
The power of the pharmacy

An Ogilvy CommonHealth Worldwide
publication for marketers

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Foreword: The time is NOW

Gloria Gibbons

*If you've visited a community pharmacy lately,
you'll have noticed something...*

*...the channel is preparing for something BIG,
and you should be too.*

Why?

*Because a trio of influencers
are realising the importance
of pharmacies.*

Consumers are consulting community pharmacies on an ever expanding range of health and wellness issues. Cash-strapped governments are increasingly relying on their professional services. Moreover, as the regulations tying their hands loosen, manufacturers of health brands and pharmaceuticals are recognising the value of their retail space more than ever.

The good news is that the pharmacies need you as much as you need them. As they strive to realise the full potential of their position at the centre of the community, they'll be looking for support and resources that bolster their white coat credentials as much as they boost their bottom line.

In Europe alone there are over 400,000 community pharmacists, with 46 million people visiting one EACH day.¹

Introduction:

A global look at a local business

So what to DO?

To start with, carry on reading.

If you are looking for an inside track on how to prepare for the new pharmacy phenomenon, look no further.

This report brings together the global knowledge and expertise of the entire Ogilvy CommonHealth Worldwide network. It is full of quick, relevant insights that will get you up to speed and ready to explore the opportunities that the current pharmacy landscape has to offer.

In Part 1, we answer **four critical questions** for marketers: Why are consumer brands gaining shelf space? Has there been a fall-out from the economic crisis? What is the most effective way to engage pharmacy staff? And finally, how can new digital developments help pharmacists run a better business?

In Part 2, we then consider **four future developments** for the industry, drawing on examples from across the world to spark some interesting discussions about what's round the corner.

As specialists in health marketing, it is our job at Ogilvy CommonHealth Worldwide to not just ask these questions and raise these issues, but to answer them too. Which is why we have highlighted key 'marketing takeaways', for you to use when constructing strategy in the pharmacy sphere.

Along the way, you'll gain a glimpse into the thoughts of those working behind the counter. We've interviewed pharmacists to find out what they want from their business, as well as the challenges that stand in their way. We have discovered that there are numerous ways that your brands and services can support them.

Part I:

Four critical questions

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1. Why are consumer brands and services GAINING pharmacy shelf space?

The percentage of pharmacy revenue that comes from prescription medications has fallen in recent years – from 80% to 60%.² Consumer health brands have filled the gap, turning the pharmacy shop floor into a battleground for FMCG. At the same time, pharmacy staff have evolved into health and wellness experts, arming themselves with a combination of pharmaceutical and consumer products to meet the needs of their customers. Many consultations that used to fall firmly under a physician's remit can now be answered on the high street. Step into your local pharmacy and you'll see staff promoting and supporting a healthy lifestyle, preventing and diagnosing diseases, influencing treatments and even slowing down the progression of an illness.

Pharmacist insight

“ For me, the pharmacist is the healthcare professional closest to the public. People believe in the value of the pharmacist's advice, and even if they are not proactively seeking services from us, when we offer them, they are very responsive. ”

So what consequences does this have for marketing? Well for one, the manner in which a pharmacy presents and promotes their business must also adapt. In order to be an attractive showcase for consumer products and services, it is vital that they have a vibrant and appealing shop front. Which means category design and the consumer retail experience are becoming increasingly important, with manufacturers striving to create a consistent brand story on the shelves and behind the counter.

Pharmacist insight

“ The problem is that services take a lot of work to implement. You need people, time, money for marketing. This might be ok for a big chain pharmacy that has 10 or 20 employees. But for the 90% of pharmacists that are small community offerings, this isn't so easy. ”

In addition, pharmacists are looking at the industry to provide them with support on their health and wellness missions. The customers who walk into their stores are facing a plethora of health issues. Overweight teens, diabetic dads, first-time mothers and hyperactive toddlers are only some of the people who could benefit from a pharmacy recommendation – be it a product or lifestyle advice. Education for staff and behavioural change programmes for customers are therefore valued services that the ambitious pharmacist is starting to seek, and in some markets, already providing.

Pharmacist insight

“ Now that people are more knowledgeable about health, they realise that pharmacy staff are well-educated, reachable and keen to help. In fact, research shows that patients can switch from one brand to another or make a key lifestyle change following an in-pharmacy recommendation. ”

Key marketing takeaways

- ✚ Provide pharmacists with the resources and third party support they need to elevate their professional credentials as healthcare providers
- ✚ Consider the shopper marketing experience both towards and inside the pharmacy, in order to effectively deliver key brand messages throughout the customer journey

How can Ogilvy CommonHealth Worldwide help?

- ✚ Pharmacy training expertise and delivery of professional support programmes to pharmacists in their practice
- ✚ Expertise in translating science into meaningful, motivating messages for consumers, which is particularly important when considering wider health and wellness offerings and consumer health brands
- ✚ Shopper marketing expertise for brand engagement in the pharmacy and pharmacist training

2. Did the economic crisis pose a CHALLENGE, or expose an opportunity?

The economic pressures on national healthcare systems have, in many cases, forced a greater reliance on the pharmacy.

Pharmacist insight

“ People don't want to wait in huge clinic queues or have their time limited to 12 minutes with a doctor. ”

The accessibility of their shop fronts, the cost-effective nature of their interventions and the popularity of their advice have made them an invaluable resource in reducing the burden on GPs and other healthcare professionals. Which means that manufacturers and suppliers are also realising the true importance of the pharmacy. For many, the practice of cutting the pharmacy support budget when times get tough is increasingly looking like a false economy.

Pharmacist insight

“ Patients use pharmacies to provide instant, free advice. You don't need to phone up and make an appointment – you just walk in and find out what you need to know. If you are in the remote countryside you might find it hard to find a GP, but you'll always be able to find a small pharmacy. ”

Running alongside all of these financial issues is the regulatory situation, a major driver of change within the industry. In many countries, legislation is being relaxed, widening the scope of opportunity for both independent pharmacies and large chains alike. And whilst in no way can these trends and tendencies be considered uniform across regions, future winners are likely to be the manufacturers who join up local nuances in order to create a flexible global strategy.

Pharmacist insight

“ It would be great to develop something for obesity and smoking cessation now that the regulations are changing. ”

Sales in Brazilian pharmacies grew 13.5% in 2013 (reaching BRL 28.7 billion), with an additional 334 pharmacies opening across the country.³

Key marketing takeaways

- ✚ Recognise that the pharmacy channel is complex, remaining highly sensitive to financial challenges and regulations – understanding them requires local knowledge and insight
- ✚ Create global pharmacy initiatives that are rooted in the similarities across markets, yet at the same time, are flexible enough to address local commercial needs – one size will not fit all

How can Ogilvy CommonHealth Worldwide help?

- ✚ Expertise in navigating international medical and regulatory hurdles – a partner who has feet on the ground in all regions and key markets around the world
- ✚ Ogilvy FUSIONHealth™, an approach designed to create global integrated, multistakeholder campaigns that resonate at a local level – it has been validated across all areas of the globe

3. If pharmacy staff are so VITAL and influential, then why are they so often misunderstood?

Community pharmacies are, by their very nature, local entities wrapped in a bubble of particular rules and regulations. As a result, manufacturers and suppliers have mainly engaged with pharmacists in a piecemeal, commercial manner – appealing to their ‘brown coats’ whilst their ‘white coat’ needs remain under-served. However ambitious pharmacists are looking to develop both sides of their role. Running a successful business is paramount, but equally so is being appreciated as a qualified healthcare professional in the community.

The constant pressure to ensure a profitable bottom line can mean that training and education are sometimes pushed to one side, though not through any desire of the pharmacy staff themselves.

Pharmacist insight

“ Sometimes we have to adopt a strategy of ‘scorched earth’ in order to compete with the big retail chains – that means minimal margins, extremely low prices and almost lack of service for patients. But we worry that this strategy could destroy the patient’s belief in the pharmacy as a healthcare provider. ”

Both pharmacists and pharmacy assistants are keen to gain professional endorsements and additional expertise – in fact, for many of them, it is an official requirement of the role. After 5–6 years of medical training, pharmacists are often as knowledgeable, if not more than doctors about certain conditions.

Pharmacist insight

“ As pharmacists, we need to improve our communications skills with customers as well as our medical knowledge. ”

Their assistants are confident when it comes to customers and products, but want further training to build their stature whilst increasing knowledge and experience. They express a preference for simplified, practical information that allows them to productively engage with customers – video training and events that include a social dimension are often successful.

Pharmacist insight

“ We value partnerships with manufacturers that are innovative and fair. By fair we mean that they provide relevant training programmes for our staff that are available online, 24/7 – not just in work time. We are also looking to cooperate with more innovative industries, like FMCG, automotive and travel. ”

What all of this means of course, is that there is a huge opportunity for savvy industry players to engage with pharmacy staff from a global marketing perspective. As ‘gatekeepers’, pharmacists can have huge influence over the success of a brand or service, which means that helping them become more informed makes perfect business sense.

Key marketing takeaways

- ✚ Provide pharmacy staff with sound clinical knowledge of products and diseases – create training programmes grounded in scientific accuracy to bolster their position as qualified professionals
- ✚ At the same time, help the channel improve its commercial savvy – don’t forget that every activity needs to be aligned with a business return
- ✚ Communicate to pharmacy staff early so they can become familiar with new initiatives – equip them with tools to initiate customer discussions, drive branded recommendations and identify cross-sell opportunities

How can Ogilvy CommonHealth Worldwide help?

- ✚ Professional pharmacist training and development of pharmacy academies for manufacturers
- ✚ Expertise in blended learning – we can develop and appropriately deliver education and training initiatives that meet the needs of the various pharmacy staff
- ✚ Behaviour change expertise to engage and change customer behaviour

4. What can DIGITAL do for the community pharmacist?

Compared with other retail sectors, pharmacies remain behind the curve when it comes to digital innovation. However the potential is now being realised, and the application of digital technology is rapidly evolving.

Pharmacist insight

“ How many pharmacists know who their most profitable customers are? In any other business, you target the consumers who will make you the most money, and adapt your services to them. However many pharmacists just don't have this data at their fingertips. For me, this is where digital technology can help. ”

Digital technology can help pharmacies better realise their business goals. Having access to clear data concerning customers and instant clarity in regards to their financials would allow them to streamline processes and ensure better value for money.

Pharmacist insight

“ We need to be able to properly compare and assess the offers given by manufacturers. Yes, a 20% discount on sun cream might sound great – but what if you can't shift the stock? At the moment a lot of pharmacies don't realise if they are winning or losing. ”

Digital can also help pharmacy staff to demonstrate their ‘white coat’ credentials. Just think about accessibility: Pharmacies are often the healthcare professional at closest proximity to the public, yet digital technology could improve this further. Online tools are increasingly allowing them to be connected to their customers from a distance, where they could resolve doubts and provide instant advice.

Pharmacist insight

“ Currently we only use digital tools internally, to improve the commercial side. We’re not focusing on patient support online, because at the moment it has to be delivered in person, when they are entering the pharmacy themselves. ”

Digital technology can also help to bring the shopping experience to life. Apps, virtual display ads and in-store support tools on tablets are only a selection of ideas that are becoming more common within pharmacies.

Finally, digital is a key medium for pharmacy staff education and support (which as we have seen, is a critical industry need and want). Dynamic content can be delivered directly to pharmacists via web or mobile platforms, allowing them to access online help and hints as they respond to customer’s requests in real time.

Key marketing takeaways

- ✚ Capitalise on digital, however acknowledge that a modular platform is essential to enable local adaptation – consider requirements ranging from type of pharmacy, market maturity, role of the pharmacist, regulatory environment and technological adoption
- ✚ Provide technological marketing tools that allow pharmacists to perform their jobs better and streamline their business
- ✚ Provide digital e-commerce training for pharmacists as an added value service that is much needed

How can Ogilvy CommonHealth Worldwide help?

- ✚ Expertise in developing multichannel communications programmes
- ✚ Extensive knowledge and experience of navigating the digital regulatory environment around the globe
- ✚ The DigitalHealth practice at Ogilvy CommonHealth Worldwide provides expertise in all areas of the digital health market

Part 2:

Four future developments

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1. The 'seven star pharmacist'

As we have seen, it is common to consider two sides of a pharmacist – their 'brown coat' (business) role and their 'white coat' (healthcare professional) role. However according to the World Health Organization, there are actually *seven* key roles. Forward-thinking marketers will have to understand and address each of these to meet the needs of the profession in the future. A few ideas to get you started...

✚ Caregiver:

Both the individual and the population at large fall under the pharmacist's remit of care. Whether clinical or analytical, the level of service they provide is increasing. How can the industry provide tools and infrastructure to support this, and free the pharmacist to do the important work?

✚ Decisionmaker:

It is not just which medicines to stock that pharmacists need to decide upon. Many elements of their business need to be efficiently procured and cost-effective. What programmes or initiatives could help pharmacists evaluate and determine the most appropriate resources?

✚ Communicator:

Pharmacists need to be as comfortable talking to customers as they are to other physicians. They need to be equipped with modern day skills (and maybe even in more than one language). What innovative ways to communicate could they integrate into their practice?

✚ Leader:

Especially in the developing world (where other healthcare professionals are in short supply), the pharmacist may find themselves in a position of great responsibility – requiring high levels of compassion. Do they currently receive enough support to attain these ambitious goals?

⊕ **Manager:**

Apart from resources, pharmacists must manage information. Many want to streamline data processes, but new technology can sometimes seem daunting. How can pharmacists delegate some of their all-encompassing managerial roles?

⊕ **Life-long learner:**

Medicine is a fast-moving profession and pharmacists need to continue to train throughout their career. This takes time and money, so how can industry use its financial resources and expertise to help the pharmacist obtain new, relevant knowledge?

⊕ **Teacher:**

Often the best way to cement our own learning is by transmitting it to others. But few pharmacists have been trained as teachers. How can we design technology-based programmes that provide meaningful content for pharmacists who find themselves at the front of the class?

Seven star pharmacists have the potential to become the clear health 'destination of choice' within their local area. So let's look *beyond* the two coloured coats, let's aim to appreciate their many varied skills, and let's start supporting them in each and every one.

The elderly population in the MENA region is likely to rise to 14.3 MILLION by 2015. An ageing population fuels demand for additional pharmacy services.⁴

2. The retail revolution in the US

Like everything in the US, the retail pharmacy space is BIG.

But it's about to get bigger.

As the US continues to move away from traditional physician channels, the role of the pharmacist is increasing. For a while now, pharmacists have been giving immunisations, conducting blood tests, discussing and dispensing speciality drugs, offering cognitive services and actively engaging with their customers' treatment regimens. But now larger retail chains are upping their pharmacy offering even further.

A couple of examples.

- ✚ Walgreens (the largest retail pharmacy in the US) is partnering with the National Association of American Veterans in order to provide free vaccinations to all of its members. Records for these immunisations are shared directly with the Association's cloud of electronic medical records, an approach that Walgreens now wants to implement for *all* customers across *all* stores – ensuring continuity in care for millions
- ✚ The pharmacy chain CVS is completely eliminating tobacco products from its network. In its place they are offering comprehensive smoking cessation support through pharmacies and in-store clinics, adding to an existing system of nurse practitioners and physician assistants

The total number of pharmacists in the US is expected to increase by 69,700 (25%) between 2010 and 2020.⁵

The potential for retail pharmacies to further revolutionise the industry is huge. If people can take care of everything from childhood vaccines to eyelash lengthening consultations in one place, why would they go anywhere else? The majority of pharmacists seem just as excited by these new developments. Many see counselling customers as the most rewarding part of their jobs, though they remain aware that their workloads are increasing (and industry support is not). This provides manufacturers with an opportunity. Pharmacists don't want to feel like the 'forgotten healthcare professional' anymore. They are hungry for more support materials – any tool that can make daily interactions more productive. Shrewd industry players will view them as an eager audience, treating them as an important link in people's care, a true healthcare provider and a safety guardian.

52% of mothers consult a pharmacist when buying OTC medicines for the family⁶

US retail pharmacists...

- Are trusted more than doctors and school teachers⁷
- Make more than 80 million recommendations around OTC medications every year⁸

3. The social shift in Asia

Many future developments arise from the proactive work of the industry itself. But some changes we can't control.

In Asia, profound demographic, social and economic shifts are leading the pharmacy sector towards an undeniable turning point. Due to a rapidly ageing population, government hospitals are saturated and doctors are overwhelmed by the number of patients to treat. As a result, pharmacists are stepping in to help meet society's needs.

Asia will soon be the region with the oldest population in the world. The prevalence of chronic conditions requiring long-term management will rise dramatically and healthcare systems are ill-prepared to cope. So pharmacists of the future will have to embrace a new role, providing preventative care services and implementing health and wellness programmes that support physicians and promote self-care.

By 2050, the ageing population in Asia is projected to increase to 62% of the total global elderly population.⁹

Some forward-thinking pharmacists are already starting to respond:

- ✦ Malaysia: Empowered to adjust warfarin dosages between physician visits
- ✦ Taiwan: Screening for hearing and vision impairment as well as engaging in community health promotions for the elderly
- ✦ South Korea: Helping to communicate the health-related risks of alcohol addiction and encourage physical activities promoted by the Ministry of Health and Welfare
- ✦ Singapore: Offering vaccinations for flu

Even Asia's elderly population is ageing, with an estimated six-fold increase of those aged over 80 in the next 35 years.⁹

China, alone, had 144 million people aged 60 or over in 2005 and is expected to have 438 million by 2050...

...This is more than all EU countries combined.⁹

In the future we'll be seeing many more pharmacist-run initiatives (as per those mentioned on the previous page). The sector has no choice but to evolve from its current role as a provider of products, towards a new role as a provider of services. But this rapid shift towards diagnosis, prevention and management of chronic conditions will have to be embraced not just by the pharmacists, but by their customers too. This is where manufacturers can play a role – by creating communications that help consumers understand the changing face of the pharmacy environment.

4. The informed individual

We've seen how pharmacists are changing their industry, and we've seen how social shifts are increasing the pressure to do so, but what about their customers?

The fact is customers are evolving faster than anyone. After all, this is the era of the informed shopper – digital connoisseurs, experts in health (if only via their smartphones), confident and empowered to assess a million second opinions at the click of a button.

40.4% of the global population are current internet users...

...Of these 2.89 billion people, approximately 8 in 10 look for health information online.¹⁰

What does this mean for the pharmacist? Technology is causing their customers to be more demanding about the level of healthcare service they expect. If pharmacies can deliver to these high expectations, they can win business that might have previously gone elsewhere. And there is no reason to suggest that they can't. Perfectly placed within the community, they are more accessible than most primary or secondary care, with a personal consultation available the same day, every day. Also because they can spend more time with each individual customer, they can provide invaluable tailored support – a true differentiator.

Which brings us on to wearable technology. Some of the most advanced players are already starting to link real-time healthy behaviours (recorded by wearable devices) to their in-store rewards programmes. If pharmacists position themselves as the gatekeepers to this technology and their customers' data, they could impact health behaviours in a myriad of ways.

What about identifying individuals who may be struggling with their medication? Or providing personalised intervention programmes for those at risk of diseases caused by unhealthy lifestyles? Pharmacists could monitor people who are following their advice, providing self-efficacy reinforcing feedback for those who are succeeding, and reminders or alerts for those who aren't. And of course since they can also sell these devices, they can expand their position in the community as a one-stop shop for health.

Wearables are growing at an annual rate of 54.7%, with total sales forecast to reach nearly \$170 million by 2019.¹¹

The key will be professionalism and personalisation. Sympathetically structured, engaging behaviour support programmes delivered by pharmacists have the potential to truly engage. It is now up to manufacturers to support pharmacists as they encourage people to make positive, long-term health changes. If society can master this approach, it will mean billions in savings for governments in terms of healthcare costs.

What's next?

Now you've READ THE REPORT, it's time to GET IN TOUCH.

We've sourced specialists from all over our network to form *PharmacyExpert@Ogilvy*, a global alliance who truly understands the channel. Not only have they contributed to this report, but they are ready and waiting to take your call or answer your brief.

Email PharmacyExpert@Ogilvy.com or contact your local Ogilvy CommonHealth Worldwide office.

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