



# Clicking on the bricks

Bruce Annabel, pharmacy business adviser, bannabel@jr.com.au

## AN ONLINE CHANNEL CAN IMPROVE YOUR OFFER AND ATTRACT MORE CONSUMERS.

It is now clear that consumers want to interact with retailers using the internet. My own anecdotal evidence estimates current Australian online domestic and international pharmacy sales to be \$400–500m per annum.

And it will continue to grow: the Commonwealth Bank estimated that online 'Health and pharmacy' sales will grow at 8% per annum, compounded over the next five years.<sup>1</sup> But importantly, this estimate doesn't include the influence on consumer store choice that internet pre-search has and the sales that flow when they do visit the store to buy.

By applying a 'clicks and mortar' strategy pharmacies can leverage the internet to enhance their offer and promote online solution services, save consumers' time and enhance location convenience.

### CONSUMER CHOOSES

Consumer decisions are driven by many factors which may include: location; whether the product is in stock; range; services offered; opening hours; skill sets available to solve problems; booking appointments; 'deal of the day'; delivery versus in-store collection option; return policy; script file access and review; health condition information (such as self care); catalogue promotions; and so on.

### SAVING TIME

Prescription customers want to be able to: save time by ordering their scripts online (script held on file

at the pharmacy); pay the relevant copayment; and then collect in the pharmacy from a separate collection point to avoid the queue. This service saves the customer time; provides an opportunity to offer advice not just process the script and solutions; and may help to channel dispensing during less busy periods.

It may also attract customers from a new demographic market, attracted by the ability to access their scripts held by the pharmacy and ensure they get repeats filled. A script reminder email service can take the customer into the ordering module which could also contain drug usage information, self care tips, related solution lines and so on.

## THE MULTI-CHANNEL PHILOSOPHY IS ABOUT STRENGTHENING THE HEALTH AND RETAIL OFFER

### STRENGTH OF MULTIPLE CHANNELS

Pharmacies that add new channels for consumers to interact with them—such as smart phone, kiosk, social media and loyalty program—will throw the 'net' over more consumer groups in the market place, hence increasing customer traffic and sales potential.

I recently met some very successful online business operators at an online retail seminar; some businesses had associated bricks and mortar stores which were languishing while others had a good 'pure play' online business only.

Interestingly, the first group decided to maintain a bricks and mortar

presence as a reference/marketing point which they leveraged across to the fast-growing, low-cost online channel. However, the 'pure play' online retailers had decided to open stores because business was suffering from not having a street presence where online customers could go and peruse the range and services, get advice, and then buy in-store or online.

Each channel offers customers and the retailer an advantage which, combined synergistically, adds to the quality and strength of the overall pharmacy offer to customers.

The multi-channel philosophy is about strengthening the health and retail offer by adding other channels for consumers to deal and interact with the pharmacy. Such a strategy is important to pharmacy because of the central role the various channels can play in the information-rich,

seamless and tailored experience customers have come to expect.

Therefore, a successful, well-planned online strategy can help pharmacies develop a more robust competitive position and a higher overall average sale.

### NOT JUST ABOUT PRICE

The Whole Foods Market website ([www.wholefoodsmarket.com](http://www.wholefoodsmarket.com)) offers lots of information and graphics that tell consumers what its in-store experience is like, presenting a high quality offer that rarely mentions price. Australian pharmacy can learn from this philosophy.

Chemistworks.com.au and olmp.com.au are good examples in Australian pharmacy. Chemistwarehouse.com.au is another, although it constitutes one site and one fulfilment point across the whole group to promote wide range and lowest price.

For traditional community pharmacy sites, the online customer first researches the potential purchase including scripts (particularly repeats), then orders, pays online and almost always collect from the pharmacy when it suits them—'click and collect' or 'clicking the bricks'.

Non-price factors appear to drive this behaviour:

- **easy access to information and range;**
- **search and order convenience;**
- **time pressures—less time to browse in-store;**
- **pre-order and pre-pay avoids the dispensary queues;**
- **immediacy of need for the medicine;**
- **avoiding shipping delay and charges;**
- **ability to modify the basket;**
- **opportunity to seek advice; and**
- **trust and convenience of their own pharmacy**

This approach to 'clicks and mortar' pharmacy echoes the views of Dr Dale D'Achabal from the Santa Clara Retail Management Institute who urges retailers to tailor their web-based offer in response to customer demand, not the other way around.

Allowing customers to 'click on the bricks' of a community pharmacy adds another dimension to the existing offer and can create a point of difference to attract customers and enhance customer 'stickiness'.<sup>n</sup>

1. Shore S. Online shopping figured out. *Wend Aust Fin Rev.* 31 July 2011.