

Developing the right marketing mix to promote pharmacy services

The introduction of a new community pharmacy contract in April 2005 in England and Wales led to increased focus on the development, design and delivery of pharmacy services. However, despite their enthusiasm, some pharmacists report difficulties in getting stakeholders (patients and healthcare professionals) to buy in. **Nathan Nzekwue** looks at how to market these services successfully

Pharmacy, like any other business, requires marketing to survive. There is little or no point in developing a range of patient-focused services, investing in staff training and development, and deploying scarce financial resources in setting up well-equipped consultation rooms, if there are no solid plans to market these services. A market is a group of people who satisfy four criteria:

- They need or want the product or service
- They have the ability to pay
- They have the authority to buy
- They are willing to buy

But what precisely is marketing? Often misunderstood as selling or advertising, marketing is both of these and more. The UK Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customers' requirements profitably". And, according to the American Marketing Association, marketing is "the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that will satisfy individual and organisation objectives." Basically, marketing focuses on attracting customers, getting them to buy and ensuring that they are so pleased with their purchase that they make repeat purchases.

Marketing skills

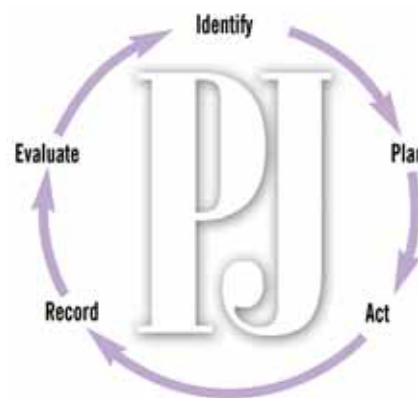
Successful marketing demands good analytical, creative and communication skills.

Analytical skills One of the first steps in marketing is to identify and analyse the target market, that is the actual and potential buyers of a product or service. However, analytical skills are also needed to:

- Scour the marketplace for opportunities and desirable target markets. The market can be analysed using several dimensions, including demographics (eg, sex, age), lifestyle, medicines use or prescribing patterns and therapeutic or disease categories.
- Gain a thorough understanding of customers (eg, their needs and preferences).
- Size up the marketing efforts of competitors by gathering information on competitors' activities and analysing it (ie, market intelligence).



New services are encouraged by the community pharmacy contract and these need to be marketed



Identify knowledge gaps

1. What are the seven "Ps" of marketing?
2. List five key considerations when planning to market pharmacy services.
3. Name three skills necessary for the effective marketing of pharmacy services.

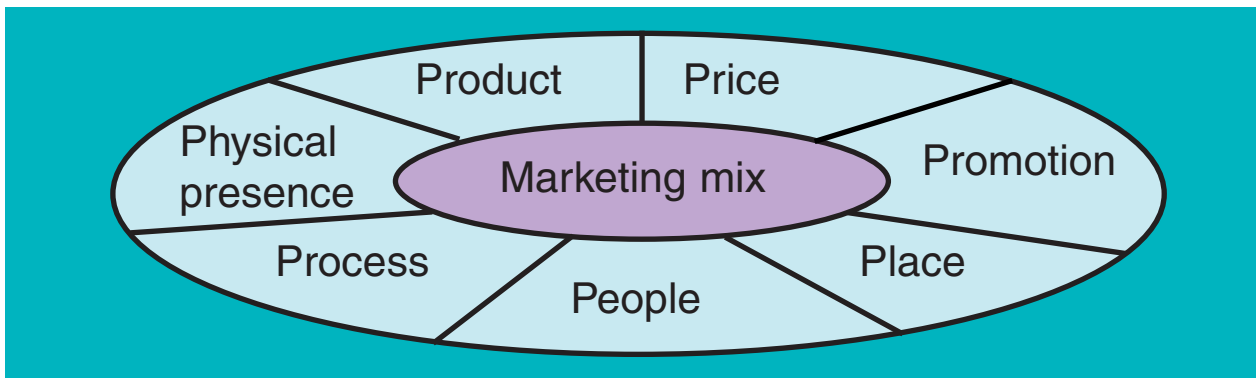
Before reading on, think about how this article may help you to do your job better. The Royal Pharmaceutical Society's areas of competence for pharmacists are listed in "Plan and record", (available at: www.uptodate.org.uk). This article relates to "being a manager" (see appendix 4 of "Plan and record").

- Assess the service, product or business. This involves using a SWOT (strengths, weaknesses, opportunity and threats) analysis.
- Determine the environmental factors that could affect a business. This involves using a PESTE (political, economic, social, technological and environmental) analysis.

Creative skills Creativity is the lifeblood of any organisation and the most powerful of all the marketing skills. A creative mind can bring innovation, giving a pharmacy a competitive edge in the marketplace. Creativity involves looking for new ideas and developing the best of them into practical applications. The creative process involves four steps: initiation, imagination, invention and implementation.

Initiation Initiation involves recognising a need or opportunity and asking questions to begin the creative process. For example, a pharmacy manager might look at the front of her pharmacy and ask herself if there is some way of making it stand out and communicate

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The seven Ps of marketing can be blended to achieve customer satisfaction and a competitive edge

what her pharmacy is all about. A creative brief is useful to work with at this stage. This lays out the basic purpose of the creative thinking and provides relevant information.

Imagination In this stage the person or team engages in imaginative and uninhibited thinking (eg, brainstorming). The aim is to generate lots of ideas.

Invention From the ideas generated, a critical analysis is made and the idea that seems the most promising is chosen and worked with to make it practicable.

Implementation The creative process is completed by pursuing successful implementation of the idea as a service or product.

Communication skills Communication skills are vital to create a compelling marketing message. Each time contact is made with a customer (eg, in the pharmacy, on the telephone, etc), a point of influence is created. Good communication means sending the desired message persuasively at all influence points.

The marketing mix

There is a set of controllable variables that an organisation can blend to produce the desired response in its target market. This set is known as the “marketing mix”. In the 1950s, there were four accepted variables: product, price, promotion and place (distribution), which were referred to as the “four Ps of marketing” but, over time, the marketing mix concept has expanded to include people, process and physical presence, giving rise to seven Ps.

Once the target market has been analysed and marketing objectives set, each element of the marketing mix should be developed with the objectives of maximising customer satisfaction profitably and delivering satisfaction more effectively than the competition. However, for really effective marketing of services, as opposed to products, their special characteristics must be appreciated. These characteristics include intangibility, inseparability, perishability and variability.

Services are intangible and this often makes it difficult for customers to understand exactly what a service represents. With serv-

ices, then, customers look for indicators of quality. For example, a pharmacy that takes pride in the way it is presented (ie, it is clean and tidy) may suggest that the service will be conscientious and professional. In a similar way, uncluttered, straightforward advertising implies honesty and truthfulness.

The other characteristics specific to services will be discussed in the context of the seven Ps.

Product The marketing mix product is the pharmacy service. The aim should be to develop and maintain an innovative service that satisfies customers. Associating certain tangibles with the service can give customers a “handle” for evaluating the service. For example, a tastefully designed and well-equipped consultation room may suggest that the service is of good quality. Courtesy and knowledgeable pharmacy staff may project a friendly, professional image. Other ways of making a service tangible include giving an appointment card, a printout of any results or an information sheet.

Price The price of services provided under the pharmacy contract are fixed, but for private or primary care organisation-commissioned services, it is essential to have a pricing policy and for the services to be competitively priced. Consideration of the size of the market, the demand for the service and the costs of producing the service is needed to determine projected profit. The price can then be set accordingly.

When pricing pharmacy services, a portfolio approach could be taken, with each service making a significant but different contribution to the pharmacy’s overall profitability and competitive position in the marketplace. Some services could be profitably priced whereas others could be cheaply priced, serving primarily to generate awareness of the range of services available in the pharmacy. Others, still, might be offered free, serving as loss-leaders to drum up business by attracting new customers and building loyalty.

Place Convenience and ease of access are of vital importance to consumers. If a pharmacy is located close to its target market, convenience should be a key message to potential customers. However, if a pharmacy is not eas-

For effective marketing of services their special characteristics (intangibility, inseparability, perishability and variability) must be appreciated

ily accessible that does not mean it cannot provide services. For example, with primary care organisation approval, medicines use reviews can be performed in patients' homes or day care centres.

Convenience can also be used as a selling point when marketing services, such as repeat dispensing or prescription delivery. The best times to offer services should be considered from patients' points of view.

Services are perishable. They do not have a shelf life. Services are also time dependent — delivery involves the allocation of time. If a service appointment is not honoured by a customer, that time is lost — the service cannot be stored for consumption at some later time — and this implies loss of income. This time-dependent characteristic of services is a great weakness in marketing. One way of minimising wasted time and loss of income is to telephone customers to remind them about appointments.

Promotion There are a number of ways to communicate availability of a service to a target market and choice will depend on the promotional plan. This is simply a coherent and well thought out document detailing the promotional and communication activities required to achieve promotional objectives. Key considerations when developing such a plan are listed in Panel 1.

Personal (ie, face to face) selling is often an important element in the promotion of services: it allows buyers and sellers to interact and obtain immediate feedback from each other. Pharmacy staff can use personal selling to reduce uncertainty, better explain service benefits, and enhance the image of the pharmacy.

Successful personal selling involves building rapport with customers, discovering their specific needs, questioning them to uncover barriers to service uptake and matching the benefits of a service to their needs. The entire process and message should be kept simple. The seller should have in-depth knowledge of the services and the time to explain what is on offer and the benefits. Customers usually draw confidence from someone who shows good knowledge of a subject and those who feel they are being offered a professional service will be more likely to use it.

In addition, consumers generally seem to prefer word-of-mouth communication about products, especially services, from friends, relatives or neighbours. This gives a potential customer the most credible source of information about a service, aside from experiencing the service for him- or herself. This type of communication can have a huge impact on a pharmacy's efforts to retain old customers and recruit new ones. Pharmacies can stimulate positive word-of-mouth testimonials by providing "value-added" services and by building excellent relationships with their customers. Providing a value-added service means rewarding the use of a service by delivering more than promised, also known as the "and then some" principle. For example, collecting and delivering a prescription, the



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Panel 1: Developing a promotional plan

- What are the promotional goals? (eg, to create awareness of a service)
- Who is the target audience?
- What is the message?
- What communication tools and media (eg, print or electronic) will be used?
- What are the promotional budgets and timescales?
- What external promotional resources are available?
- What is the process for appraisal and review?

pharmacy could make a "non-selling follow up" and telephone the customer to check whether he or she is satisfied and needs any advice.

Promotion includes working on public relations and investing in "social capital". Such activities can attract the attention of the local press and help a pharmacy engage with the community and include:

- Talking to local groups on health issues
- Participating in public health awareness campaigns and other good causes
- Joining local business associations
- Producing a pharmacy newsletter

Promotional tools include using in-house materials (eg, posters, stickers and leaflets) window displays, table top displays and electronic media, including website advertising. Pharmacies should, however, ensure that any promotional messages are legal, ethical, decent and honest.

Nurturing a good working relationship with local GP practices is of paramount importance. Practice staff can help stimulate positive word-of-mouth communication about a pharmacy and an enthusiastic pharmacy-friendly GP or healthcare professional can help signpost patients to services. It is, therefore, vital that these stakeholders are aware of the services on offer. Good relationships can be built by forming disease awareness partnerships, for example, working with the local practice's asthma or diabetes nurses. If you can identify and uncover the needs of patients, GPs and the other healthcare professionals, you can offer to meet these needs by highlighting the benefits of your services — people will always buy solutions to problems.

Another way to make a service tangible is to provide cues that relate to the service. For example, some multiples have used sports celebrities to promote services relating to healthy lifestyles. Activities of this nature are expensive and likely to be out of reach for a small independent pharmacy but such pharmacies could explore mutually beneficial strategic partnerships with pharmaceutical manufacturers and wholesalers to support this form of promotion.

People The people component of the marketing mix can have a direct impact on the image of a pharmacy. The pharmacist and other pharmacy staff are customers' point of human contact and who they will look to for information, advice or support.

The staff are a pharmacy's most valuable asset with regards to marketing of services. In terms of marketing, they need to be kept well trained, informed and motivated to put across the right image, ie, training should be viewed as a marketing tool. Well trained and motivated staff will allow a pharmacy to build a reputation in its local community, attracting new customers. Excellent pharmacy teamwork (ie, where members understand their roles and there is a cohesive aim — that of meeting customers' needs more efficiently than the com-

Panel 2: Key considerations when planning to market a pharmacy service

- What service will be offered?
- Who should it be marketed to? (Has a target market been identified? What are the needs, wants and expectations of this target market?)
- What price will be charged?
- When and where will the service be available to customers?
- How will the service be promoted to stakeholders?
- Who should be involved in the marketing of the service?
- What are the processes involved in delivering the service to customers?
- What image should the pharmacy project to appeal to customers?
- What are the competitors doing and how can the pharmacy meet the needs of the customers better than the competition?
- What are the marketing objectives?
- What is the marketing budget?
- How will feedback, performance and review procedures be established?

petition) can help to keep marketing activities focused.

Services are produced and consumed at the same time. They are inseparable from the people who provide them. Customers might have a strong interest in who actually performs the service. For example, blood pressure monitoring performed by a member of staff might be perceived as of lower value than monitoring by a pharmacist. Such preferences might affect the value attributed to a service so if someone other than the pharmacist is to perform a service, the pharmacist might consider introducing the member of staff to the customer, explaining that he or she has received the necessary training.

Process Delivering a good service to customers involves many processes, not only ones that involve contact with the customer but also those required before and after the service is delivered. Processes need to be constantly evaluated and managed. For example, are potential customers identified properly and professionally? When selling the services to prospective customers, are pharmacy staff courteous, considerate and professional? And does the service have a complaints procedure and how robust is it? Processes must be of high quality and time-managed to support the marketing effort.

The fourth special characteristic of a service is variability. Since services are delivered by people, the performance and outcomes can differ with different providers. Consistency can be difficult to achieve and this can lead to customer dissatisfaction. Evaluating the service and processes is, therefore, vital.

Physical presence A pharmacy's atmosphere, or physical presence, including the image that it projects, is based on how it is designed and decorated. An atmosphere that is comforting or exciting or enticing can draw people into the pharmacy and enhance their shopping experience.

Providers of pharmacy services need to present prospective customers with an image

that communicates what their pharmacy represents.

With more emphasis on improving the customer experience, pharmacies need to be both aesthetically pleasing and functional. The design of a pharmacy should aim to make customers feel welcome and, with the help of staff, aware of the range of services available. Pharmacy services themselves require the right environment — privacy and space. The creation of a distinct, professional image within a pharmacy helps to build trust between the pharmacy staff and their customers.

With an awareness of the seven Ps and the special characteristics that apply to services, a marketing programme can be planned and implemented. At the planning level, many decisions must be made. Panel 2 lists key considerations when planning to market a pharmacy service.

The future of marketing in pharmacy

Marketing is the most vital aspect of business today. As the pharmacy market becomes more competitive, marketing will assume an increasingly important role. Success in the marketplace will depend on the ability of a pharmacy to find unmet customer needs and to develop and sustain a satisfying marketing mix for viable customer targets more effectively and efficiently than competitors.

Developing cutting edge marketing strategies for services is a sure way for pharmacies to enhance their competitive position. Marketing strategies providing image differentiation, better quality and increased productivity need to be given due attention.

Action: practice points

Reading is only one way to undertake CPD and the Society will expect to see various approaches in a pharmacist's CPD portfolio.

1. Consider each of the seven Ps of marketing and examine ways of developing them to market your services better than your competitors. Make sure you have a marketing plan for pharmacy services in your pharmacy.
2. List all the different ways you have promoted your pharmacy services to customers. Review their effectiveness and explore how to better promote these services.
3. Note down your approaches to making GPs and other healthcare professionals aware of your services. Discuss these approaches with your staff.

Evaluate

For your work to be presented as CPD, you need to evaluate your reading and any other activities.

Answer the following questions:

What have you learnt?

How has it added value to your practice? (Have you applied this learning or had any feedback?)

What will you do now and how will this be achieved?

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Further Reading

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