

Lecture 5.

**OVER-THE-COUNTER RELEASE OF  
MEDICINES AND OTHER PHARMACY  
PRODUCTS. THE PRINCIPLES OF  
MERCHANDISING**

3rd year 5th semester

The modern pharmacy is a comfortable and functional retail space, subject to the laws and principles of modern merchandising, equipped for the convenience and comfort of the customer.

The pharmacy has long ceased to be a place for the basic purchase of medicines. In this age of healthy living, pharmacies have become filled with new product categories, vitamins and supplements, nutraceuticals and cosmetics, hygiene and care products, and various sports and wellness products.

The laws, principles and rules of merchandising apply to pharmaceutical retail as much as to other areas and sectors of commerce. Pharmacy merchandising aims to attract the customer's attention, interest, and motivation to buy and return.

What tools can be used to attract customers and how can profitability be increased? The success of modern pharmacy retailing is built on three pillars: a well-chosen range of quality and reliable products, brands, merchandising and product presentation, atmosphere and service in the pharmacy.

We will talk about the aims, rules and principles of pharmacy merchandising.

## Let's start with a definition

**Pharmacy merchandising** is a set of measures and activities aimed at promoting goods and services in the pharmacy without direct employee involvement. In other words, the objective of merchandising is to place products in the retail space of the pharmacy in a way that maximizes customer interest, evokes emotion and induces purchase.

**The aim and measure of success of merchandising activities are to increase sales, gain loyal customers, draw the customer's attention to the right products, actively promote the entire range or specific items.**

As a bonus of successful merchandising in the pharmacy, there is an increase in the time the customer spends in the pharmacy, strengthening the brand and improving service.

Merchandising in a pharmacy involves a fairly wide range of measures, from sound and color schemes to the placement of pos-materials and shelf zoning. Let's look at some basic rules and principles of pharmacy merchandising.

# RULE 1: ALWAYS USE PLANOGRAMS

**The planogram** is the first merchandising tool, a kind of roadmap for the correct placement of top and essential goods, secondary goods and impulse buying areas.

A visualized planogram in the pharmacy is constructed using special programs that analyses the smallest fluctuations in demand, purchasing habits and trends, sales levels for each product group and brand, and seasonal fluctuations in supply and demand. Ideally, a properly structured pharmacy display plan is the instruction manual for the pharmacist.

It is not easy to [design a planogram](#), because a correct and working planogram must contain a lot of data, for example:

- The number of products on the shelves according to sales statistics and demand figures.
- The size of the packs displayed on the shelves.
- The positioning of competing products relative to each other.
- The construction of the brand line according to marketing guidelines and rules.
- The correct positioning of the spontaneous shopping area.

## **RULE 2. PLANOGRAM OF PHARMACY DISPLAY LAYOUT AS A TOOL FOR ANALYZING PURCHASING BEHAVIOR**

A planogram for display chart in a pharmacy for modern demand analysis systems highlights trends and patterns in customer behavior, such as what prompts a spontaneous purchase, how demand for different product categories varies with the season, what the customer looks for first when they enter the pharmacy.

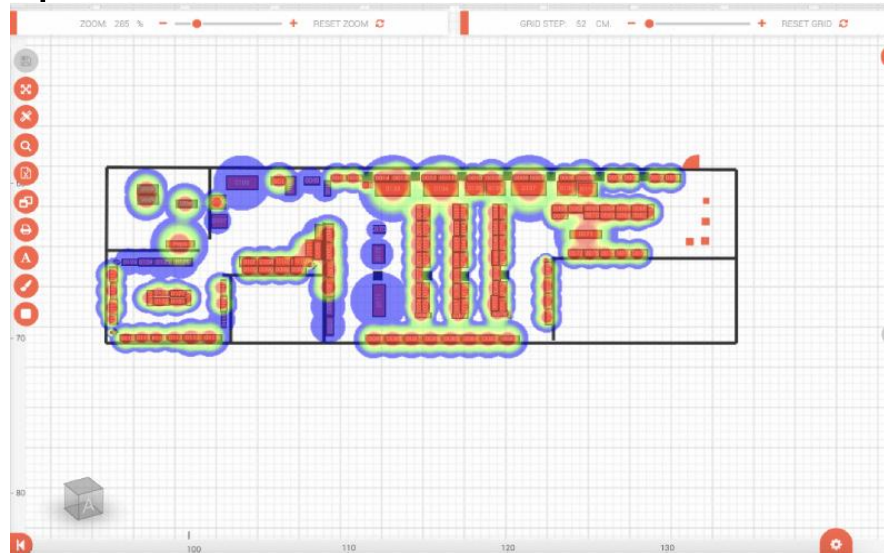
No merchandising activity will be successful if it is not supported by actual figures and real data. Everything from the visual perception of the product on the shelf, the degree of light on the shelf, the area, and the direction of movement in the shop is important. Pharmacy merchandising, like marketing, is based on a sound analysis of figures and indicators.



## RULE 3. ZONING THE PHARMACY SPACE AND ADHERING TO THE RULE OF "COLD" AND "HOT ZONES"

What does the division into "**cold**" and "**hot zones**" mean in the context of [product display](#) in a pharmacy? All retailers are well aware of the proven customer flow trajectory - in the vast majority of cases, the customer is more likely to turn right and start moving counter-clockwise when they enter the premises.

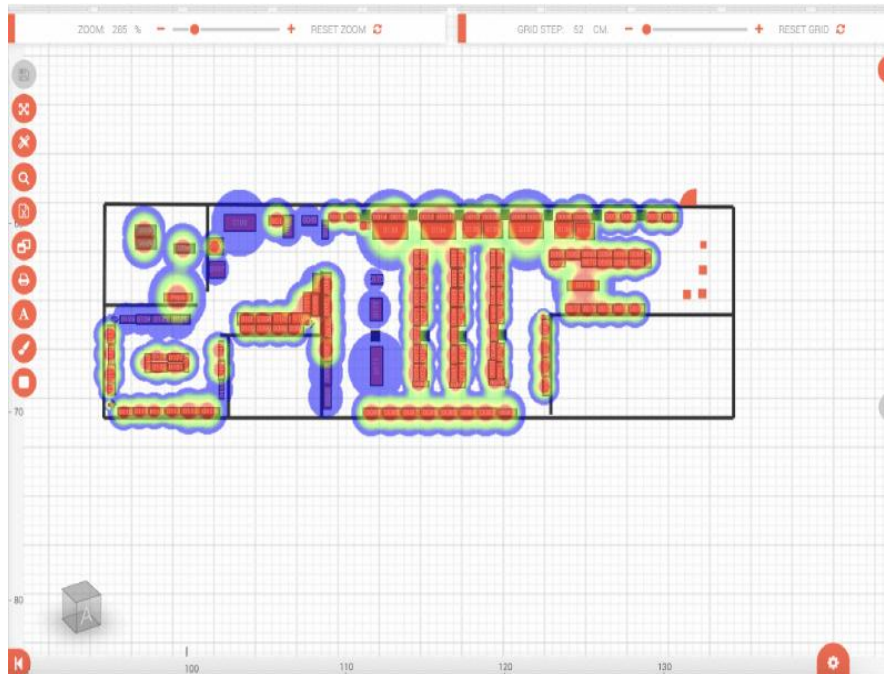
The area to the right is the "**hot zone**". We suggest placing high-priced, high-margin, advertised and popular products in this area. Don't forget that the priority products for a pharmacy are, after all, medicines, otherwise, customers may falsely associate your outlet with a cosmetics shop or a convenience store.



The central area (in the center of the entrance) is the so-called '**warm**' zone, which attracts 50-70% of visitors. Save it for seasonal goods, cosmetics, dietary supplements.

Finally, "**cold zones**" are the most remote areas and corners of the pharmacy. This is an area with low but stable demand of products that should be in the pharmacy's range but do not make a lot of profit. These may include medical products, the most basic and inexpensive hygiene and care products, consumables for patient care, etc.

Using pharmacy zoning appropriately and wisely helps you tailor your sales and assortment to customer behavior.



## **RULE 4: DON'T IGNORE THE MERCHANDISING OF EMOTIONS**

**One of the most important principles of pharmacy merchandising is that there is a direct correlation between customer emotion and purchase.** Simply put, if the customer is pleasant, bright, warm, served easily and politely, and finds the right product easily, the customer will buy and return again and again, and subsequently become a loyal customer (don't forget, customer loyalty is the most stable currency in retail!).

Conversely, a customer will want to leave a cluttered, dark, uncomfortable room as soon as possible, and is unlikely to buy a product with a worn or faded price tag. The same reaction we would get if we clutter the shelves with products, use too aggressive bright colors in the interior or vice versa, an abundance of white and silence turn the room into a hospital room. Of course, we cannot deny the fact that pharmacy retail has its own characteristics - there is a percentage of patients who come to the pharmacy with a clear need for this or that medicine - they come for the medicine, it is unlikely that their purchase will be influenced by the atmosphere or the decor of the pharmacy.

Be sure to keep an eye on the atmosphere of your sales outlet, do not overload the interior with marketing and POS materials (roll-ups, banners, posters), control the music and sound background.



## **RULE 5. KEEP AN EYE ON THE MERCHANDISE DISPLAY IN THE PHARMACY**

**The display of products in the pharmacy** is probably the most effective merchandiser tool. There are several rules and principles for successful merchandising.

**Firstly**, always pay attention to the price tags and the display of the name of the medicine/item. The price tag or barcode should not cover the name and should be easily and clearly legible. The price tag for the product is a must! There are statistics that show that half of all customers will not accept a product without a price tag and will return it to the shelf instead of the cash register.

**Secondly**, make sure that the best-selling products are at eye level, in an area that best focuses the customer's attention.

**Thirdly**, have a clear rubric to make it easy for customers to find what they are looking for. Divide up the space and organize it in a way that makes it easy for the shopper to navigate and find the right category. Allocate product groups so that customers can move from one category to the next - for example, next to maternity and baby products, feminine hygiene products, cosmetics can be placed. Pay particular attention to the so-called “spontaneous shopping zone”- the area near the cash register and in the aisles.

It is important to realize that pharmacy merchandising is not a one-off activity, but a process that needs to be constantly maintained, optimized, improved and reformatted. Merchandising in pharmacies is highly seasonal - take this into account. SPF creams and cold prevention products have seasonal sales figures, which "dictate" the rules for their display. The pharmaceutical market is an active and fast-growing one and the introduction of new products and brands must also be reflected in the display, not just by piling new products on top of existing ones - a new approach to displaying products in the medicine cabinet and re-formatting the shelf is needed.