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What do customers want

Unlike other businesses in a retail environment, pharmacists have a unique advantage – a real and direct connection to customers.

Ten years after the advent of online shopping, a lot has been made of the shift in consumer spending from bricks and mortar to the web. This has been brought about by a host of influencing factors; dollar parity, logistical improvements (including international delivery by an ever-increasing number of big brand stores), increased price comparison by shoppers in an environment of unprecedented deep discounting, a notable increase in online retailers creating almost limitless competition (due in part to lower barriers to entry with online selling platforms), the rise of social media, and an understanding by the bigger players as to what inevitable role online will play.

Some say that retailers are being forced into a role of 'educator' rather than salesperson, and that this will drastically change the modus operandi of traditional stores. However, an increasing number of people are choosing to 'educate' themselves about a product in store, but then shop online for the same product at a better price, delivered to their door.

Retailers forced to compete purely on price can't continue to afford expensive fit-outs and high staff ratios. One alternative is to set a store up as customer-centrally as possible with an emphasis on education and advice – think of Dick Smith as the 'Techxperts'. Dick Smith operates in one of the highest online competitive environments, but has defined itself as competing on something other than price and, in terms of branding, it appears to be working. There are still a huge number of shoppers who don't know what they need, and seek assistance. If the shopping

environment offers a fair price, delivery options and good retail layout, with the added value of service and advice, you can still create a winning combination. Particularly if you overlay this with a viable online store.

Pharmacy remains a unique industry, with unique barriers to entry. But, pharmacy is not immune to the 'ravages' of deep discounting and the exodus to online. A significant number of pharmacies are still independent or are 'manned' by the owner every day. This is a far more traditional retail model that naturally has its negatives (reduced buying power, no economies of scale for marketing, less access to resources) and positives, one of which is the benefit of enabling the store owner to know what customers want every single day. This puts a store owner in the enviable position of being able to be completely customer-centric, without multiple layers of systems and processes between the customers and the decision makers.

What do your customers really want?

Customers want to be listened-to and, in most cases, an emotional connection. They want to be cared for and have their needs met.

Retail pharmacists can take advantage of this real and direct connection to customers by working the floor on a consistent basis to gauge how shoppers are feeling. You can also integrate 'Voice of the customer' systems into your business.

'Voice of the customer' is another 'in' term that means listening to your customers. But it is also about creating a methodology of collecting customer feedback in various forms (qualitative and quantitative research, social

media, daily interactions) and, most importantly, a means of acting upon it.

Thousands of companies collect research data and do nothing. You need to be prepared to act upon this information. You might discover that your customers can't seem to find anything (maybe your signage hierarchy/system is letting you down) or that waiting 20 minutes for a script is unacceptable (review and improve your dispensary workflow), or even that your service staff are less than friendly and helpful.

If you don't ask for customer insight, how will you know what they are thinking? How will you know that a customer:

- No longer shops with you because they can't see over the new POS stand.
- Had a negative experience with a member of staff and has decided to shop elsewhere.
- Didn't buy because they couldn't see your vitamin wall and didn't think you specialised in them.

People who peruse your store and don't buy (or 'convert') are often the forgotten segment with a huge potential for your store. We often talk about increasing basket size and transactions, but not lost sales. Understanding why customers who weren't 'sold' on your offer can be very powerful information.

Encourage feedback and systemise it with:

- Customer feedback forms and group sessions.
- Periodic research – exit interviews can track why people didn't purchase or purchase much.
- Online surveys (using one of the many free survey tools like SurveyMonkey.com). **RP**



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'The Pharmacy Catalyst Program adopts the best elements of a traditional pharmacy co-operative to face the retail challenges of independent pharmacy – retail better, market better and buy better'.

Robert Turner – Community Pharmacist and Pharmacy Catalyst Director

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