out the staff rosters to ensure that there is correct cover for the week, but how many plan to ensure that their pharmacy staff are up-to-date on the latest trends in retail pharmacy? Annual reviews should be part of this plan, meeting with your staff and identifying what the individual staff member requires to ensure that they are taking your business where you want it to go. Encourage your staff to want to learn more.

Do you know where to look for training if a staff member shows interest in progressing in your business? We at the IPU provide a range of business training courses, such as category planning, merchandising, retail sales,

social media, security and PCRS claims handling, to name but a few. Most are delivered in classroom situations, but we are looking to develop more online training programmes so that staff don't have to leave the pharmacy. Keep an eye out for these developments.

Staff planning is also a huge aid in keeping the levels of theft low in your pharmacy. The Garda Analysis Unit has identified that most theft from pharmacy happens between 1.00pm and 6.00pm. These are the times when you are rotating staff on lunches and you are not at full strength. Identify, through your figures, when the busier times of day are for you to ensure that you have the optimum number of staff on duty, ensuring the best service to your customers.

Customer service

Draw up a plan of action for your pharmacy for a consistent message, from when your customer enters your pharmacy until they leave. With all areas of the business being examined for cuts, staffing is always an area looked at. If you have had to reduce your staff numbers, service levels may have dropped. Make a plan to speak to all your customers, within reason, who enter your pharmacy. I am sure that you are giving that personal touch to your customers, but their perception of you and of your staff and premises will lead them to tell other people of the service that you provide. Don't be afraid of coming out from behind

the dispensary to deal with your customers. If your staff see you leading the way, they will follow suit and there will be a consistency of service throughout the pharmacy. Use customer surveys to find out how your service levels really are. Template surveys are available on the IPU website in the Business Section under Customer Service and Retention.

Communication planning

Do you have regular staff meetings throughout the year, or are they just ad hoc, normally when there might be an issue? Regular communication with your staff empowers them to feel that they can approach you, the owner, if maybe a product is not selling, or they have an idea that might work to try and sell an item. When I am out and about reviewing pharmacies, I encourage the staff members to think about what they would do and how they would do it. There are many good ideas just waiting to be tapped into and maybe one of them is in your pharmacy. Encourage these ideas and develop them by talking them through. If you agree to go with an idea, follow through with it; take a hands-on role in it and implement it. If it is successful, reward staff. These are the true elements of being a successful manager.

Store layout

The majority of customers now expect to get a retail experience when they enter

any pharmacy. Take a look at the layout of your pharmacy and think like a customer. Are products easily seen and found? Is there clutter around the pharmacy? Is it a pleasant experience to be in the pharmacy? These questions are the ones you need to ask yourself. If you can see that there are issues in the pharmacy, then you can be pro-active and deal with them. There are options available with regard to category management or business reviews, but you need to have a clear picture in your head as to where you want your business to go.

Stand at the front of your pharmacy and look in. See what your customer sees. Look at the layout of your pharmacy and see if there is a natural flow to the product layout. If it looks untidy, cluttered or the flow is all wrong, then you know your customers feel the same. Try to create a flow in your pharmacy that creates different experiences for your customers.

Marketing your pharmacy

Marketing your pharmacy is the sure fire way to get extra customers in. But how do I do it? Effective signage inside and outside your pharmacy is a must. Remember not to go for overkill, but to highlight the value and service that you provide.

Ensure that any signage that goes on your pharmacy door or window is relevant and is highlighting something about your business. Don't overload window displays that

lead a customer to question if you own a pharmacy or an electric shop. Draw up a timeline plan for your window displays. Don't just give the space away, look at what the message is you want to portray to your current customers and those passing to entice them to come into your pharmacy.

Inside the pharmacy, the use of signage is a must. Again, I have seen overkill on this, which just confuses customers and ultimately leads to no sales. Signage should be clear, concise and placed at the correct products. Using A4 paper folded signs stuck up with sellotape just make your pharmacy look unprofessional. There are a number of solutions available to help you provide a professional look to your signage. Remember, customers expect a retail experience.

In order to move with change, we need to have a plan in our business for all aspects of the business. To many business owners, this seems like hard work, but by putting the work into a complete business plan, you and your team can reap the benefits. Put a plan in place, work through it, get your staff involved with the plan and lead your business to where you want it to be.

If you would like further information on anything discussed in this article or would like help with the retail element of your pharmacy, please contact me in Butterfield House on 01 493 6401.