



BUSINESS FIT
FOR THE FUTURE

retail ready



Building confidence in retail skills

Running a successful pharmacy involves an element of retail success. Although much of your revenue may be from service delivery and prescription volume, income from retail sales is an important way to get ahead in this competitive market. This module offers key insights into making a retail business successful.

There are three main modes of customer retail shopping:

Planned purchase

This is where a customer has decided to buy an item i.e. it's on their shopping list. This includes customers coming to your pharmacy looking for a solution to a health concern.



Unplanned purchase

This is where a customer is reminded to buy something by seeing the item.



Impulse purchase

This is driven by a sudden need that a customer cannot resist, such as a bargain, or something new or exciting.



Besides customers making a retail purchase, you have customers visiting for prescription collection that could be converted to retail sales. Having a well-stocked, well-merchandised store with the right range and stand-out signage will help encourage customers to shop, whatever mode they may be in.

Visual merchandising and retail design

Visual merchandising is about attracting customers and driving sales. This starts from outside your pharmacy as customers will develop an impression of what is in store by looking through the window.

Top tips:

- Have an interesting window display – for example, linked to health promotion campaigns, key services and events/seasons
- Call out promotions with clear messaging
- Showcase products and services that might interest your customers at point of sale
- Clean and organise the shelves
- Ensure new stock is always behind the old stock on shelf. This is important in relation to how the products look, managing expiry dates and in case of changes to packaging.

Retail design is about creating an inviting environment. A good store layout has clearly defined spaces that are well-organised and easy for customers to navigate.

Store layout checklist:

- Is the entrance area attractive with promotions on display?
- What products are located near each other – is it logical?
- Is there enough space for customers to move around?
- Is there clear signage for your categories?

Your store entrance has the highest footfall. Think about how you can maximise use of that space and create impact, considering which products will really engage with shoppers in this area.

Quick tip!

If customers come for regular items or prescriptions, having them walk through areas where there are attractive retail offers may help boost sales.

The online learning **Bayer Business Fit for the Future: Retail ready** has more information about where customers might expect to find products in a pharmacy from research conducted by Bayer. www.p3pharmacy.co.uk/retail-confidence

Produced by Bayer Consumer Health



retail SUCCESS

Think about each of the following steps for success:

1

Customer is key

Maintaining a loyal customer base takes dedication from the whole pharmacy team. Being aware of changing shopper habits and preferences can all help. For example, with the increase in veganism, being aware of which products are suitable for vegans will be a plus. Also look out for changes in demographics, such as increasing numbers of



families with young children who would want to purchase baby products.

Customer service is covered in the ***Bayer Business Fit for the Future: Make it count*** module. Remember that customers (whether prescription or retail) are at the core of your success. For further information on how to cater to different types of customers, visit our programme page at: www.p3pharmacy.co.uk/bayer-business-programme



Are you clear about who your customers are and what you offer?

2

Retail is in the detail



This is a phrase you may have heard before. A successful retail business should try to get things right most of the time and fully understand their customers' needs.

Tips for success:

- **Stock the right products**
- **Make the sales process efficient**
- **Provide excellent service**
- **Have a clean, well presented store with products front facing and pulled forward.**

The day-to-day processes involved should be easy to follow and be consistently followed by everyone in the team.

Having some of the processes automated (e.g. ordering stock) can help free up time to spend with customers. Take a look online at the ***Let's talk tech*** module on our programme page for more time-saving ideas.

Planograms (diagrams showing where products should be placed on shelf in order to maximise sales and use of space) are essential retail tools. They aid the customer shopping journey by making product layout logical and, when regularly updated, planograms will also demonstrate how best to promote new products.

Customers will be drawn to products at eye level, and identify where things are by spotting brand leaders in a category – for example, Canesten products for women's intimate health or Rennie for indigestion and heartburn.

3

Remember the three Ps



Product

You should aim to stock a profitable range of products that meet your customers' needs and are items that they wish to purchase. To get this right, you need to really understand those customers. Remember to think about both existing and new customers. For example, if you are in a rural location and your customers don't want to travel to shops, you may need a higher stock of everyday essentials such as toothpaste. You should also think about which products complement each other and can be displayed together; for example having headlice products alongside combs and other children's medicines.

CONSIDER: For each product you stock, ask: Is it what your customers need? Can you supply it and make a profit? If it is not profitable, does it serve another purpose, such as driving footfall?



Price

Products should be clearly priced, and at the right level for your customers to get perceived value. Note that value doesn't mean that everything should be cheap. Value means different things to different customers. Some of the value comes from having professional advice from the pharmacy team, or paying more for a luxurious item or exclusive service. When considering the price point for your product range, remember that cheaper, low margin products need to be sold at a higher volume to make a level of profit.

CONSIDER: In what instances would you reduce the price of certain stock? Be aware of your profit margin and remember that you don't want to have money tied up in old, non-moving stock.



Promotion

Make sure customers are aware of your business, your services and your retail offers. It's not worth having a fantastic new product in the store if it is hidden away and nobody is talking to customers about it. As well as raising product awareness, options include in-store promotions such as BOGOF (buy one, get one free), seasonal sales, introductory product prices, offers on products that generate future sales (e.g. re-usable razors, as these may lead to subsequent sales of replacement blades), or healthcare linked promotions.

CONSIDER: How does your pharmacy compare to the competition in the above areas? Visit other pharmacies to find out. Understanding this will help you define your positioning and the impression that you give to your customers.

range planning



This is about selecting the products you will stock for your pharmacy. To do this well you need to know your target customers and sales figures. You could choose a wide range of products to offer lots of choice, or narrow down the choices within a category or the number of categories you stock. Display space determines the number of SKUs (stock keeping units) that you can merchandise in your pharmacy. You can find out more about the recommended Pharmacy range of Bayer products in the 'Retail ready' e-module at www.p3pharmacy.co.uk/retail-confidence

You need to think about what your customer expects – for example, pain relief, eyecare, vitamins or first aid products. If you are in an area with an elderly population, are they hoping to find living/mobility aids?

Think about what your customer wants – not what you or your team think are good products.

Forecast your sales – look at previous sales and speak to your suppliers or do research into various categories. Use this research to help plan quantities, to avoid having too little or too much stock. Think about seasonality and what products are needed at key times of year, such as allergy for the summer, or cold and flu for winter.

Work out your pricing strategy – can you make a profit on the items? How much? Are they allocated the right amount of space for the profit generated?

next steps

Think about your offer: Who are your customers and what should they expect from your pharmacy? What do they get from you that they don't get elsewhere?

Look at your pharmacy window and check for the following:

- Can you see the opening hours?
- What services does your pharmacy offer?
- Is there an engaging window display?
- Is it clean and free of clutter?

How does your pharmacy compare to the competition? Think about:

- The products you stock
- The services you offer
- The customer service experience

Have a walk around your shop floor:

- Are there any gaps?
- Can you find products easily?

Go shopping!

Try shopping for this list:

Cotton wool
Plasters
Dandruff shampoo
Paracetamol
Toothpaste
Men's deodorant
Hayfever nasal spray
Hand soap

Could you find everything easily? Were things placed in a logical area? Was your attention caught by any good offers?

Additional resources

Visit www.p3pharmacy.co.uk/virtual-pharmacy to access a short video that you and your team can view to learn more about a customer's journey in a pharmacy. You will also find a short e-learning module with further information and customer insights from Bayer research into what pharmacy customers think about pharmacy and the products they stock.



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