



Federal State Budgetary Educational Institution of Higher Education "Volgograd State Medical University" of the
Ministry of Health of the Russian Federation
Department of Management and Economics of Pharmacy, Medical and Pharmaceutical Merchandising

Assortment policy of a pharmaceutical organization. Product life cycle. Rules for effective presentation of pharmaceutical products. Merchandising.

Lecture 4

Discipline: Pharmaceutical Marketing

4th year, 7th semester

Lecture outline

- 1. Assortment: definition, classification. Assortment indicators.**
- 2. Assortment policy, its tasks. Directions of assortment policy.**
- 3. Methods for managing the assortment of pharmacies.**
- 4. Factors and main directions of assortment formation.**
- 5. Types of life cycle of pharmaceutical products.**
- 6. Principles of planning and forecasting of pharmacy assortment.**
- 7. Assortment management problems**
- 8. Rules for effective presentation of pharmaceutical products.**
- 9. Merchandising.**

An assortment is a selection (set) of goods of different types and varieties, combined according to some characteristic and intended to most fully satisfy demand.

The fundamental feature of classifying a product as medical and pharmaceutical is its use in healthcare for sick and healthy people for diagnostic, therapeutic, health-improving and preventive purposes.

The assortment of a pharmacy is a list of drugs combined according to pharmacotherapeutic, pharmacological, chemical or other criteria, and providing optimal treatment, diagnosis, and prevention of the disease, taking into account the ideas of rational pharmacotherapy and the possibilities of producing drugs by the domestic and foreign pharmaceutical industry

1. Types of product range by location

Industrial is a set of goods **produced by enterprises in various industries**

industry

regional

enterprises

Trade is a set of goods **supplied to wholesale and retail enterprises or to the sphere of circulation and sale**

2. Types of trade assortment by breadth of product coverage

Simple – represented by types of goods classified according to no more than three characteristics (variety, type, group)

Group (enlarged) - an assortment of goods combined according to common characteristics into certain groups of goods

Expanded (intra-group) - an assortment represented by varieties of goods. (**Variety** – similar names of medical products produced by different manufacturers, or modifications of the same product that differ in appearance, for example, color, body shape, etc.)

Difficult – a set of goods classified according to more than three criteria . A complex assortment combines products from several assortment classes or groups

Related (parapharmaceutical products) – goods that perform auxiliary functions and do not belong to the main groups (medicinal products, medical products).

Mixed assortment - a set of goods of different groups, types, names, characterized by a wide variety of functional purposes

3. Types of trade assortment according to **the nature of meeting needs**

Real – a valid set of goods available from a specific manufacturer (or seller)

Predictable - it is determined by the manufacturer (or seller) in order to satisfy the needs of potential consumers

Rational - a set of goods that allows you to most fully satisfy the needs of potential consumers and ensure the best quality of life at a certain level of socio-economic development of society

Educational – a set of goods designed to achieve educational goals

4. Types of trade assortment according to the method of formation

REQUIRED -

- establish government bodies or public organizations **in order to streamline the activities of pharmaceutical enterprises, as well as to provide social guarantees to the population:**
- **mandatory minimum assortment**
- **Regional lists of drugs for free and discounted holidays** (for the treatment of socially significant diseases on an outpatient basis),
- **“List of vital and essential medicines”** (approved annually)

FREE -

- the enterprise forms independently according to the market laws of supply and demand, based on business goals, specialization, market conditions, financial capabilities and other factors

5. Types of retail pharmacy assortment by **speed of sale** (4 groups)

Group I –

goods in **high** demand (items sold at a rate of **1 or more packages per day** per 100 thousand rubles. TO)

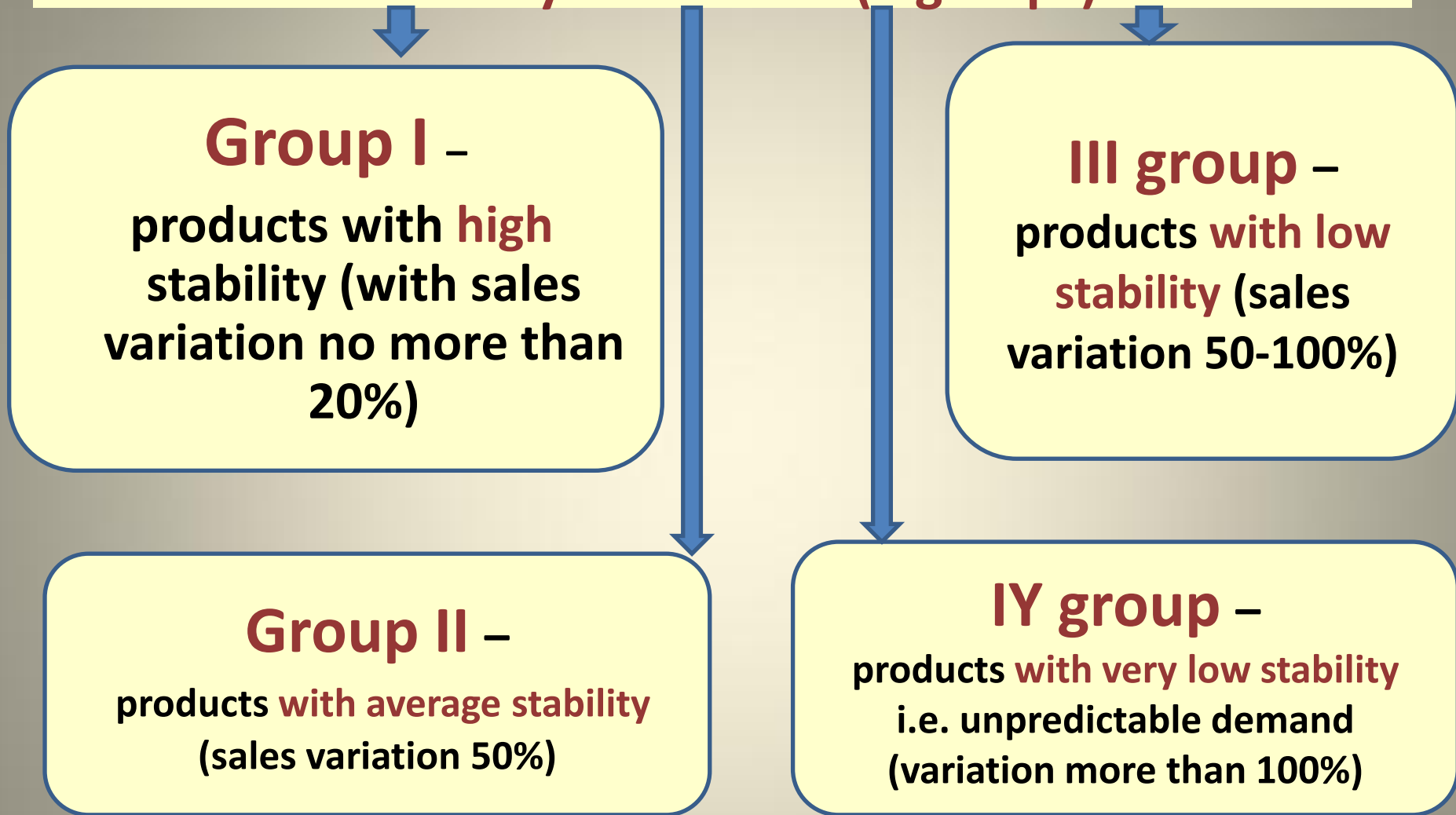
Group II –

goods of **moderate** demand (from 0.14 packs per day or from 1 to 7 packs **per week** per 100 thousand rubles. TO)

III group – goods of reduced demand (0.14 -1 pack per week)

IV group – goods of unpredictable demand (less than 3-4 packages **per week**)

6. Types of retail pharmacy assortment according to elasticity of demand (4 groups)



A marketing tool based on comparing these statistics is called XYZ analysis

7. Types of trade assortment by terms of use



LONG TERM USE

—

sanitary, hygiene items,
medical devices



SHORT-TERM USE-

- medicines,
- medicinal raw materials,
- medicinal cosmetics and perfumes

8. Types of trade assortment according to **the nature of**

DEMAND

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graph TD; DEMAND[DEMAND] --> CG[Consumer goods]; DEMAND --> PPD[Products of passive demand]; DEMAND --> GSD[Goods of special (exclusive) demand]; DEMAND --> GSD_SEL[Goods of selective demand];
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Consumer goods

Products of passive demand - are characterized by either a high price, or low quality characteristics, or little is known about the product due to lack of information and lack of advertising

Goods of selective demand - their acquisition is associated with a preliminary assessment of the available assortment and subsequent selection of goods by comparison by quality, design, price, manufacturer, country

Goods of special (exclusive) demand - goods with unique properties, the acquisition of which requires additional effort and costs on the part of the buyer

RANGE INDICATORS (1)

- **Assortment property** — a feature of the assortment that manifests itself during its **formation and sale**.
- **The assortment indicator** is a quantitative and/or qualitative **expression of the properties of the assortment**, while the number of groups, subgroups, types, names and product articles of goods is subject to measurement.
- **The unit of measurement for assortment indicators is the name of the product or product article**, which may include the name of the type and/or brand.

ASSORTMENT INDICATORS(2)

BREADTH OF ASSORTMENT

- When forming an assortment, the complex of its properties and indicators is regulated, which requires an understanding of their essence and knowledge of the range of properties and indicators of the assortment.
- ***Assortment breadth*** - the number of groups, types, varieties and names of goods of homogeneous and heterogeneous groups.
- This property is characterized by two **absolute indicators - actual and base latitude**, as well as a **relative indicator - the latitude coefficient**.

1. Breadth of assortment – characterized by the number of product groups. It is expressed by **the assortment breadth coefficient, equal to the ratio of the actual assortment breadth (the actual number of groups of goods available) to the base one (the number of groups or subgroups of goods, regulated by regulatory documents or the maximum possible during the evaluation period)**

- **Actual latitude (W_d)** - the actual number of groups, types, varieties and names of goods available (d).
- **Base latitude (W_b)** - latitude taken as the basis for comparison. The number of types, varieties and names of goods regulated by regulatory or technical documents (standards, price lists, catalogs, etc.), or the maximum possible, can be taken as the base latitude. The choice of criteria for determining the basic latitude indicator is determined by the goals of the trade organization. For example, when analyzing the assortment policy of competing stores, you can take as a base the maximum list of goods available in all surveyed stores.
- **The breadth coefficient (K_{sh})** is expressed as the ratio of the actual number of types, varieties and names of goods of homogeneous and heterogeneous groups to the base one.

- There are **two approaches** to defining the term **“breadth of assortment”**.
- In the disciplines **“Organization of Commercial Activities”** and **“Theory of Commodity Science,”** **breadth is considered as the number of groups of goods available for sale (1 approach).**
- **In trade practice, breadth is determined by the total number of types, names, brands and other assortment units belonging to homogeneous and heterogeneous groups (2nd approach).** According to many experts, **this approach is more rational, since it allows for automated accounting and identification of goods using barcode technology.**
- These approaches can be combined if we introduce **two concepts of latitude related to its varieties: general and group.**

An example of the breadth of a pharmacy's product range

Width of pharmacy assortment

Medicines	Medical equipment products	Medical products	Other pharmacy products
Antibacterial agents	Thermometers	Syringes	Children's products
Drugs for the treatment of functional disorders of the gastrointestinal tract	Glucometers	Surgical gloves	Toothpastes
Vitamins	Inhalers	Dressing	Perfumes and cosmetics
Anticoagulants	Tonometers	Blood transfusion systems	Hair care products
Antihistamines for systemic use	Butyrometersetc.	Mineral water
.....etc.etc.		Dietary supplement for food

BREADTH OF MEDICINES



The breadth of drugs is represented by different ATC groups, e.g.

- anticoagulants, vitamins, antihistamines, agents affecting the central nervous system, etc.

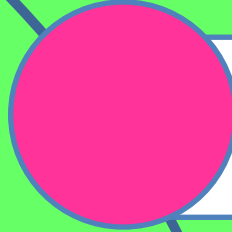
In turn, each of the groups can be divided into subgroups, subgroups into classes, classes into subclasses, etc.

The following table shows the breadth of the range using the example of antibacterial agents for systemic use.

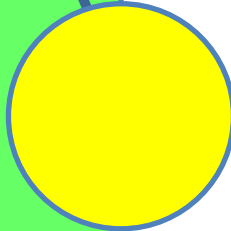
Table. An example of the breadth of the range of antibacterial agents for systemic use

Wide range of antibacterial agents for systemic use

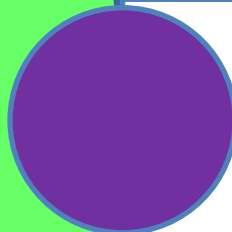
J01A Tetracyclines	J01B Amphenicols	J01C Macrolides , lincosamides and streptogramins	J01G Aminoglycoside antibiotics
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As can be seen from the examples , **breadth** can be calculated down to product units. Therefore, when talking about the breadth of the assortment, you always need to clarify - the breadth of **WHAT?**



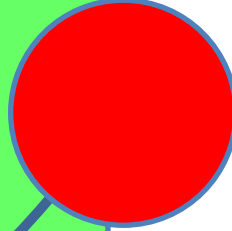
As can be seen from the examples, the concept of **latitude** is closely related to classification. In this example, the **ATC classification** is used, officially used in the official publication - the **Register of Medicines of the Russian Federation**.




If in this case we apply a different classification, say, according to that accepted in clinical pharmacology, then the breadth of assortment groups will be different.



Saturation is the total number of units in the assortment range for each product variant.




In this regard, for consumer goods **they also talk about a product line** - that is, a group of goods that perform similar functions, intended for the same customers, and also sold in a certain price range through similar trading enterprises



In relation to medical technology, saturation will be defined, for example,

- the number of offers of automatic tonometers and their models.



When we talk about the saturation **of the assortment J01AA02 Doxycycline** , then in this example this product performs similar functions (prescribed for the same indications), is intended for the same customers, and is also sold in a certain price range through the same type of trading enterprises (that is, pharmacies) .

2. Complete assortment

- *Completeness of assortment* is the ability of a set of goods of a homogeneous group or subgroup to satisfy the same needs.
- Completeness is characterized by the number of types, varieties and names of goods of a homogeneous group and/or subgroup. Completeness metrics can be either real or basic.
- ***The indicator of actual completeness*** is characterized by the actual number of types, varieties and names of goods of a homogeneous group, and ***the basic - regulated or planned quantity of goods***.
- ***Completeness coefficient (K_n) - the ratio of the actual completeness indicator to the base one*** .
- **BASIC COMPLETENESS IS DETERMINED EITHER BY REGULATIVE DOCUMENTS OR AS THE MAXIMUM NUMBER OF GROUP PRODUCTS ON THE MARKET**

3. Depth of assortment

- The depth of the assortment is characterized by the presence of varieties of one type of product. Expressed by a coefficient equal to the ratio of the actual depth to the base indicator
- *Actual depth* (G_d) - the number of brands and/or modifications or product items available.
- *Basic depth* (G_b) - the number of brands and/or modifications or product items offered on the market or potentially available for release and taken as the basis for comparison
- *Depth coefficient* (K_{gl}) - the ratio of the actual depth to the base one. The higher this indicator, the more fully the species range of a particular product is represented.

Depth refers to the number of proposal options (number of product units) for a specific type of product.

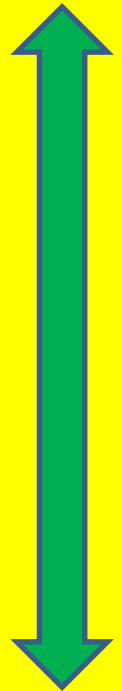
For example, if surgical cotton wool is offered by a pharmacy in sterile and non-sterile packaging and in two different packaging (50.0 and 250.0), then the depth of its offerings is four:

1. Surgical sterile cotton wool 50.0

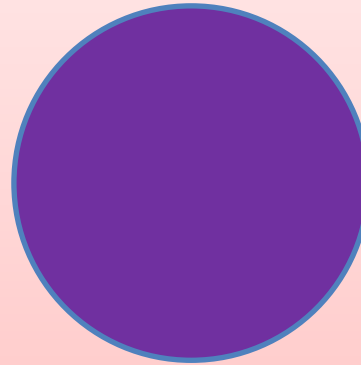
2. Non-sterile surgical cotton wool 50.0

3. Surgical sterile cotton wool 250.0

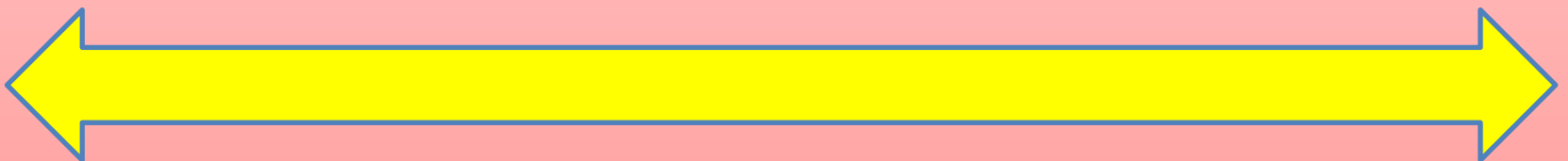
**4. Non-sterile surgical cotton wool
250.0**



4. Degree of use of the assortment



The degree of assortment utilization is an indicator of the use of the assortment of goods **available** in the organization **over a certain period of time.**



5. Novelty (updating) of the assortment

- ***Novelty (updating) of the assortment*** is the ability of a set of goods to satisfy changed needs through new products.
- **characterized by actual renewal** - the number of new products in the general list (N) and the degree of renewal (K_n), which is expressed through the ratio of the number of new products to the total number of items of goods (or actual breadth).
- **Renewal is one of the areas of the organization's assortment policy**, carried out, as a rule, in a saturated market. However, updating the assortment may be a consequence of a shortage of raw materials and/or production capacity necessary for the production of previously produced goods.

5. Novelty (updating) of the assortment

- The reasons prompting the manufacturer and seller to update the range are:
- replacement of obsolete goods that are not in demand;
- development of new products of improved quality in order to stimulate their purchase by consumers;
- design and development of new products that had no previous analogues;
- expansion of the assortment by increasing completeness and depth to create a competitive advantage for the organization.

6. Structure of the product range

- *The structure of the assortment of goods is the ratio of groups of goods in a set identified by a certain characteristic* (GOST R 51303-99, clause 80). **It is characterized by the specific share of each type and/or product name in the total set.**
- **The structure of the assortment can be expressed in both natural and relative indicators.** They are calculated as the ratio of the number of individual goods to the total quantity of all goods included in the assortment.
- The assortment structure, calculated in physical terms, determines the structure of trade turnover in monetary terms . However, there is no direct relationship between them.

6. Product range structure(2)

- The choice of these **indicators depends on the objectives of the study.**
- **If it is necessary to determine the need for warehouse space** , as well as areas for displaying goods, analyze the structure of the assortment in physical terms;
- **when analyzing the profitability of certain types of goods - in monetary terms .**

6. Product range structure(3)

- For medical equipment products, the structure of the assortment according to the degree of obsolescence, which is expressed by the coefficient K_T , is of great importance

$$K_T = T_C / T_1,$$

where T_C is the time from the moment the product initially appears on the market until it arrives at the pharmacy (or service life in a medical institution);

T_1 - life cycle of a product of a given brand (time from the initial appearance of the model on the Russian market until the cessation of its sale on the market)

6. Product range structure(4)

- According to the degree of obsolescence, medical equipment products are divided into 4 classes:
- **Class I – modern products** ($K_{\tau} \leq 0.3 - 0.35$);
- **Class II - relatively new products** ($0.33 < K_{\tau} < 1.0$), produced or no longer produced by manufacturers, but having appropriate corporate technical support (repair, supply of spare parts and components, retrofitting and modernization);
- **III class – not new products** ($1.0 < K_{\tau} < 1.7$), not released for 3-4 years, but with appropriate technical support.
- **IY class - old products** ($K_{\tau} < 1.7$), discontinued and without proprietary technical support.

7. Stability of the assortment

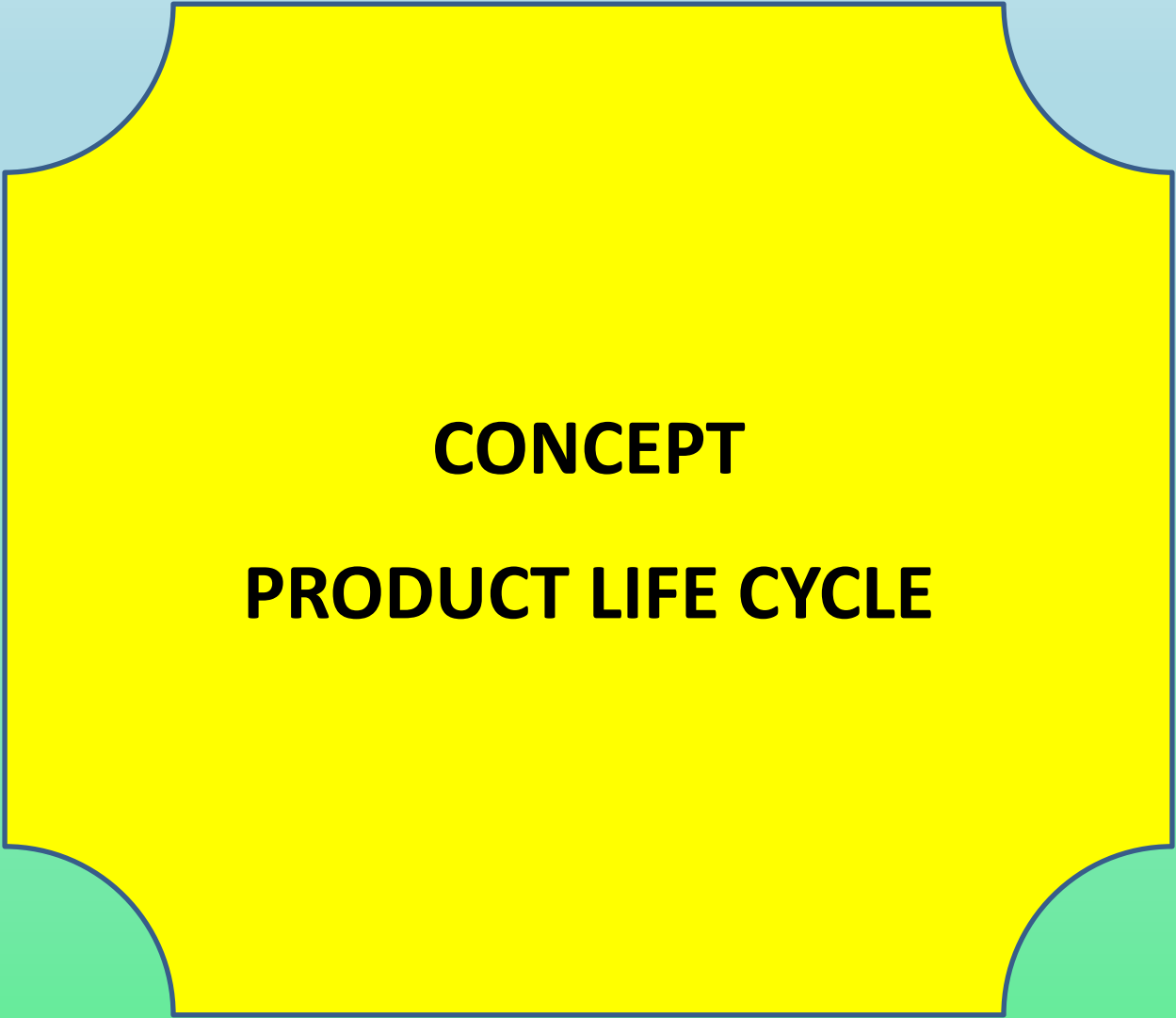
- **Stability of the assortment** - is determined by the degree of change in all the indicators we considered over the period of time under study.
- The assortment is constantly updated and replenished in accordance with consumer surveys and the general state of the pharmaceutical market.
- The value characterizing the renewal of the assortment is **the renewal index** (this is the share of new products introduced for sale during the time period under study)

$$I_o = t \backslash M$$

- where t is the number of new drugs in the pharmaceutical organization's assortment. A drug that was first released less than 5 years ago is considered new.
- M is the total number of drug items in the assortment.

8. HARMONY OF THE ASSORTMENT AND ITS COMPARIBILITY


- **The harmony of the assortment and its comparability characterizes the degree of proximity between products of different assortment groups, taking into account their practical application.**
- **The harmony of the assortment is a qualitative sign and is not measured quantitatively. The range of pharmaceutical organizations is generally harmonious.**



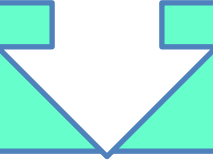
CONCEPT
PRODUCT LIFE CYCLE

Product life cycle concept

The concept of the product life cycle is used constantly in marketing. It is a fundamental theory built on the basis of research into various products and consumer psychology.



Theodore Levitt, an American economist, formalized the concept of natural substitution of goods (old with new) and proposed a rationale for this process. The basis of the theory was the thesis that any product, no matter how popular it may be, will eventually leave the market.



New customer needs will force manufacturers to improve the product or abandon production altogether (competitors, low profits, market oversaturation, uselessness of the product). That is, each product is limited by the sales time frame. The only exceptions are “eternal” goods, the production technology of which has not changed for centuries (monopolistic industries).



The main postulates of the theory are:

1. The lifespan of a product is limited by its relevance at each time period.

2. The life cycle is characterized by different stages, for which different promotion strategies are applied.

3. Each stage is characterized by a separate dynamics of profit and sales volume (life cycle curves).



Market introduction - placement

The stage implies **the beginning of sales with an uncertain result** . The launch of sales of mass goods is unsuccessful in 35-45% of cases, industrial - 20-35%, services - 15-18%. At this **stage, the consumer is not yet familiar with the product. Expected profit is calculated based on the expectations of marketers (manufacturers).**



Stage of growth and development

The growth stage occurs after a sufficiently long period of regular sales. This means that the consumer has recognized the product or is satisfied with the quality.

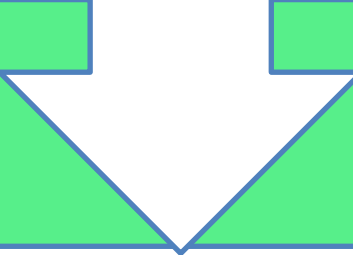
The manufacturer, in turn, expands the range and nomenclature if necessary. In other cases, assessing the quality of products and services is sufficient.

At this stage, a strategy is built to completely capture the market to obtain the maximum possible profit.

Stage of maturity - saturation



The maturity stage involves **supplying the product to the majority of customers in the target group**. The manufacturer is looking for new sales channels. This is possible by reducing prices, entering adjacent markets (partnerships), searching for new uses for products from another target audience, or using technology to produce another product.

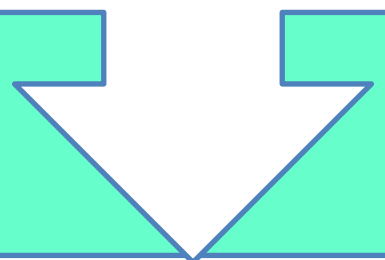


Sales volume is stable due to the high quality of the product. It is resold by intermediaries and individual entrepreneurs. But sales are gradually declining. Here it is important to identify the stage of peak sales and the subsequent decline stage, so that production costs are recouped, and the products are purchased until the market is completely saturated and do not stagnate in warehouses.

Decline stage



The decline stage is typically characterized by **a slow decline in sales**. Income comes from newly received applications (purchases, transactions) and new sales segments. Constant sales volume stabilizes. This is especially true for everyday goods and essential goods.



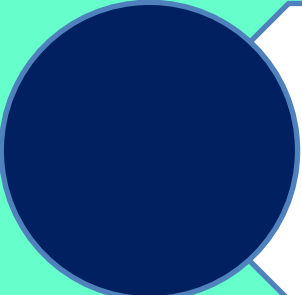
To make a profit at this stage, enterprises decide whether to fight for a place in the sun (improve the product, release new products in the same category) or move to another industry and diversify production. For goods of periodic demand (equipment, one-time services, entertainment), the decline stage may mean a complete cessation of activity.



You can distinguish one stage from another by the dynamics of profit and sales volume:



Growth phase: profit margin is increased, sales volume is progressive.

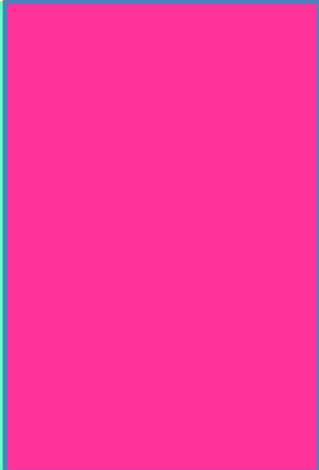


Maturity phase: profit margins and sales volume correspond to intra-industry (average) ones.

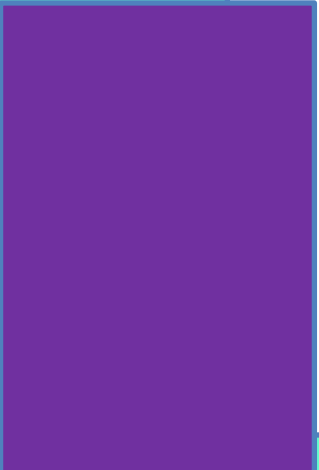


Decline phase: indicators decrease in comparison with industry average and intra-company indicators of previous periods.

Five basic life cycle curves



The traditional product life cycle curve characterizes sales and profits over a certain period of time, including all stages of sales. To build it, you need enterprise statistics on the product.



There are also additional types of curves that characterize the demand for a product depending on the promotion strategy or other management decisions (innovation, competition, price collapse).

The most common models are the following:

Plateau curve or growth-decline curve

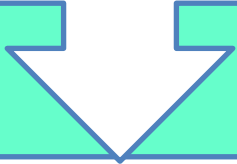
This curve is characterized by rapid growth and rapid decline in demand, but sales continue continuously into the maturity stage. The graph characterizes a quality product that has received the trust of the buyer.

The influence of fashion trends is also considered. At the maturity stage, the product is used by conservators or buyers who have available funds for purchase.

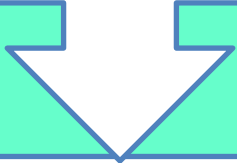
ban sunglasses , Adidas clothing, tablets and other gadgets.

Seasonal curve or repeating cycle curve

The curve characterizes renewable demand at certain intervals. To the greatest extent characterizes seasonal goods, as well as goods of periodic demand.



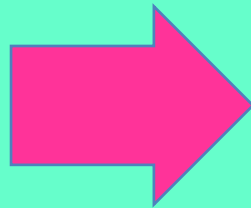
During the maturity and decline stages, the curve deviates up and down, forming a repeat cycle. The demand for such goods is provoked by fashion (nostalgia for the old days) or the season.



An example is retro clothing, sunscreen, rubber boots or personal protective equipment for constant fires.

Scallop curve or new rise curve

Describes the wave-like growth of demand in the maturity stage. Characterizes a quality product that is being purchased by an increasing number of consumers. They are satisfied with the quality and service. This means that the company evaluates the results of its activities, modernizes its product range, and produces modifications, thereby extending the maturity stage.



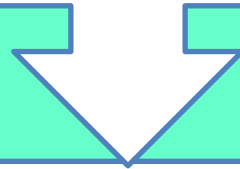
Examples: 1 BMW car consortium. New buyers buy cars due to reliability and modern design and tuning.

Example 2: A hosiery factory that is able to increase sales through frequent purchases that increase during the winter.

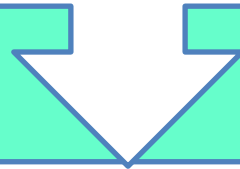
These products have a scalloped curve, describing the peak and decline of sales, but growing in dynamics.

Failure Curve

Characterizes an unsuccessful product, which, after the start of sales, was no longer purchased. Such a product does not have a stage of growth and maturity. The curve suggests that purchases were made for testing purposes in small quantities.



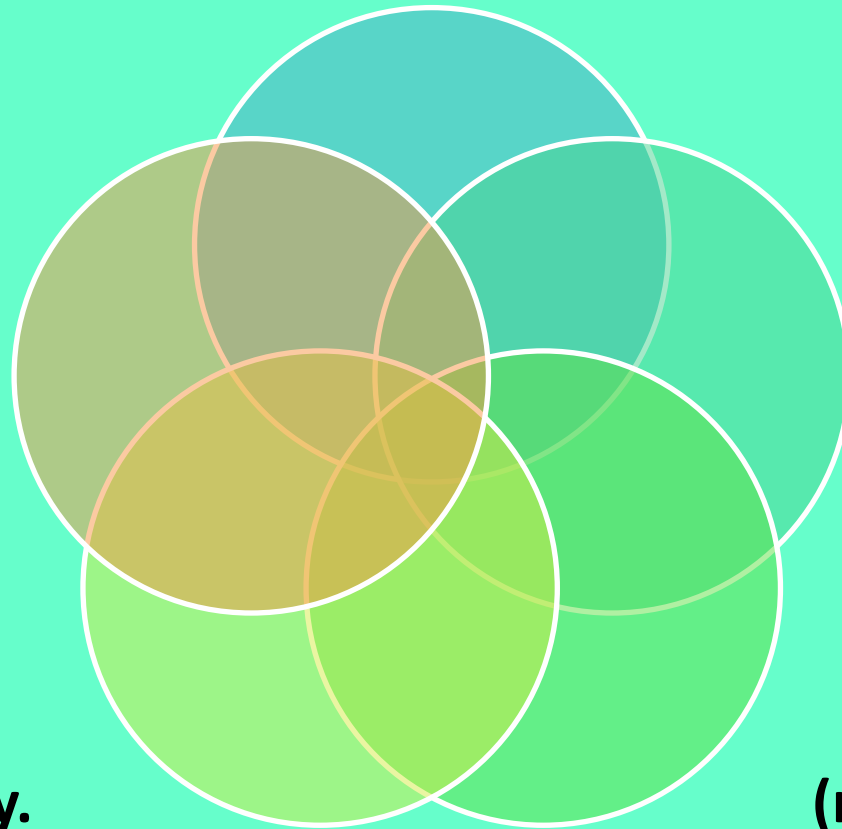
The buyer was not satisfied with the quality or property of the product. Therefore, repeat purchases were not made, and sales dropped sharply.



As an example, they cite drugs that have cheaper or more effective analogues.

Factors influencing life cycle:

By regulating
demand, you can
reduce or increase
different stages of
the life of a new
product to extract
the greatest
profit.



external
(macroenvironme
nt);

internal
(microenvironmen
t);

marketing policy.

product introduction to the market (strategic products = “problem children”, “wild cats”)
growth (core products = “stars”)
maturity (support products = “cash cows”)
decline (outgoing products = “dogs”)



PRODUCT LIFE CYCLE

To determine the product category corresponding to the stage of the life cycle,

it is necessary to compare the following indicators:

- sales volume and sales growth rate;

- revenue from sales;

- marketing goals and marketing costs (advertising, etc.);

- price;

- number of competitors;

- number of consumers;

- depth of assortment, etc.

Examples of life cycle types for medicinal products

1. Traditional life cycle.



2. “Boom” is a very popular product, stable sales for a large number of years (for example, No-shpa, Valocordin).



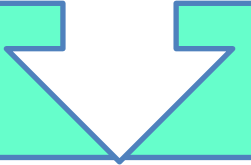
3. “Hobby” - quick rise, quick sales (“fashionable” weight loss products).



4. “Long-term hobby” - a quick rise, a quick decline, but there is a stable residual sale.

Examples of life cycle types for medicinal products

5. “Seasonal goods” - sales dynamics have a pronounced seasonal nature (for example, anti-influenza, anti-allergic drugs, etc.).




6. “Improvement of a medicinal product” - aimed at expanding its use, which contributes to the resumption of the growth period after some stabilization of sales.



7. “Failure” - lack of success in the market, a failed drug.

"NEW BIRTH" OF MEDICINES


Knowing the “age periods” of a drug allows you to understand the activities that drug manufacturers are carrying out and influence its sales in pharmacies.



For example, if a drug has entered the “aging” phase and its sales have noticeably decreased, then the manufacturer can transfer it to the “new birth” stage.



Among the many techniques for achieving a “new birth” of pharmaceutical products, the following can be highlighted:



- **introduction to the market of new dosage forms of an already known drug** : for example, the drug was produced only in the form of tablets and injection solution; additionally, say, a form of the drug is being developed in the form of syrup, patch, gel, capsules, etc.;

"NEW BIRTH" OF MEDICINES

- **creation of a modification of the drug with a more convenient dosage regimen** (a slow-release form of the drug, which allows, for example, changing the dosage regimen from three to two times a day);

- **expanding the use of the drug** (by other age groups; for example, creating a new form of the original drug for the treatment of children);

- **by identifying a new direction of use** (for example, the emergence of Cardioaspirin);

"NEW BIRTH" OF MEDICINES

- dissemination of information about new medicinal properties of a well-known drug ;

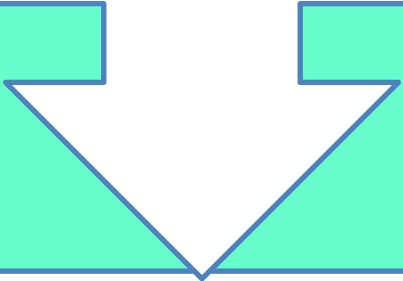
- transfer of the drug from the category of prescription to the category of over-the-counter;

- production of new packaging ;

- carrying out an updated advertising campaign;

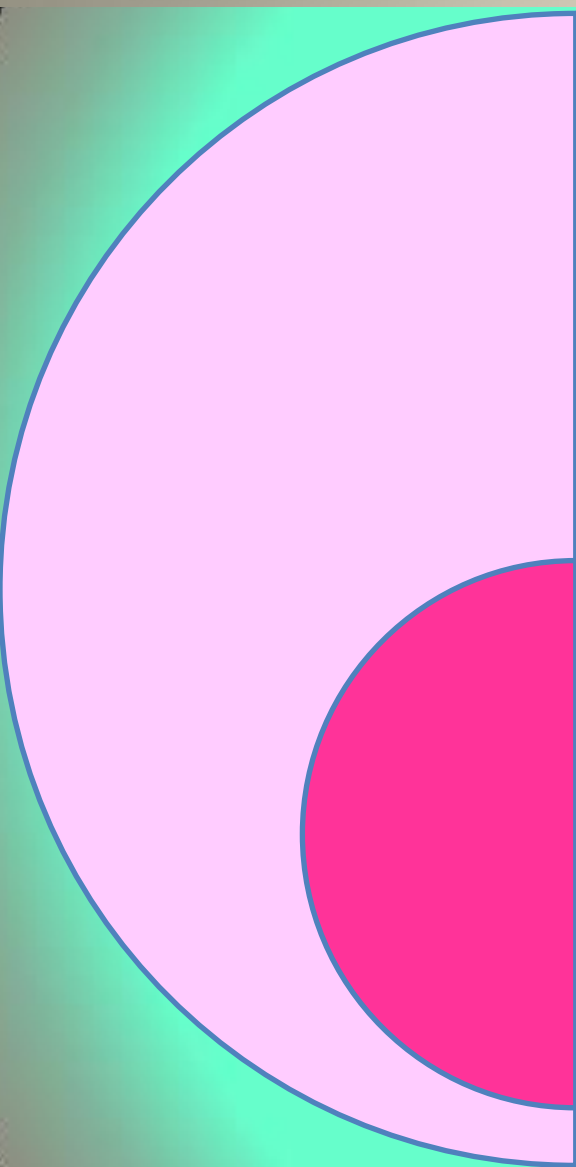
"NEW BIRTH" OF MEDICINES

- a complex “ relaunch ” (relaunch), when sales of a drug stop altogether for some time , and after a certain period the same drug is introduced to the market completely updated in terms of positioning, packaging, etc.



This approach is often used when the drug initially did not meet the manufacturer’s expectations. Using information about “updated” drugs and focusing buyers’ attention on new medicinal properties, a new dosage form, etc., you can bring the drug to a new level of sales in the pharmacy.

FORMATION OF A PHARMACY RANGE DEPENDING ON THE LIFE CYCLE OF PRODUCTS

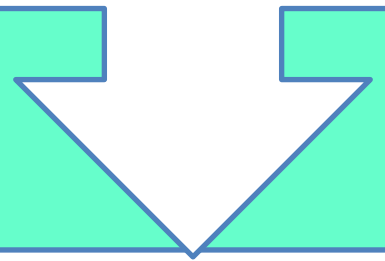


The structure of a pharmacy's assortment should be regularly analyzed to determine which drugs are at what stage of their life cycle.

Studying the stages of the product life cycle **allows you to optimize the structure of the products offered** accordingly (the structure is strictly individual for each pharmacy enterprise and is constantly changing depending on the market situation).

FORMATION OF A PHARMACY RANGE DEPENDING ON THE LIFE CYCLE OF PRODUCTS

Take care to avoid various kinds of extremes (a one-sided desire to have new products in the assortment or, conversely, an excessive commitment to “old” products is unlikely to bring the desired result).



Optimization and a certain balance of the structure of goods is necessary so that the total sales volume depends little on the stages of the life cycle of each of them.

In order to properly plan an assortment that can satisfy the needs of different consumer groups, it is necessary to have in stock goods at different stages of the life cycle, since only the summation of the economic effects of selling goods of various categories provides the maximum economic effect.

- **NB!**

The optimal set of goods constitutes the organization's "economic portfolio," the analysis of which makes it possible to effectively use resources, invest them in the most promising goods from an economic and social point of view, etc.

One of the most common methods of such analysis is the "portfolio" method (matrix).

The entire range of medicines in a pharmacy can be divided into groups that are at one or another stage of the life cycle

- **Introduction stage drugs** are **strategic drugs that are designed to provide future profits.** They are still not very profitable due to the low demand for them at high prices. But these drugs need to be given attention, “accustoming” patients and doctors to them.
- **Leading drugs** are **drugs that are in the growth stage and bring the main profits; the top sellers are the bestsellers.** These drugs are actively promoted on the market through advertising, the work of medical representatives, and sales promotion methods.
- **Maintenance drugs** are **drugs that are in the mature stage and generate significant profits** . These drugs do not require significant investments, so proceeds from sales of this group can finance other assortment items that are required to be in the assortment, but are not in demand. Among the over-the-counter drugs, supporting drugs include **Analgin, Acetylsalicylic acid, Essentiale , Festal , No-shpu, Pentalgin, Corinfar , Trichopolum , etc.**

The entire range of medicines in a pharmacy can be divided into groups that are at one or another stage of the life cycle (2)

- **Exiting drugs** are drugs that are in decline and are subject to gradual withdrawal from the market.

It is important to take into account the ratio of these groups of drugs and their share in the pharmacy's total sales.

Practice shows that ideally the share of basic and supporting drugs should be 75-85 percent of total sales.

• **NB!**

In order to properly plan an assortment that can satisfy the needs of different consumer groups, it is necessary to have in stock products at different stages of the life cycle. Since only the summation of the economic effects of the sale of goods of various categories gives the maximum economic effect.

Disadvantages of the product life cycle model

Despite the fundamental nature of the concept and the possibility of its application in any field, taking into account innovation, **the product life cycle cannot be determined by mathematical modeling. Nobody knows how the consumer will behave tomorrow.**

The life cycle theory is not used in business management. **Not taken into account when planning and forecasting. It is not a fulcrum in decision making.**

It is used as a retrospective analysis of the company's activities (sales and profits over time).

It is difficult to determine the period of onset of the phase.

Life cycle curves (graphs in the “sales-period” coordinate system) do not characterize the exact direction of sales – “up-down” – on a specific date.

Application of the product life cycle model

Forecasting the dynamics of sales of a new product. It is used when planning general marketing tasks in conjunction with market and competitor analysis.

Used in the analysis of similar products of competitors.
Provides an opportunity to compare sales and profit rates and identify the strengths and weaknesses of activities.

Assortment management. It is used to make a decision about the need to expand the range or replace it with another product.

Application of the product life cycle model

Inventory management.

Allows you to manage warehouse capacity and calculate the volumes of production and inventory required for each stage.

New product development management. Allows you to predict the period in which it is necessary to develop a substitute product, an analogue with new functions (saturation stage).

Basic marketing strategies used at various stages of the product life cycle

- Using the product life cycle concept when developing a company's strategy for a given product is fraught with certain difficulties, since strategy is both a cause and a consequence of the product life cycle.

Marketing strategy at the stage of product introduction to the market

Marketing managers can set each of the marketing variables (pricing, promotion, distribution, product quality) very high or low. **If we consider only pricing and promotion of goods, then company managers use one of the following strategies:**

1. Strategy for quickly skimming the cream from the market

The company sets high prices for the new product and heavily advertises it in all media. A high price makes it possible to obtain an appropriate profit per unit of goods. Strong promotion is necessary to convince the market of the merits of the product, even at high prices. **This approach is appropriate to use in cases where:**



most of the potential market is not yet familiar with the product



consumers who are familiar with the product, intend to purchase it, and are likely to pay the asking price



the company faces potential competitors and intends to gain a leading position in the market;

2 . Rapid market penetration strategy

The company sets low prices for a new product and intensively advertises it in all media, stimulating the desire to purchase a new product. This strategy contributes to the fastest penetration of a product into the market and winning its largest share.

It is advisable to use it in the following cases:



the market is significant



most buyers are price sensitive



there is a danger of strong competitors entering the market



the company's costs for the production of goods are reduced with an increase in the scale of production and the acquisition of experience;

3. Slow market penetration strategy

The company sets low prices for the product and heavily advertises it in the media. Low prices will promote rapid recognition of the product, and low promotion costs will lead to increased profits. The company believes that demand is highly price sensitive but minimally responsive to advertising. This strategy is used in the following cases:



the market is significant;



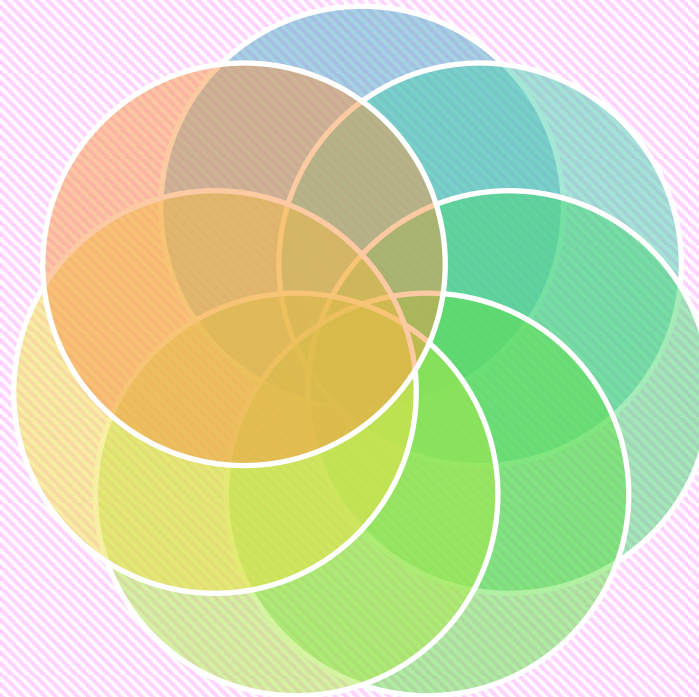
the market is price sensitive;



there is a threat of competitors entering the market.

Marketing strategy during the growth stage

In order to prolong the growth phase as much as possible, a company can resort to several strategies:



- reduce prices in order to attract consumers for whom their level is the dominant factor in purchasing goods.

- in advertising, move from awareness to stimulation of preference;

- expand existing sales channels and find new ones;

- improve the quality of goods, give it new properties and “strengthen” its position in the market;

- release new models and modifications, as well as expand the range of sizes, flavors, etc., in order to protect the main product;

- enter new market segments;

4. Marketing strategy during the recession



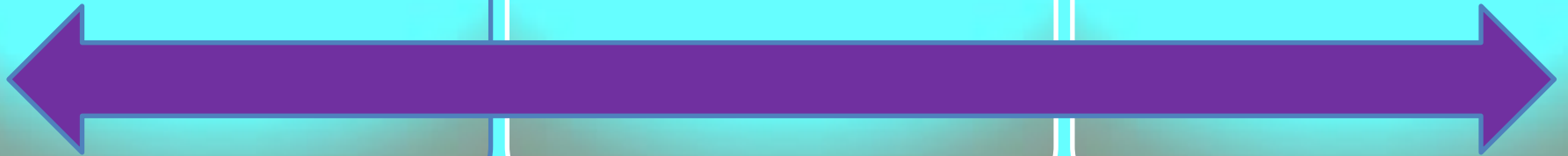
Successfully managing aging products requires a company to address a number of challenges.



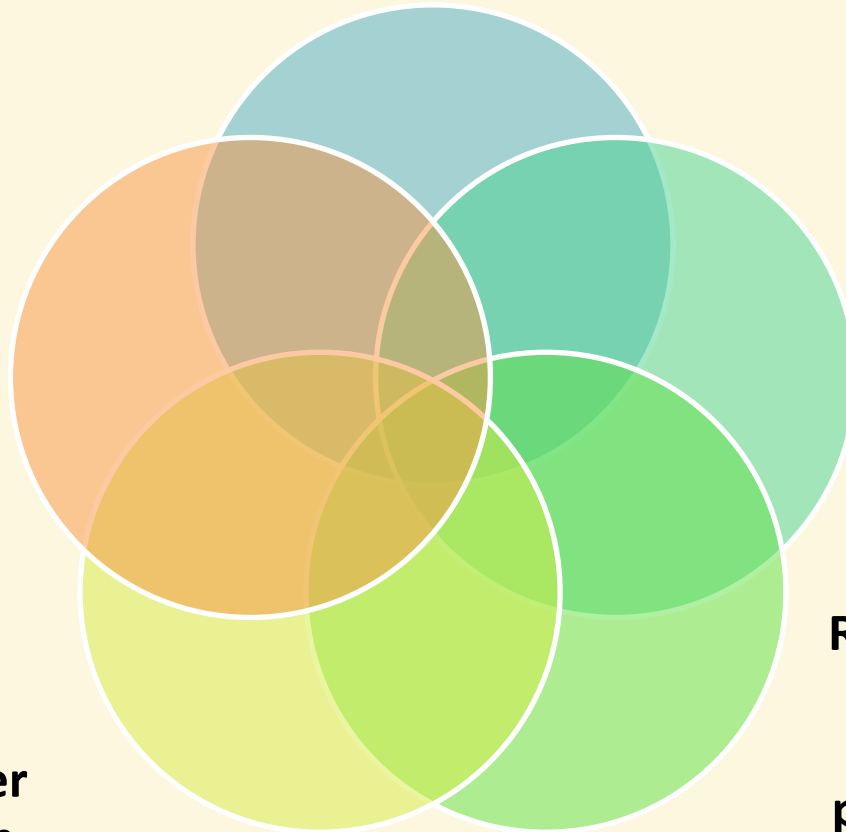
Identification of "aging" goods. The task is to develop a system for identifying goods that have entered the recession stage.



There are 5 strategies that firms use at this stage:



**Increasing investments
in order to gain
leadership or strengthen
market positions.**



**Maintaining certain
levels of capital
investment until the
situation in the
industry becomes
clearer.**

**Refusal to produce
goods and sell
released fixed
assets for the
greatest profit.**

**Refusal of
investments in order
to quickly replenish
funds.**

**Reducing investment,
refusing to serve
groups of less
profitable consumers
and at the same time
increasing investment
in profitable niches.**

Assortment concept

The formation of an assortment is preceded by the development of an assortment concept by the pharmacy.



It represents the construction of an optimal nomenclature structure and assortment content.



In this case, the following are taken as a basis:



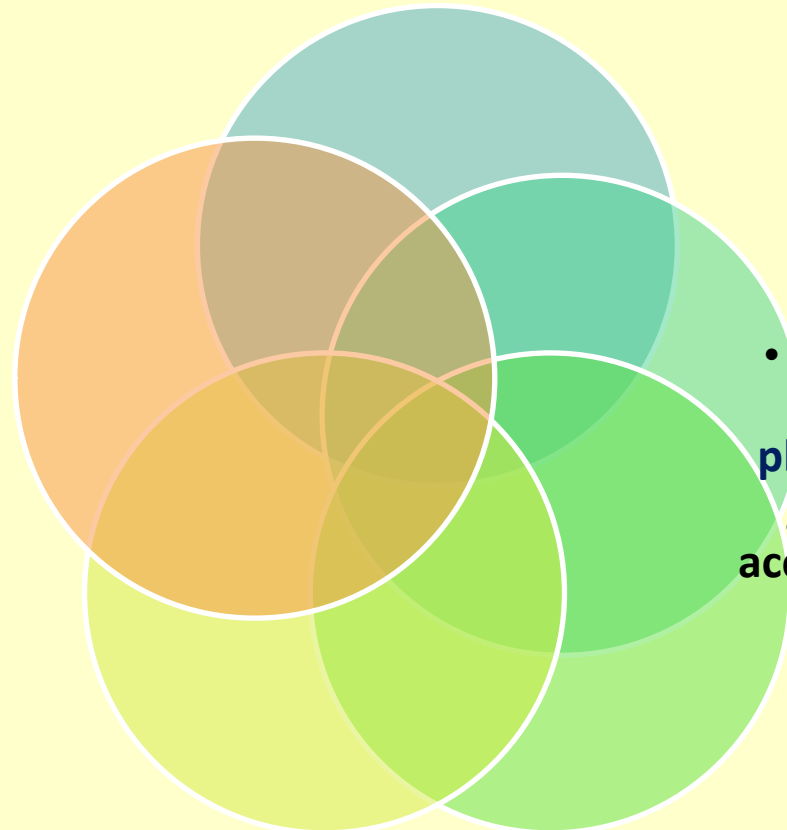
- on the one hand, consumer preferences of the doctor, drug consumer (market segments),



- on the other hand, the need to ensure the most efficient use of financial and other resources.

The assortment concept is expressed in the form of a system of indicators characterizing the possibilities for optimal development of the assortment

The purpose of assortment concepts is to orient a pharmacy towards the purchase and formation of stocks of drugs that best correspond to the structure and variety of demand of specific consumers.



These indicators include:

- variety of types and varieties of pharmacotherapeutic groups (taking into account the typology of consumers);
- level and frequency of assortment renewal ;
- level and price ratios, etc.



The assortment concept, supported by organizational and financial measures to ensure the purchase of a medicinal assortment of the required structure and content, can be considered as a kind of **section of the program for managing the sale of pharmaceutical products.**

Its target part includes requirements for the optimal structure and content of the assortment, and the program part includes a system of measures to achieve it over a certain period.

This program is given a comprehensive nature by **including issues related to assortment optimization.**

include **consumer requirements for the completeness of the range and quality of drugs, novelty, and affordability.**

Main directions of assortment formation

1. Update is a qualitative and quantitative change in the assortment, it is characterized by an increase in the update index

2. Stabilization - achieving a state of assortment that is characterized by increased stability and a low degree of renewal; In order to satisfy consumer needs, the assortment cannot remain stable for long.

3. Reduction - a qualitative and quantitative change in the assortment towards a decrease in breadth and completeness (we get rid of outdated drugs, and sometimes entire groups).

4. Expansion - a qualitative and quantitative change in the assortment in the direction of increasing breadth, completeness, depth and renewal index.

5. Improvement - quantitative and qualitative changes in the state of a set of goods to increase its rationality

6. Harmonization - quantitative and qualitative changes in the state of a set of goods, reflecting the degree of proximity of the real assortment to the optimal one or to the best foreign and domestic analogues, which most fully correspond to the goals of the organization.

Factors in assortment formation



ARE COMMON -

- demand,
- Receiving a profit,
- consumers and their incomes,
- regional characteristics, - specialization of the pharmacy institution.



SPECIFIC

- raw material base,
- material and technical base of production,
- achievements of scientific and technological progress



The range of goods is one of the important factors determining profit margins

Assortment policy, its purpose and objectives

Assortment policy — intentions and capabilities of the organization in the field of assortment formation, formulated by its management.

The goal of the assortment policy is to develop a product strategy, including determining the range of medicines, which will optimally provide the population and medical institutions with the necessary medical care, and will also help strengthen the financial position of the pharmaceutical organization

Objectives of assortment policy

- identification of needs for goods of a certain assortment

- forecasting and planning the optimal assortment

- search for product offers and purchase of goods of the required range

- selection and justification of the main directions of AP

- identifying possible risks and preventing their undesirable consequences

Directions of assortment policy of pharmacy organization

1. Determination of a rational set of drugs, taking into account their life cycle

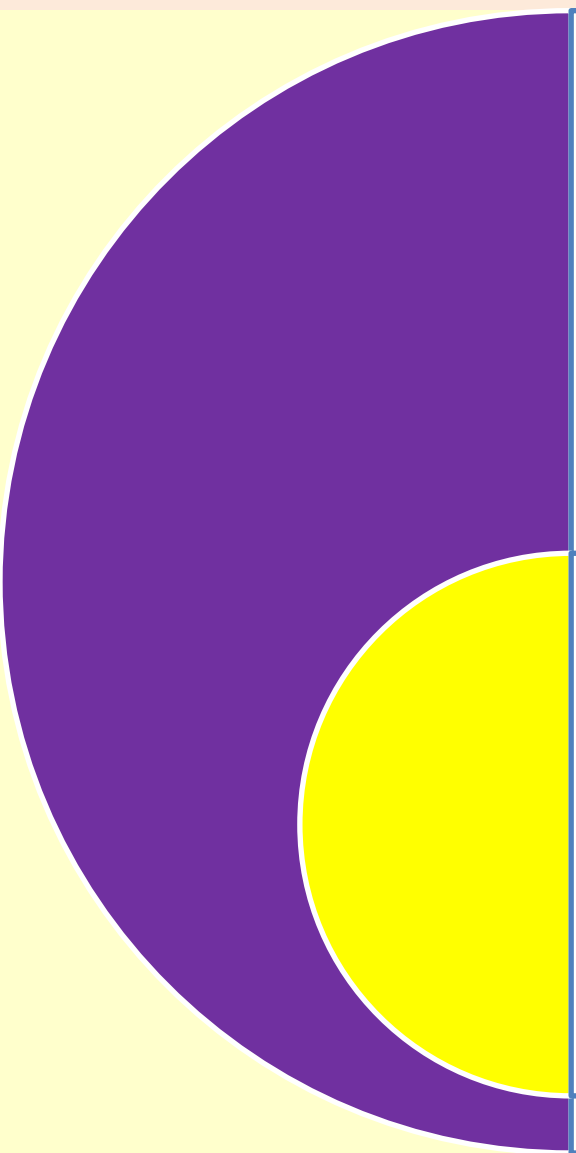
2. Determination of the optimal breadth, richness, depth, and harmony of the product range

3. Updating the assortment

4. Establishment of lists and lists of the range of medicines

5. Optimization of the assortment taking into account the speed of sales of medicines.

Assortment management



Assortment management is an activity aimed at achieving the requirements for the rationality of the assortment and its development in accordance with market conditions and the strategic goals of the organization.

Assortment management is a consistent implementation of management functions.

Assortment management (2)



- consistent implementation of management functions

RANGE PLANNING

—
establishing the main indicators of the assortment.

THE BASIS -
studying demand, conducting marketing research.

RESULT -
determination of the planned product range

ORGANIZATION-

selection of methods and development of assortment study programs (distribution of responsibilities, selection of suppliers and areas of work with final and intermediate consumers)

COORDINATION

- work to create a certain ratio of goods in the assortment "portfolio" by life cycle stages, strategic importance, and share in sales volume.

CONTROL -

comparison of actually achieved assortment indicators with planned ones, as well as their adjustment if necessary

BASIC ELEMENTS OF ASSORTMENT MANAGEMENT



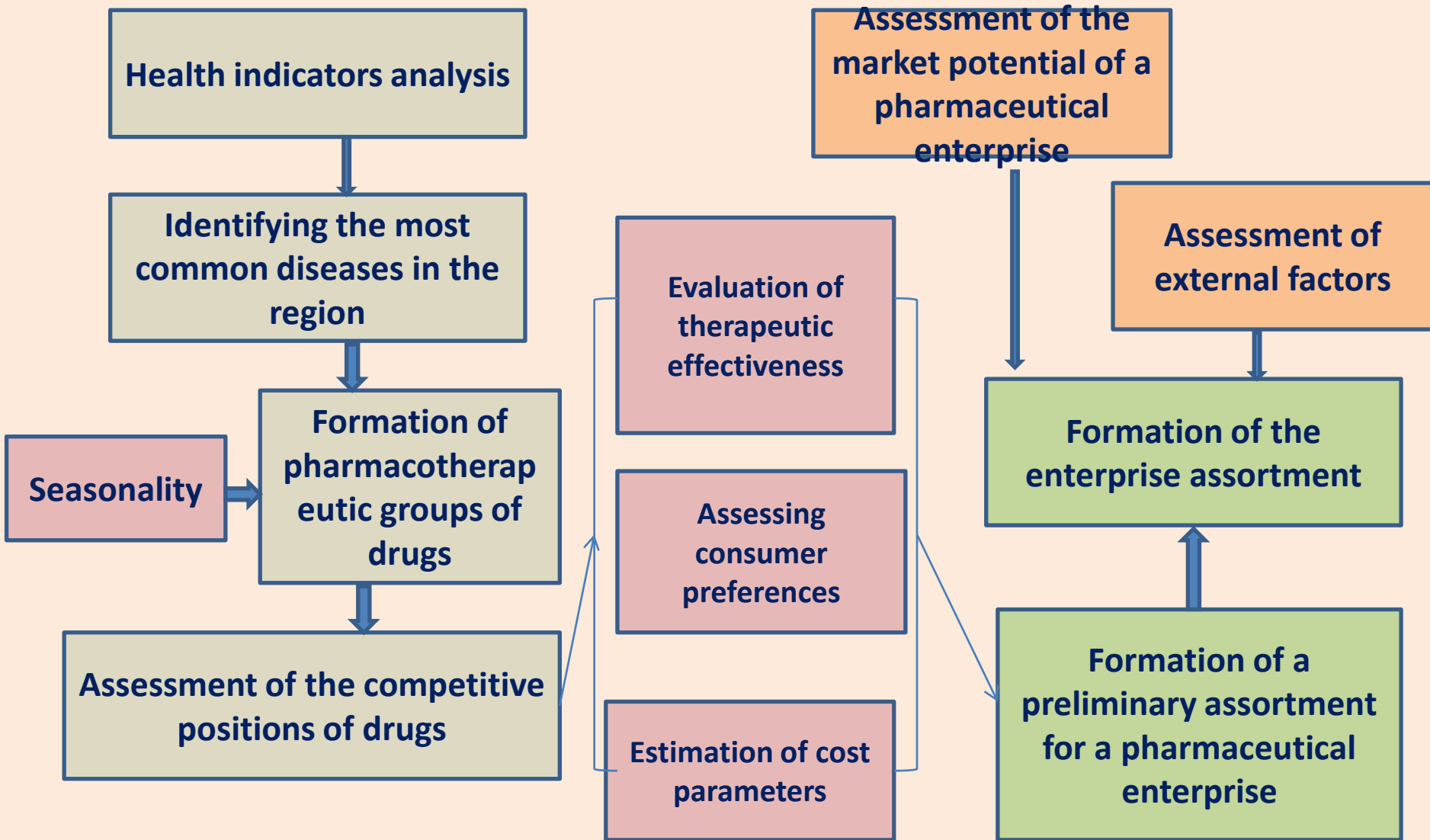
FORMATION OF AN ASSORTMENT –

the process of selecting groups, types and varieties of goods in accordance with the demand of the population in order to more fully satisfy its needs (must be carried out constantly at all links in the distribution chain).



ESTABLISHING THE LEVEL OF REQUIREMENTS FOR INDICATORS DETERMINING ITS RATIONALITY

ALGORITHM FOR FORMING THE RANGE OF A PHARMACEUTICAL ENTERPRISE



The assortment management of a pharmacy organization is based on a methodology based on the basic approaches of marketing research, including:

ABC analysis (the impact of individual items in the pharmacy assortment on turnover);

XYZ analysis (classification of pharmacy assortment according to consumption structure);

analysis of the pharmacy assortment based on the speed of its implementation ;

variations in demand (analysis of the elasticity of demand for individual items in the pharmacy assortment);

The assortment management of a pharmacy organization is based on a methodology based on the basic approaches of marketing research, including (2):

marketing research of pharmaceutical assortment:

in breadth, completeness (richness), depth, structure and stability;

analysis of pharmacy assortment based on marketing potential;

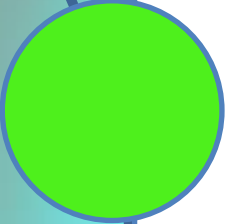
analysis of the pharmacy assortment according to the degree of regulation of dispensing;

analysis of the assortment by stages of the product life cycle.

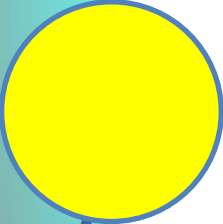
Methodological approach based on **the integration of ABC and XYZ methods** in the assortment policy of a pharmaceutical organization



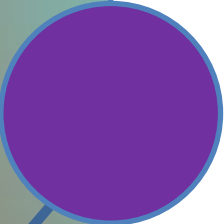
In managing the pharmacy assortment, information about the speed of sale of individual items in a given pharmacy is of great importance.



ABC analysis allows you to divide a large assortment of goods and services into groups that have significantly different effects on the overall result (sales volume).



In parallel with the ABC analysis, it is advisable to conduct an XYZ analysis aimed at structuring the consumption of pharmaceutical products according to the factor of stability of consumption and the possibility of its prediction.

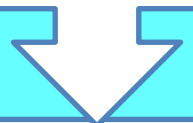


The introduction of methods for integrating ABC and XYZ analyzes into the practice of pharmaceutical organizations will ensure effective management of the product range.

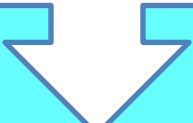
Considering each of the methods mentioned above, in order to formulate the assortment policy of a pharmacy organization, it is necessary to take into account the features of these methods and their capabilities for creating an assortment of goods and services.



Thus, **ABC analysis is based on the Pareto rule, which states: 20% of assortment items bring 80% of the profit .**



ABC analysis allows you to divide a large assortment of goods and services into groups that have significantly different effects on the overall result (sales volume).



Despite the fact that the basic Pareto principle is empirical in nature (the specific proportion may turn out to be different: not 80/20, but, for example, 90/10), the Pareto rule indicates a significant deviation from the 50/50 proportion in different systems, therefore the proportion 80/20 is a catch-all term for ease of formulation. This allows you to focus on the 20% that really matters.

Thus, the **ABC analysis method** allows us to determine the **highest priority positions in the pharmacy's assortment, identify outsiders in the process and show which group of goods and services are basic for the enterprise's assortment.**

In essence, **ABC analysis is the ranking of an assortment according to various parameters.**

At the same time, it is possible to rank **suppliers, warehouse stocks, buyers, and long periods of sales in this way** , i.e. everything that has a sufficient amount of statistical data.

Within the framework of the general rating list, three groups of objects are distinguished - A, B and C, which differ in their importance and contribution to the turnover or profit of the pharmacy organization (depending on the selected result):



goods A are the most important goods, bringing the first 50% of the result;



goods B are “medium” in importance, bringing another 30% of the result ;



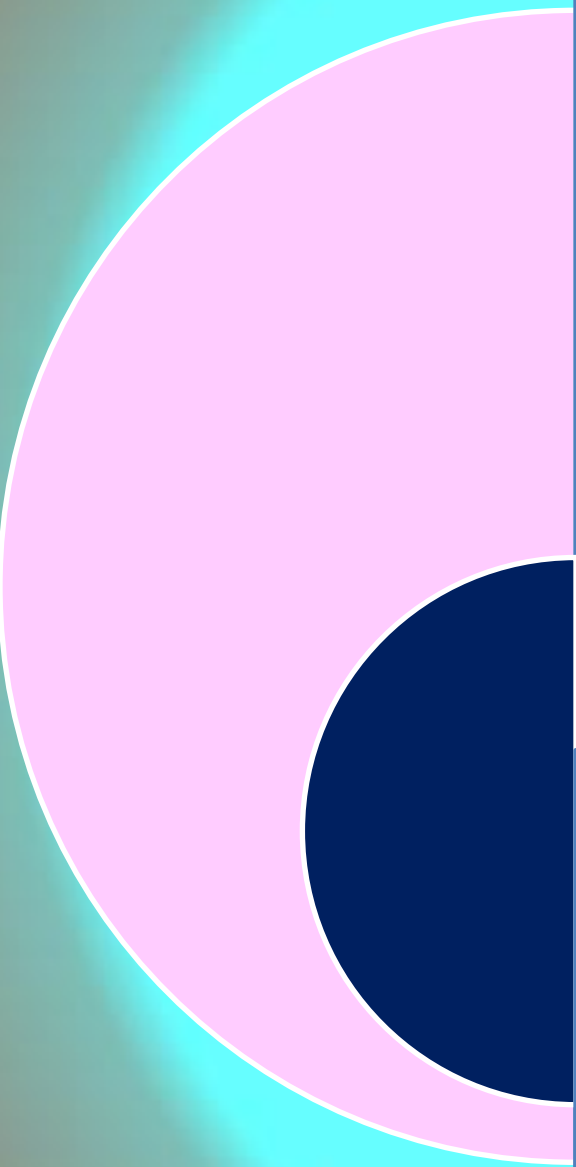
goods C are “problem” goods that bring the remaining 20% of the result.

It is believed that this ratio of percentages is precisely due to the Pareto rule: we highlight the main 80% of the result (this looks like 50 + 30, but other proportions can be used, for example 70 + 10 or 65 + 15) and the remaining 20%.



To use this method for assortment planning, **the percentage of sales in total turnover is calculated for each position.**

The result **is entered into a table, and then sorted in descending percentage of turnover.** By vertically summing the percentage of turnover, an amount equal to 10 (group A) is determined, then an amount equal to 15 (group B).

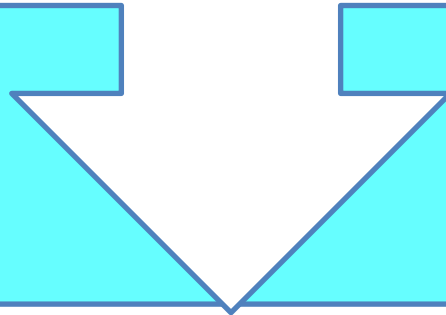


ABC analysis **does not require large financial and time expenditures** . Considering the pronounced seasonality in the sales of most pharmacy products, **monthly monitoring of the assortment using the ABC analysis method is considered optimal.**

This allows you to optimize the purchasing activities of the pharmacy, i.e. Items **of groups A, B** can be purchased on an advance payment basis; promotional programs have the greatest effect in these groups.

Knowledge of priority items is especially important, because, knowing the range of consistently selling items, you can form warehouse stocks without the risk of overstocking the pharmacy and at the same time eliminate the occurrence of shortages in them.

At the same time, ABC analysis makes it possible to obtain indirect statistical data on consumers and, if a stable demand for drugs of certain therapeutic groups has been monitored for a long time, then it is advisable to establish closer professional contact with specialists from medical institutions that use this particular therapeutic group of drugs in their prescriptions to patients.



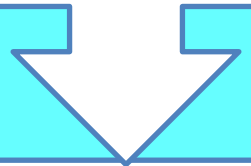
In addition, ABC analysis allows you to identify “outsiders” in the assortment that are at risk of being written off due to their shelf life. Following the logic, “outsiders” are at the very end of the sorted list, but for a more accurate determination, you can take positions whose sales amounted to less than 25% of the analyzed period.

In parallel **with the ABC analysis**, it is advisable to **conduct an XYZ analysis aimed at structuring the consumption of pharmaceutical products according to the factor of stability** of consumption and the possibility of predicting it.

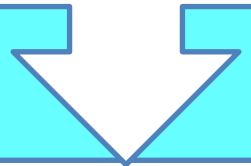
The result of XYZ analysis is the identification of 3 groups of goods:



goods X - groups of goods with a **stable consumption level** and, therefore, **high demand forecasting capabilities**; have an almost stable character; weekly predictability of consumption of a particular product is over 95%



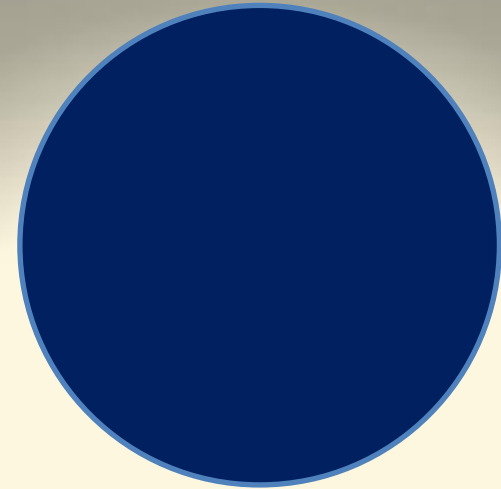
goods Y - groups of goods with **known seasonal fluctuations and average forecasting capabilities**; characterized by certain consumption trends (for example, seasonality) or **instabilities (consumption variability fluctuates between 20% and 50% monthly)**, weekly predictability of consumption is at least 70%.



Products Z - a group of products with **unstable demand and, as a consequence, low accuracy of demand forecasting**; the need for them is stochastic, the variability of consumption reaches more than 50% monthly, weekly predictability is less than 70%.



This method can be used in scientific research, and in the practice of pharmacies it is advisable to carry it out on a limited number of items in the pharmacy assortment.



The results of the analysis of the product portfolio, obtained using various methods, are compared with each other and, based on the information received, proposals for changes to the assortment are formed.



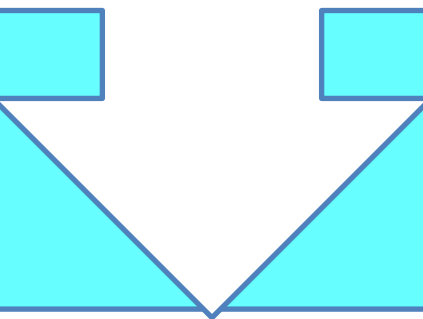
An example of an integrated approach to assessing turnover using ABC analysis and XYZ analysis is shown in the table below.

<p>OH</p> <p>(high consumer value, high degree of forecast reliability due to stability and consumption)</p>	<p>AY</p> <p>(high consumer cost, average degree of forecast reliability due to instability consumption)</p>	<p>AZ</p> <p>(high consumer cost, low degree of forecast reliability due to stochastic consumption)</p>
<p>VX</p> <p>(average consumer cost, high degree of forecast reliability due to stability of consumption)</p>	<p>BY</p> <p>(average consumer cost, average degree of forecast reliability due to instability consumption)</p>	<p>BZ</p> <p>(average consumer cost, low degree of forecast reliability due to stochastic consumption)</p>
<p>CX</p> <p>(low consumer cost, high degree of forecast reliability due to stability of consumption)</p>	<p>C.Y.</p> <p>(low consumer cost, average degree of forecast reliability due to instability of consumption)</p>	<p>CZ</p> <p>(low consumer cost, low degree of forecast reliability due to stochastic consumption)</p>

In addition to the ability to manage the assortment of goods, a systematic comparison of the results of ABC and XYZ analyzes of trade turnover and inventory allows a pharmaceutical organization to:

- **optimize inventory** in a volume sufficient for effective sales,
- **prevent excessive inventories and an increase in the risk of “freezing” of working capital** , as well as write-off of goods due to the expiration date.

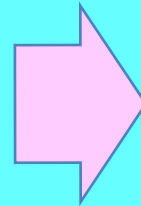
Using this integral methodology, the product range is divided into product segments. Each position is assigned two indices adopted in ABC analysis and XYZ analysis, depending on the role of this position in the company's sales: ABC - based on the "quantity sold" attribute, XYZ - based on the "unit price" attribute.




In this case, group A - the most popular positions, B - positions occupying an average position in this parameter and C - moderately popular positions; group Z - the most expensive drugs in the range, Y - moderately expensive and X - the cheapest items.

As a rule, identifying product groups in the general production (trade) assortment of an enterprise requires some experience and even skill from the analyst, since their ranking largely depends on the breadth of the enterprise's assortment and the level of "development" of its distribution channels.


This is quite understandable from the point of view of the law of normal distribution: the smaller the product range, the more pronounced the shift in consumption.




From the matrix of product segments (MTS), the characteristics of demand and the characteristics of the price range of the assortment are obvious, as well as the level of attractiveness of the product from the point of view of the enterprise market .



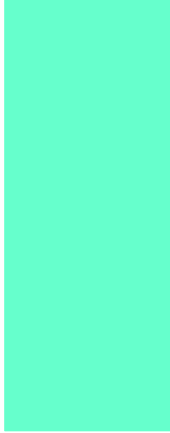
1. **The assortment groups of pharmaceutical products are quite harmonious**, since all of these are products passing through the same distribution channels.




2. At the same time, they are less harmonious in terms of differences in the functions performed by goods for customers.



3. In relation to pharmaceutical practice, **the harmony of the assortment is characterized by the degree of homogeneity of the nomenclature in relation to the preferences of the doctor, patient, and client.**

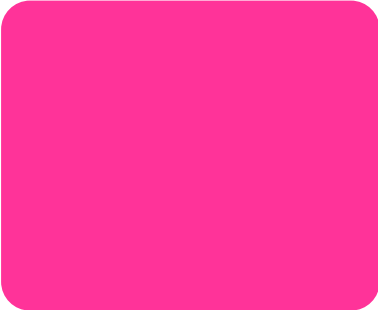


4. Thus, having a wide range of diuretics, we can talk about its harmony if it satisfies all consumer preferences, i.e. there are osmotic, loop, potassium-sparing diuretics, as well as combination drugs of this group.




5. In turn, the wholesaler's assortment can be harmonized according to the main buyers and types of enterprises (institutions).

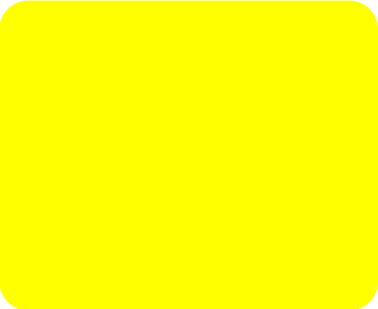
Principles of planning and forecasting of pharmacy assortment



Planning and formation of the assortment of a pharmacy institution should be based on forecast data regarding the nature of future demand and the practical capabilities of the institution to satisfy the expected demand in a promising assortment, its optimal option.

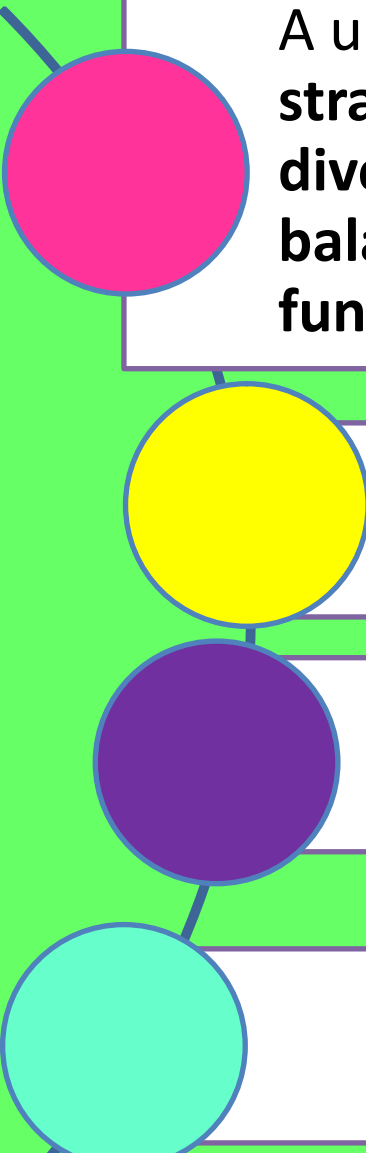


The goal of forecasting and planning is to **form a certain combination of pharmacotherapeutic groups, names of drugs, their dosage forms, dosages and packaging.**



This allows doctors to provide an effective tool for providing assistance to patients and pharmacy organizations to receive sufficient profit.

Principles of planning and forecasting of pharmacy assortment



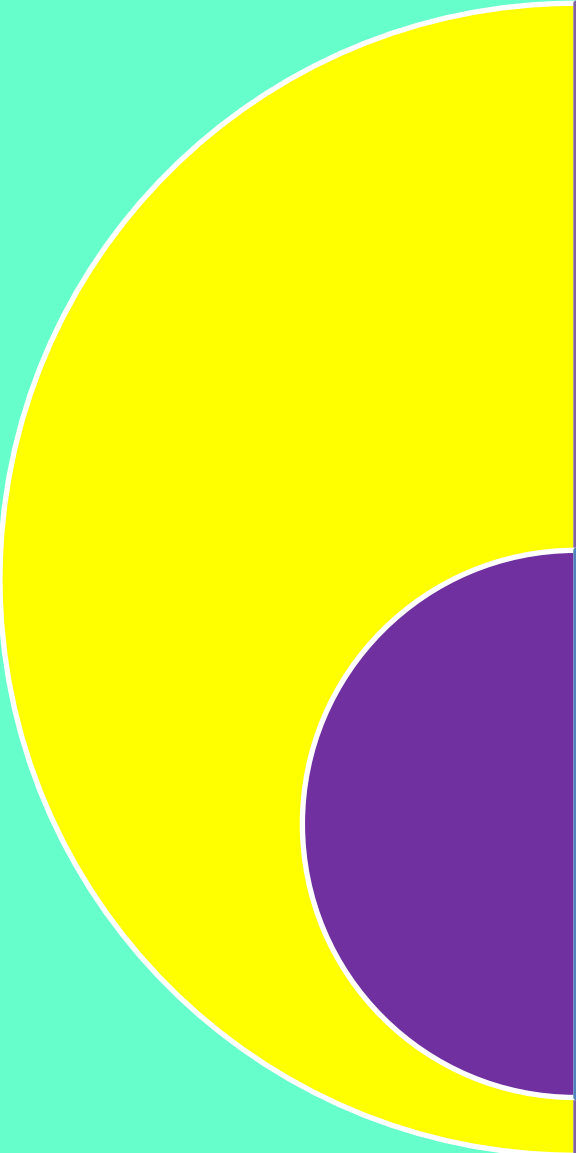
A unified assortment policy as a set of **goal-oriented strategic and tactical actions to ensure a balanced species diversity of pharmacotherapeutic groups and a rational balance of nomenclature items is based on a number of fundamental principles.**

The most important of them:

- **principle of synergy;**

- **the principle of strategic flexibility.**

The principle of synergy



The principle of synergy is to ensure mutual coordination and complementarity of product groups and individual names of drugs. Such mutual complementarity makes it possible to create an integral system of assortment components (assortment system), which makes it possible to carry out complex pharmacotherapy and at the same time increase sales volumes.

The essentially positive principle of synergy can have **negative consequences in practice.**

The main one is an increase in risk due to sharp fluctuations in market conditions, which can affect closely interrelated product groups . **Compliance with the principle of strategic flexibility is intended to compensate for this shortcoming.**

The principle of strategic flexibility



The principle of strategic flexibility is based on a combination of product groups depending on the characteristics of their production and supply, dynamics and forecast of morbidity, target segments, competitive conditions and other environmental factors.



The purpose of this combination is to balance risk and resistant pharmacotherapeutic groups.

At the same time, it is necessary to achieve such a ratio where sudden market fluctuations in one of the areas of activity will not have serious negative consequences for the entire assortment.



This approach reduces risk and ensures pharmacy sustainability.

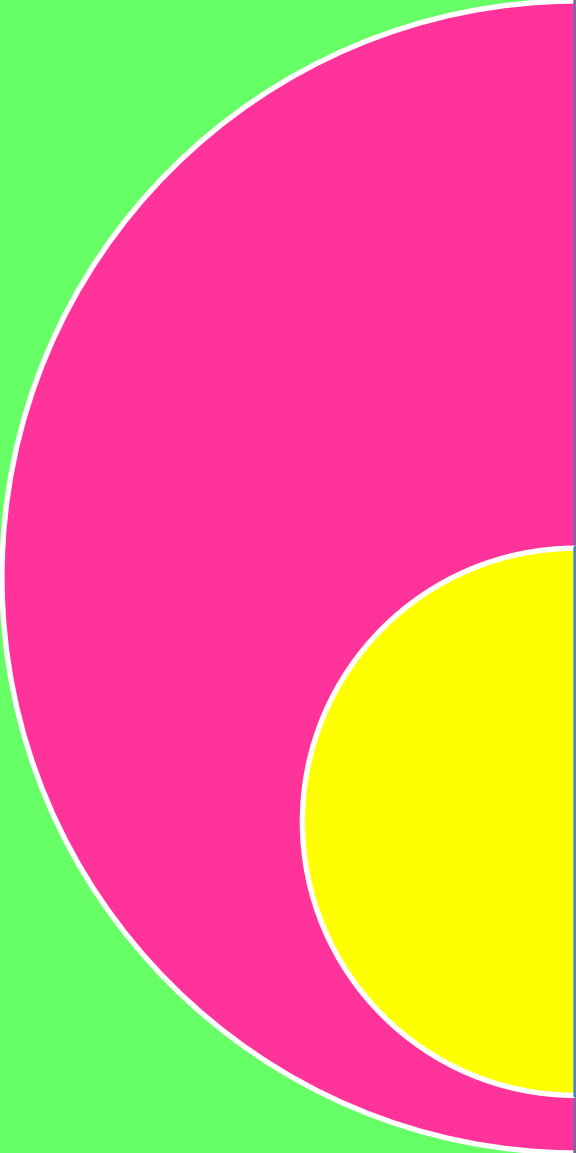
Considering the susceptibility of the drug market to market fluctuations, we can state the exceptional importance of observing this principle.

There are many assortment strategies, but for pharmacies the following can be distinguished:

- **differentiation ;**

- **narrow specialization ;**

- **diversification .**



The differentiation strategy is based **on the possession and provision to the market of a certain range of drugs that provide a competitive advantage and provide a certain profit.**

It involves conducting detailed extensive marketing research, clearly defining positions in a competitive environment, and recording real advantages, taking into account the segmental structure of the market.



The strategy of narrow assortment specialization is associated with activities in a fairly narrow market segment and limiting its assortment .

This strategy is often a forced measure caused by limited resource potential. It is typically used by small and medium-sized distributors.

Narrow assortment specialization can be effective when it is possible to quickly change it when demand changes. With such a strategy, it is necessary to constantly analyze the demand and life cycle of product items, search for ways and actions to change the assortment.

In the field of wholesale trade, **the strategy of narrow assortment specialization for small companies has received the greatest development**

A diversification strategy is the opposite of narrow specialization. It is based on a significant expansion of the range of medicines.


The main **advantage of this strategy is the reduction of risk in the event of sharp market fluctuations** (for example, an unexpected decrease in demand for certain drugs).

A diversification strategy makes it possible to rationally use the entire potential of the organization, helps to increase its public recognition, indicates the expansion of financial opportunities and the strengthening of its market position.

Assortment management problems



Customer needs are changing rapidly, so the company is forced to constantly update its product range, and this requires additional resources.



Fierce competition leads to the fact that a new product launched on the market does not have time to recoup the investment in its production and promotion.



Enterprises do not have an assortment management system in place due to the difficulty of forecasting changes in consumer demand and the lack of assortment optimization techniques.



Product assortment management is an activity aimed at achieving the requirements of assortment rationality.

Assortment management



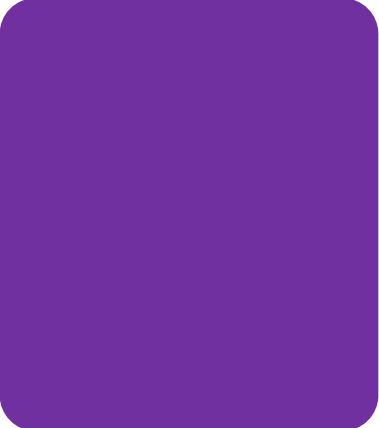
The main controls are:



- **establishing requirements for the rationality of the assortment,**



- **determination of the organization's assortment policy and formation of the assortment.**




Establishing requirements for rationality begins with identifying consumer requests for goods for goods of a certain assortment. **For this purpose, methods such as sociological (survey) and registration (observation) can be used. In addition, organizations using an active marketing strategy themselves create demand through advertising, sales exhibitions, and presentations.**

Assortment management



Requirements for the rationality of the assortment are measured depending on market conditions (the solvency of the buyer, socio-economic, socio-cultural, legal characteristics of the organization's environment).

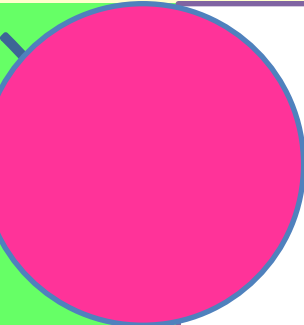


The main directions of formation are reduction, expansion, deepening, renewal, improvement, harmonization.

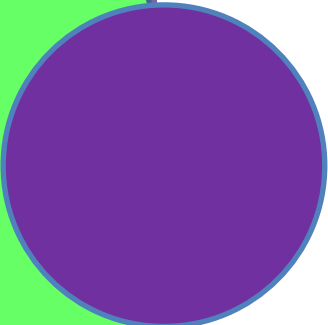


These areas are interconnected, largely complement each other and are determined by a number of factors.

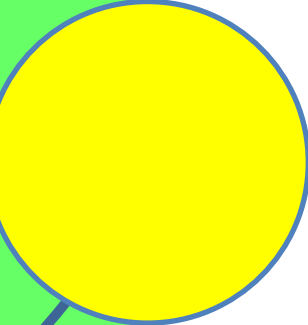
Factors influencing the formation of the assortment:



1) **reduction in assortment** - quantitative and qualitative changes in the assortment of cheap, low-quality goods that are not in demand among consumers. The reasons for the reduction in assortment may be a drop in demand, insufficient supply, unprofitability or low profitability in the production or sale of individual goods;




2) **expansion of the assortment** - quantitative and qualitative changes in the set of goods by increasing the indicators of breadth, completeness, depth and novelty of the release of new products. The reasons contributing to the expansion of the range are an increase in supply and demand; high profitability of production and sales of goods; introduction of new products to the market;

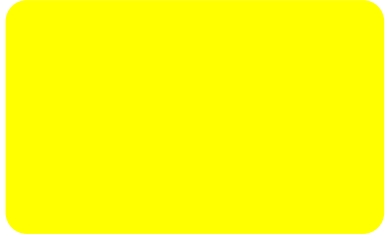


3) **deepening the assortment** - quantitative and qualitative changes in the assortment of goods through the development and offering of new brands or their modifications. The basis for choosing this direction is the high saturation of the market, the desire to reduce the risk when releasing goods of insignificant novelty, the presence of well-known, in-demand trademarks, and the organization's inability to produce new types of goods;

Factors:



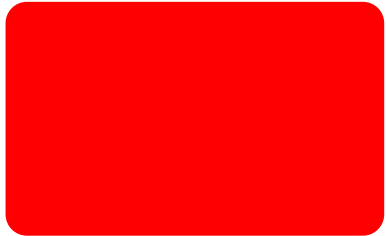
4) stabilization of the assortment - a state of a set of goods characterized by high stability and a low degree of renewal. This is a rather rare state of assortment, inherent mainly in the assortment of food products for everyday consumption;



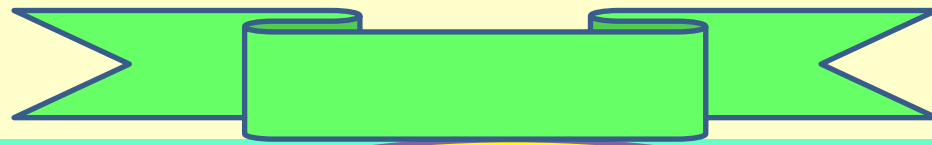
4) updating the assortment - quantitative and qualitative changes in the state of a set of goods, characterized by an increase in novelty indicators;



5) improvement of the assortment - quantitative and qualitative changes in the state of a set of goods to increase its rationality;



6) harmonization of the assortment reflects the degree of proximity of the real assortment to the best domestic or foreign analogues.



The main goal of forming an assortment is **to most fully satisfy consumer demand .**

Effective assortment management is one of the conditions for the successful operation of a pharmacy organization



Separate categories, groups and product items must form a harmonious whole, which:



a) is considered by buyers as optimal;



b) effectively uses the company's financial resources;



c) achieves targets for turnover and profit.

**The pharmaceutical market is extremely saturated ,
with the number of new product units increasing
every year.**

**With such abundance, you cannot let the situation
take its course, otherwise you end up with a huge
uncontrollable mass of goods, which can hardly be
returned to the joint stock company.**

**Every buyer is faced with new offers from suppliers
every day - it is difficult to separate a truly profitable
purchase from a potential illiquid one.**

In order to work harmoniously with the assortment, it is necessary to establish order in it, otherwise it will be impossible to control and manage the assortment.

Everything should be structured and classified based on the general concept of the network and the positioning of the joint stock company in the market.

To do this, it is necessary first of all to create a product classifier and assortment matrix.

Methodology for assortment formation:

assortment structuring;

formation (derivation) of categories in the assortment;

defining the category structure;

balancing the assortment by width;

balancing the assortment by depth;

adjustment of prices for goods within a category;

distribution of retail space between categories;

evaluation of results.



Principles and methods for constructing a product classifier, features of the pharmaceutical market that must be taken into account when constructing a classifier:



creating a product classifier based on the needs of the target audience;



determination of unique, profile (strategic), basic, peripheral and seasonal categories, taking into account the concept of positioning and format;



role analysis for product categories; optimization and redistribution of shares of groups/categories taking into account strategic goals (sales volume, profit, perception of assortment, perception of prices);



development of a category development plan, taking into account assortment, pricing, merchandising , promotion, personnel;



building a product matrix (by category/subcategory), in which it is necessary to ensure a balance of price segments and shelf space.

Balancing the assortment by width involves determining the role of the category.

It is necessary to remember the recommended ratio of categories in the assortment:

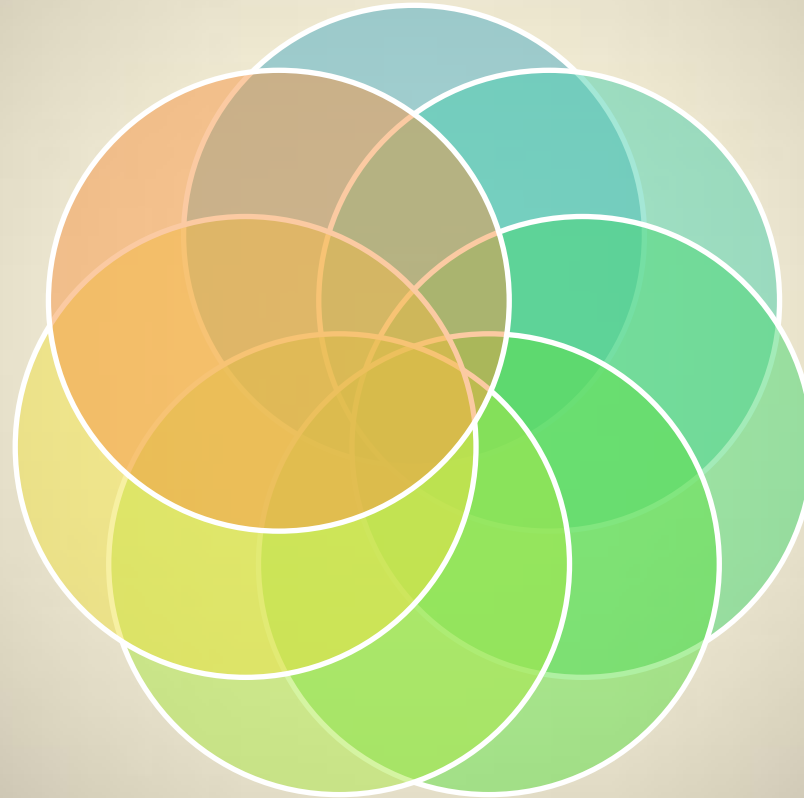
comfortable (5–10%).

periodic (up to 20%);

basic (50%);

priority (from 20%);

unique (1–3%);




Balancing the assortment by depth involves determining the role of goods, which may consist of:



attracting consumers, creating a flow of buyers, turnover (mass consumption),



bringing profit,



retention of the JSC visitor,




be aimed at impulse sales (to increase the average check).

Assortment matrix

An assortment matrix is a complete list of all product items approved for sale in a specific joint stock company for a certain period, taking into account the requirements of the chain's assortment policy and the peculiarities of the format and location of the joint stock company.

The assortment matrix is reflected, as a rule, in the IT system and, depending on the JSC format, can contain thousands or tens of thousands of product items.


To properly build an assortment matrix, you need to:




1. Define the format of the joint stock company and its basic concept. Take into account the specifics of the region (city), the peculiarities of the location of the joint stock company.



2. Study consumer demand, identify the main consumer and his characteristics.




3. Study the range of competitors (their advantages, price levels, etc.).



4. Make a decision on goods and their price level, begin selecting suppliers that meet expectations regarding prices, product quality and regularity of deliveries.

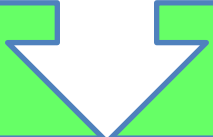
5. Based on consumer demand, identify categories, groups and classes of goods and create a product classifier.

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6. Deepen the product classifier by studying each category and highlighting subcategories and product items in each subcategory.

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7. Analyze the balance of the assortment by the number of categories and the ratio of product items (width and depth).

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8. Start designing the matrix.

The result will be the assortment matrix itself, containing information about the product and suppliers. The following data can be entered into the matrix:



brands;



product properties;

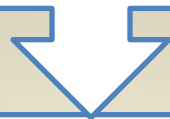


suppliers and terms of working with them (credit, prepayment);

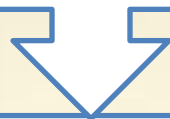


name of the manager leading the category;

whether the product is included in the minimum assortment;



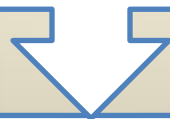
AO format to which it corresponds;



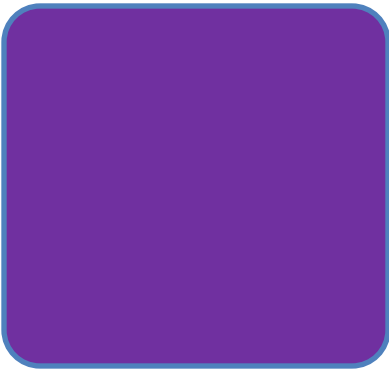
customs and other codes (manufacturer code or barcodes);




packaging of goods and the number of units in the package;




product weight or packaging weight (net/gross weight).



Minimum assortment is a list of product items that must be constantly present in a specific joint stock company (or in all joint stock companies of the network) at any time, regardless of the season.

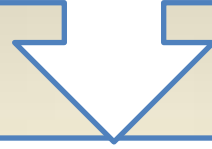


This is the core of the assortment, its basis, it must be constantly monitored; the presence of a shortage of these goods is unacceptable.

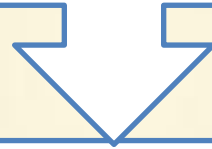


The minimum assortment consists of permanent products, and the composition of the assortment matrix may change depending on seasonal fluctuations in demand, conditions of work with suppliers, etc.

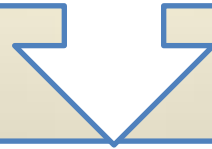
The assortment minimums in the joint-stock company of the unified network will be the same, since this not only makes it possible to reduce the costs of purchasing goods and its further sale, but also forms a single image of the financial institution in the buyer's mind.



And products for the assortment matrix of a particular joint stock company will be selected depending on the specifics of the format, retail space, location, consumers and competitors.



The larger the pharmacy chain, the more likely it is that it will have several formats.



Depending on the format of the joint stock company , planograms , assortment matrix, staffing, price levels, services and many business processes of the financial institution will be determined.

If a **product classifier** is a **general structure**, a outline, according to which an assortment is then built, then **an assortment matrix** is a **general list of goods**, on the basis of which work is then carried out to manage the assortment.

Stages of building an assortment matrix

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graph TD; A[Stages of building an assortment matrix] --> B[The process of forming the assortment matrix of a pharmacy chain consists of several stages:]; B --> C[Stage I. Formation of a matrix in a pharmaceutical warehouse.]; C --> D[Stage II. Formation of a matrix for all pharmacies:]; D --> E[allocation of the core assortment for the network as a whole.];
```

The process of forming the assortment matrix of a pharmacy chain consists of several stages:

Stage I. Formation of a matrix in a pharmaceutical warehouse.

Stage II. Formation of a matrix for all pharmacies:

ABC analysis of the assortment as a whole and first-level consumer groups of the main financial indicators (total turnover by the number of packages, by the amount of sales in rubles, marginality);

allocation of the core assortment for the network as a whole.

Stage III. Formation of a matrix in the pharmacy category:



ABC analysis of assortment by format and category of pharmacies;



ABC analysis of assortment within consumer groups;



merging ABC analysis of the assortment as a whole and ABC analysis of the pharmacy category;



formation of a matrix by pharmacy categories.

Stage IV. Formation of a matrix in a pharmacy:

ABC analysis of the assortment in each pharmacy;


merging ABC analysis by pharmacy format and ABC analysis for each pharmacy;

formation of a matrix for each pharmacy.


There are several main goals that a joint stock company can achieve through careful selection of products in each category



1. *Attract consumers, ensure the flow of consumers.*

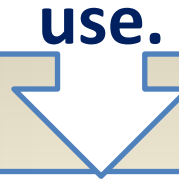


Provided by well-known drugs and drugs, including advertised ones.

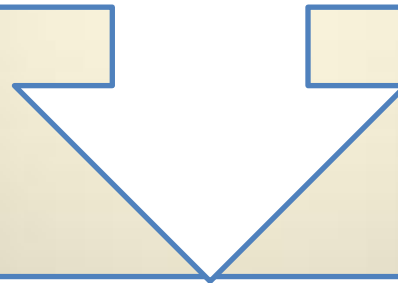


This includes popular products, well-known new items: what is advertised, and what most visitors know. Products to attract consumers can be included in almost any category. They may not be included in convenient categories or unique categories.

2. Create turnover. Achieved by the availability of inexpensive goods, consumer goods, and goods for daily use.

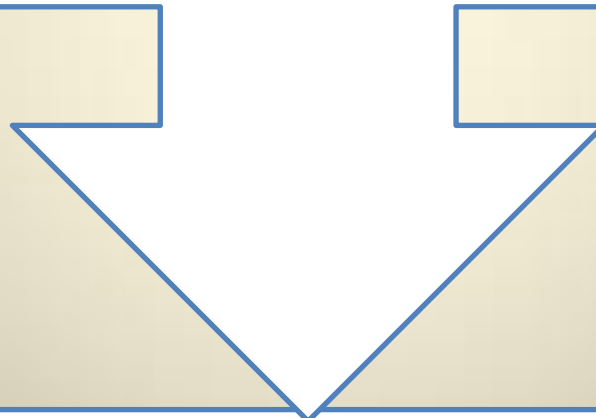


These may be the cheapest items in the entire category. Most consumers need them; when choosing them, the most important thing is price. These are the highest -turning products in the category . **Their most important property is that they are guaranteed to be released. These are the cash cows within the category.** The markup on them is usually small, so you shouldn't expect much profit from their sales, but they are traffic generators.



Private label products can also be turnover generators - they should be presented in the most convenient volumes and offered at a below-average price.

Products **for circulation** should be deeply represented in **basic categories**, as well as in convenient ones. Their share of the **total can be 30–50% (a significant share of goods)**. But the presence of such products in unique categories is difficult (the goal of generating turnover is not set for unique categories). **In priority categories, these products must be present to satisfy all the needs of customers** (including the purchase of inexpensive goods), but not as widely as in the basic ones.



In periodic categories, such products may be present during the high season.

Main goals of categories

**Attract consumers,
ensure a flow of buyers**

- Popular, current,
advertised new
products.

Bring profit

- Status novelties,
special and rare
properties, brands
with high positioning

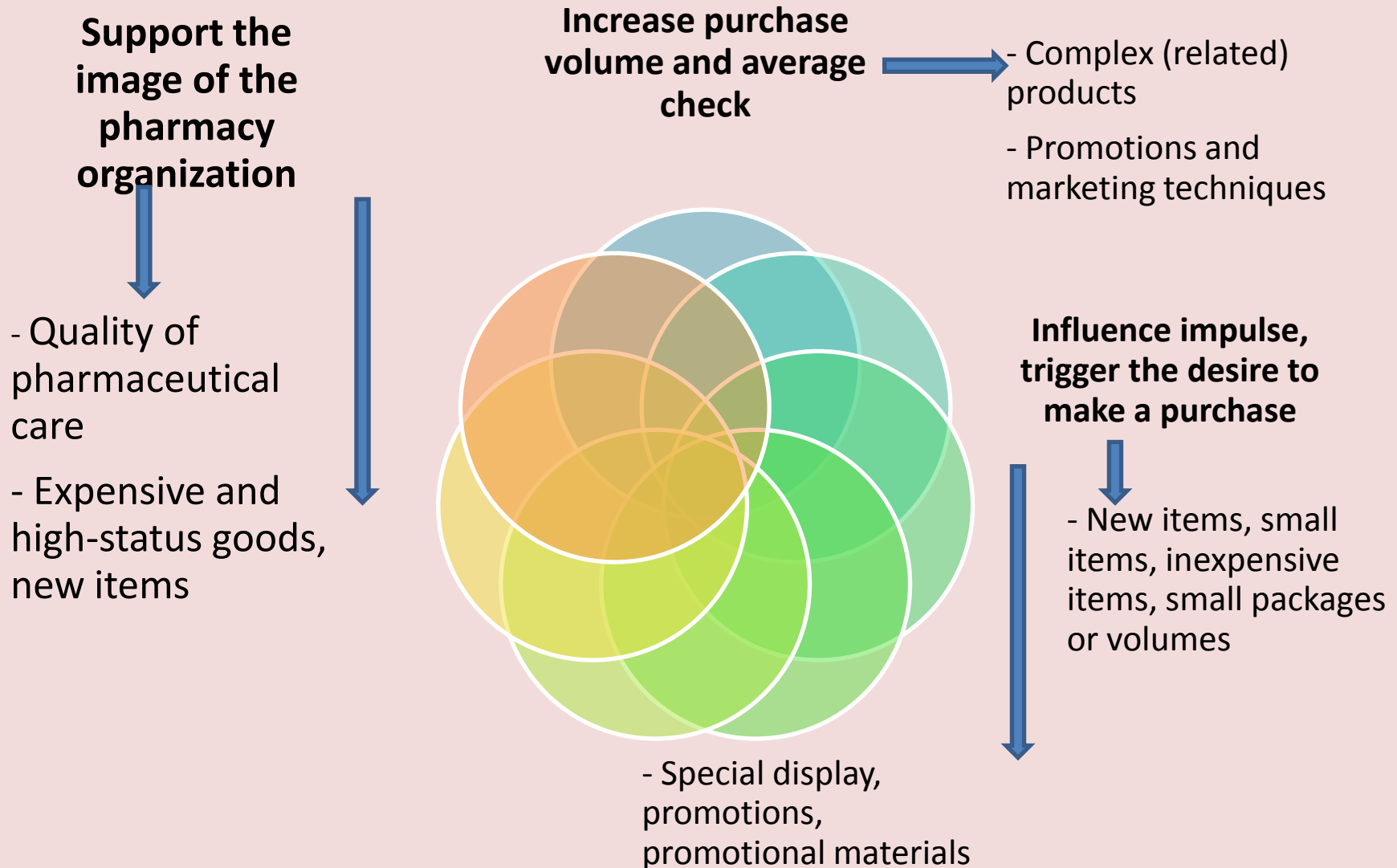
- Expensive goods,
high-margin goods



Create turnover

- Inexpensive (average
and below average in
price), mass-produced,
most popular drugs

Main goals of categories



Effective product range management allows a pharmaceutical company to:



reduce the number of sales lost due to the lack of necessary goods;



to speed up turnover;



reduce commodity surplus;



reduce the risk of writing off goods after the expiration date;

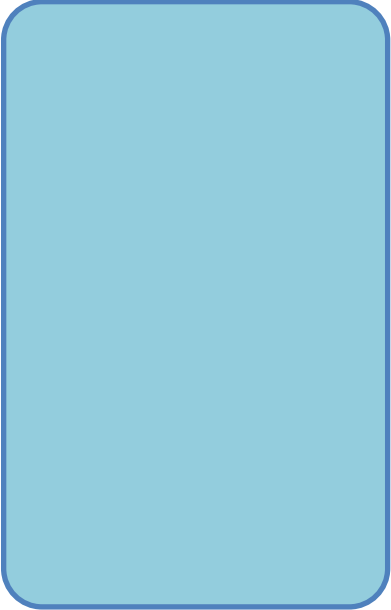


minimize overall inventory costs.

To implement an assortment policy, **it is necessary to constantly monitor inventories.** It consists of counting the available stocks in a particular location, as well as tracking the process of their increase or decrease.

Accounting and analysis can be done manually or using computer technology. The main difference is speed, accuracy and cost. To implement the desired inventory management policy, control procedures must be developed. They should determine the frequency of inspections, inventory levels and comparisons with inventory parameters, which in turn will influence the timing and volume of reorders.

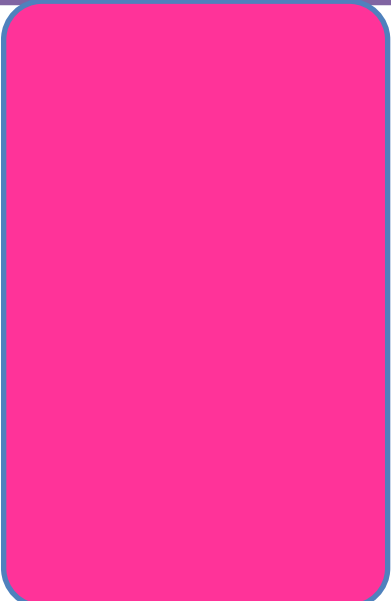
As the most accessible method of controlling the product range, **a logistics approach can be used , based on the classification of turnover and measured inventories in units of sales or inventory (ABC analysis), and their classification according to consumption structure (XYZ analysis).**



In pharmacy organizations, the legislation provides for the required **minimum of goods or the minimum pharmacy assortment. The items included in this list should always be in the pharmacy.**

In addition, **a List of vital and essential medicines has been developed; they must be mandatory, regardless of their form of ownership .**

Next, the assortment is formed based on the specifics of its location and the proximity of medical institutions.




The basis of a pharmacy's assortment policy should always be the identification of the target customer group. This is necessary in order to more accurately determine the assortment, and selling medicines "for everyone" is fraught with either overcrowding the warehouse with inventory or an insufficient number of assortment items for the target categories of customers.

The assortment is formed from consumer demand, which depends on:




· depending on the time of year (seasonal goods);



· categories of consumers of this pharmacy (pensioners, young families, workers, etc.);

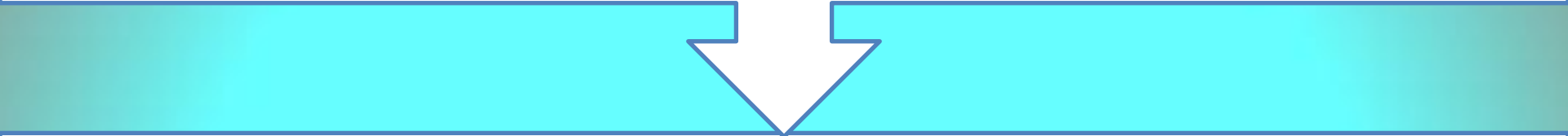


· advertising campaigns of pharmaceutical manufacturers;

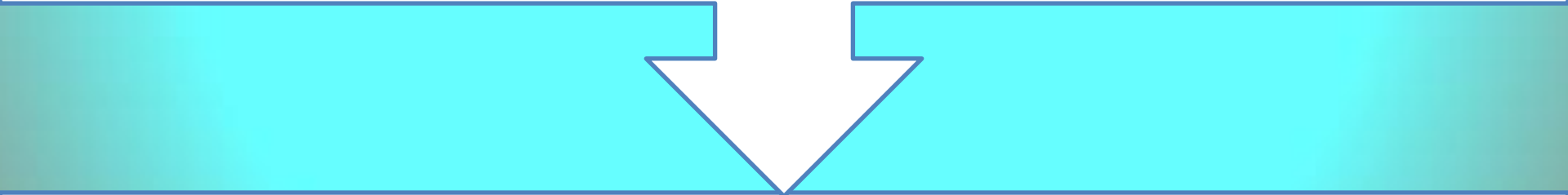


· proximity of medical institutions and, accordingly, prescriptions of doctors.

The second stage is based on an analysis of the existing assortment in terms of quantitative and qualitative indicators.




The third stage is called assortment management assessment. Pharmacy assortment management must ensure broad, defect-free satisfaction of the demand of the population and medical organizations for goods and thereby obtain the maximum possible profit. All this should be carried out with optimal (minimum possible) inventory.



Financial management necessary for the formation of inventory should be reduced to the most efficient use of own and borrowed funds.

For the stable functioning of a pharmacy organization, assortment management should be based on the following types of analysis:

- 
- Analysis of the impact of individual items on pharmacy turnover (ABC analysis);

- 
- Analysis of the assortment by marketing potential (XYZ analysis);

- 
- Analysis of the entire assortment by speed of implementation;

- 
- Analysis of the elasticity of demand for individual items.

Thus, the formation of a pharmacy assortment depends on factors such as

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graph TD; A["Thus, the formation of a pharmacy assortment depends on factors such as"] --> B["state regulation of the circulation of medicines,"]; B --> C["consumer preferences,"]; C --> D["size of the pharmacy organization;"]; D --> E["pharmacy specifics;"]; E --> F["presence of competitors,"]; F --> G["characteristic diseases for the area where the pharmacy operates, etc."];
```

state regulation of the circulation of medicines,

consumer preferences,

size of the pharmacy organization;

pharmacy specifics;

presence of competitors,

characteristic diseases for the area where the pharmacy operates, etc.

In turn, the assortment management system falls entirely on the shoulders of the pharmacy manager.

How timely and competently the assortment analyzes will be carried out will determine the success of the organization.

Rules for effective presentation of pharmaceutical products



Presentation Features

The presentation of the product to the client is intended not only to tell about the product, it is assigned many important functions:

Concentration of attention. When a buyer is confusedly rushing between several types of products, it is important to concentrate his attention. Stop at two models and tell us about the features of each of them. This will allow the client to conduct a comparative analysis and choose his favorite based on certain criteria.

Maintaining interest. When there is a “fish on the hook,” the main thing is not to let it fall off. To do this you need to maintain interest. This can be done in different ways. For example, talk about the unique advantages and features of the product that competitors do not have, or convince with personal experience.



Presentation Features (continued)


Awareness of need. This function is to “grope” the client’s pain and “press” on it. Understand for what purposes the buyer wants to purchase this product, what factors drive him when choosing a product. The seller's goal at this stage is to help the buyer understand the importance and necessity of purchasing the product.

Call to action . The main purpose of the presentation is to transition to the sale. You must motivate the buyer to take any target action: leave contact information, register, leave a request or buy a product. Various presentation methods help with this, which we’ll talk about a little later.

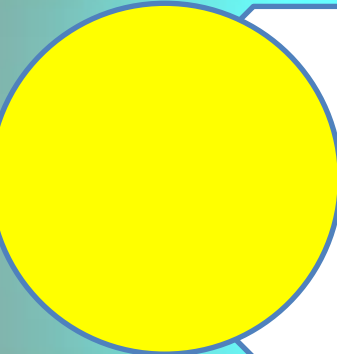
When building a product presentation, you should focus on all of the above functions, and, if possible, not miss any of them.

Presentation classification

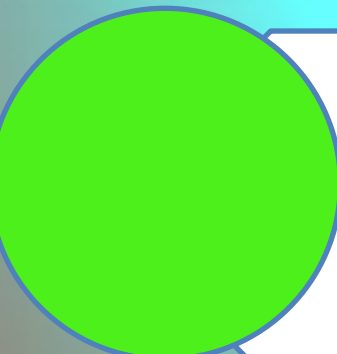
According to the purpose of the event:



Informational. Designed to convey basic information about the product to the client. In another way, it can be called introductory. It lists all the functions, features and features of the product. Good for talking about products from a new line.

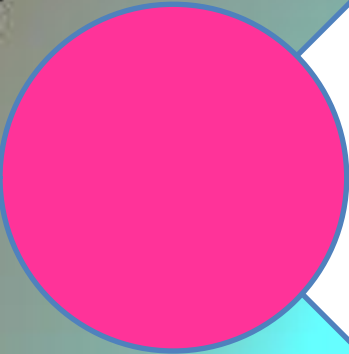


Demonstration. Needed for a deeper understanding of the product. It allows physical contact with the product being offered: touching, trying on, testing. Typically used to directly demonstrate all the capabilities of a product, provide instructions for use, etc.

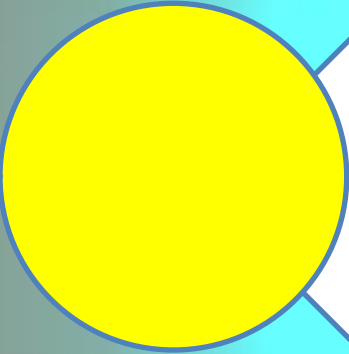


Selling. Its main goal is sales. Often this type of presentation includes the two previous ones, but can exist independently. A sales presentation necessarily includes a description of the product's advantages and benefits for the client.

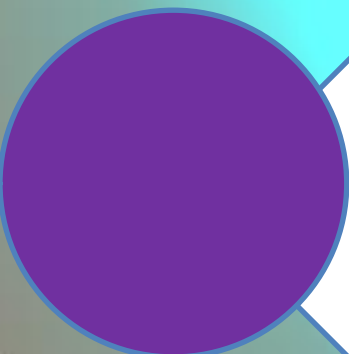
By content:



Presentation of goods. Most often it is carried out in trading floors one on one with the buyer. This includes offers of household and digital appliances, clothing, cars, jewelry, etc.

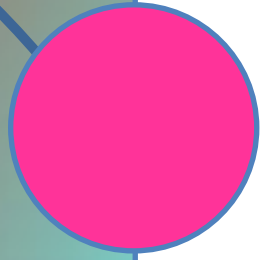


Presentation of services. Offering services is much more difficult than offering goods. If goods can be touched and felt, then services are not a tangible thing. To conduct an effective presentation of services, you need to show your expert status.

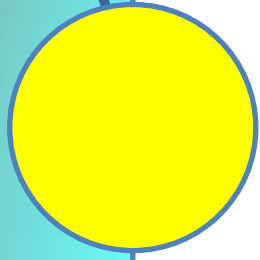


Project presentation. Another thing that cannot be fully demonstrated is projects. Here, reports, drawings, diagrams, prototypes, full-size models, etc. are used for presentation.

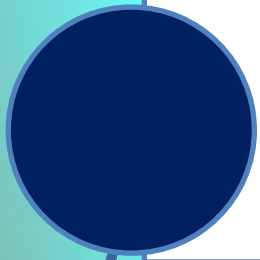
By method:



Telephone. It is carried out among the company's clients who voluntarily left their contact phone number. Telephone presentations are based on scripts. The main goal is to inform about new products/services or directly sell/appoint an application.



Electronic. Can be sent to confirmed [email addresses](#) of clients as a newsletter. However, it is most often used for presenting projects at conferences, trainings and other thematic events. Any web presentation should be accompanied by an oral narration.



Trading. The same presentation that each of you has seen more than once on the sales floor of any store. When a buyer comes with a desire to purchase a product, and the sales assistant begins to talk about all its delights.



To decide on the type of presentation, you need to start from the main goals that are planned to be achieved.

Product presentation methods


1. “Hamburger” model

This scheme is based on the principles of human psychological characteristics. This is how the human brain works that most often we remember the first and last phrase of any conversation. So in a hamburger, we can clearly see only the top and bottom buns, and the delicious filling is hidden inside.

According to this technique, it is the first and last sentences in the presentation that should motivate the buyer to buy.


Therefore, at the beginning of the conversation, be sure to list the capabilities and advantages of the product or show what problems the client can solve. And at the end, “drop anchor” on making a purchase, for example, inform about a nice discount.

2. “Property - advantage - benefit”



The technical characteristics of a product are not always clear to the average user, so it is worth speaking in an accessible language for the target audience, showing the client the advantages and clear benefits.

3. “Figures and facts”



This sales technique allows you to build trust and make the presentation more convincing to the client - the most popular technique, which is also widely used in advertising.

4. “Comparison”




Comparisons are often used to justify the benefits of products. This mechanism is often used in online stores of household appliances and electronics. It helps the buyer to imagine the image of the product in detail and choose the most optimal option for himself.

5. “Metaphors”




This method is built on the basis of many metaphorical comparisons, combined into a voluminous, impressive presentation. Car dealers often use this scheme when demonstrating a new car brand.

6. “Tanka” method



It is used when a potential buyer is not ready or does not want to make contact with the seller, does not answer questions, or does not talk about his consumer desires. In this case, the consultant has to take the initiative and conduct the conversation independently. Try to guess the client’s needs and offer the product that he wants to buy.

7. “Customer Experience” method



Examples of real people always inspire confidence. The story that the product presented to the client is being bought for the fifth time today, or that they came specially for it even from another city, will clearly not leave anyone indifferent.

8. “Famous names” method

This method is similar to the previous one, only the role of experts is not real consumers of goods, but famous personalities who inspire trust in the target audience. Often, in the presentation of products of famous brands, the names of ambassadors are used as an amplifier for the purchase.

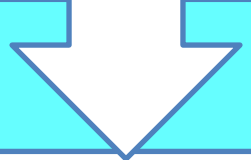
9. “Price fork” model

There is a separate category of customers who, when choosing goods, are guided only by the number in the price tag. This presentation scheme was developed especially for them. Its essence is to compare several products of different price categories - the cheapest and slightly more expensive, but with a set of useful functions. The consultant’s task is to prove that purchasing a product from the “more expensive” category will be much more profitable for the client, at least in terms of price-quality ratio.

10. Method “From general to specific”



According to this methodology, the product as a whole is first described, and then each of its parts or functions is considered separately.

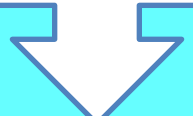


11. Reception “Picture of the future”

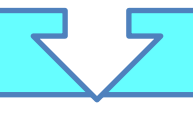


If you know for what purpose the consumer is purchasing your product, start your argument with the words “After purchasing this product you will receive...” or “With this product you will forever forget about the problems with...”. Show what awaits the client after purchasing your product, let him feel like a happy owner of your product. In general, this technique is suitable for everyone who knows their target audience 100% and is confident that the picture of the future being described hits the target.


12. “Three yes” method



In another way, this approach is called the “Socratic Questions” method.




Its essence is that the presentation process must be built using closed questions, so that the potential buyer answers them three times with a positive answer. Then the fourth question is “Shall we make a purchase?” - will also be affirmative.



This is a certain psychological aspect of the human brain: if we answer the interlocutor “yes” 3 times in a row during a conversation, we will no longer be able to refuse his offer.


13. “Getting into action” method



Helps the buyer feel like the owner of the product. This includes trying on clothes in stores, test drives in car dealerships, spraying perfume onto samples in perfume departments, etc. The main essence of this method is the close interaction between the client and the product. The main task is to make sure that the buyer cannot part with the goods.



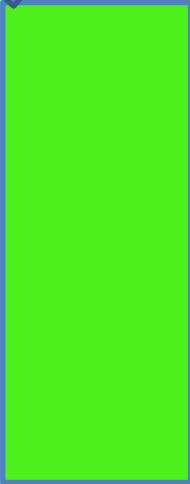
14. Crescendo method



The point is that each subsequent argument in favor of the product is more significant than the previous one. That is, with each proposal made, the seller strengthens the desire to buy with a more significant argument.




15. Method “Emotionality”



Scientists have proven that information conveyed to a person with expressive intonation is perceived and remembered many times better than dry, emotionless speech. In this method, gestures are used during the presentation process, the most significant aspects of the product are highlighted with voice, and attention is paid to details.



16. Universal Plan

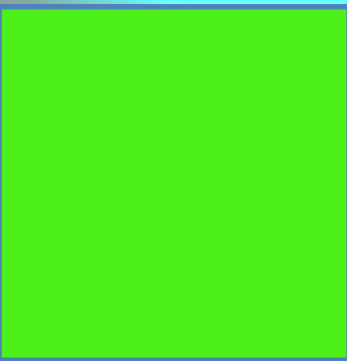
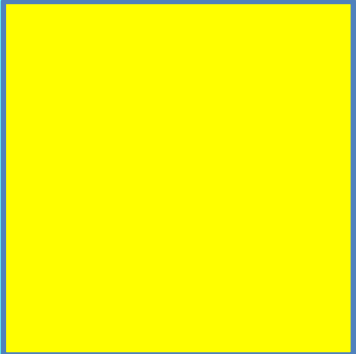


Competent construction of a presentation is the main step to its success. The manager must know the correct structure of product presentation.



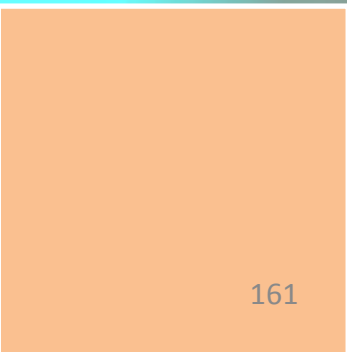
Secrets of effective product presentation


Knowing how to properly and effectively present a product, you will be able to competently demonstrate your product and sell it. However, there are still a few basic rules on how to charm a buyer. I'll share it now.



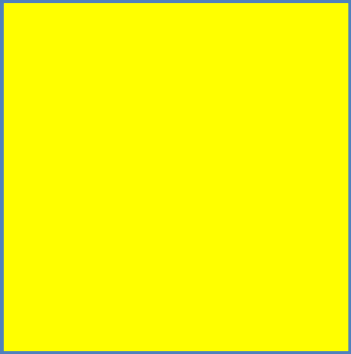
Sell preliminary stages. Let the client temporarily feel like a happy owner of your product: allow him to try on a dress in a clothing store or sit on a sofa in a furniture factory.

Anticipate objections. Use phrases like “We are often told that such a vacuum cleaner can be found cheaper, BUT...” or “Perhaps you think I’m exaggerating, HOWEVER...”, etc.

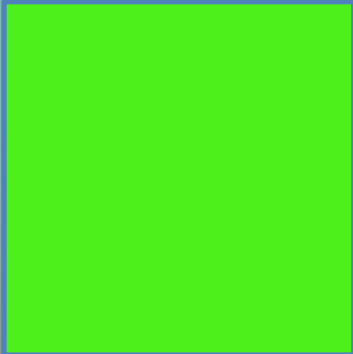




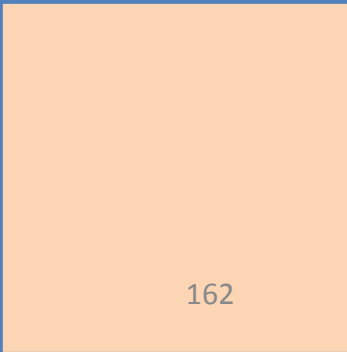
Secrets of an effective presentation (continued)



Talk about shortcomings. No product is perfect. If you voice one or two insignificant disadvantages of your product, the buyer will not change his mind about purchasing it, but will only be convinced of your honesty and the truthfulness of all the previously announced benefits.



We sell not a product, but a result. Surely, you have at least once heard the phrase “you should sell not a drill, but a hole in the wall.” It doesn’t matter to the buyer that the company has released a super new modern set-top box, it’s important to him what his needs will be met.

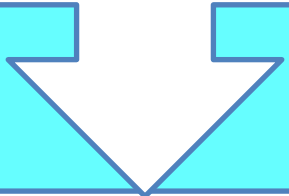


Use handouts. Use all methods of providing information. Many people have difficulty perceiving what is said by ear, but a colorful paper booklet is much more effective for them.

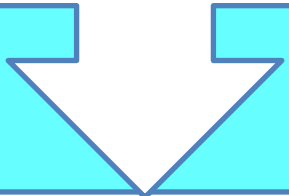
Merchandising

- The importance of merchandising is also growing due to major changes in consumer motivation and behavior.
- The modern client, thanks to the availability of almost any information of interest to him, is a representative of the generation of “mature” and “advanced” consumers who, on the one hand, are adherents of a particular brand or brand, who at the same time deny significant differences with a similar product from another manufacturer, and on the other hand know everything and about everything.
- These two factors are inextricably linked.

Merchandising (from the English merchandise - to trade) is a set of activities aimed at the effective placement of goods in order to stimulate their sales. Merchandising is useful for both the organization and the buyer himself.



With the help of merchandising tools, an enterprise can increase sales, profits and turnover , win new customers, provide information about the product as fully as possible, improve the quality of customer service and create a pleasant impression of the organization as a whole.




This is also beneficial for the buyer: it allows you to get acquainted with the product and make a choice quickly, enjoy the purchasing process and communicate with employees.

Merchandising involves activities that save the client's time, including through the convenience of locating goods in the retail space.

In conditions of technological parity, the consumer's choice is determined only 20% by the main properties of the product and 80% by its environment (design, price, brand, service, ease of purchase, etc.), and attracting the buyer's attention remains one of the most serious tasks .


There is no definition of merchandising that all experts in the field agree on. There are many different interpretations, for example:




“Merchandising is a set of activities carried out on the sales floor and aimed at promoting a particular product, brand or packaging, the result of which is always stimulating the desire of consumers to choose and buy the promoted product”



“Merchandising is the sales policy of a retailer” - *Oxford Explanatory Dictionary of Business*



“Merchandising is an area of marketing that includes sales methods that allow the product or service being sold to be presented to a potential buyer in the most favorable conditions” - *French Academy of Commercial Sciences.*



“Merchandising is a set of research and applied methods used jointly or separately by retailers and manufacturers with the aim of increasing the profitability of the outlet and increasing sales by constantly adapting the assortment to market requirements and adequately presenting goods” - *French Institute of Merchandising*

Merchandising goals:

- increase in sales volumes;

- creating commitment to the store and individual brands of goods on the part of existing customers, attracting new customers;

- providing consumers with the necessary information;

- increasing the time spent and the number of customer purchases in the store, increasing the level of decision-making directly at the point of sale of goods.

With the help of merchandising, the seller realizes the last chance to show the buyer the product, influence his choice and push him to buy more units of the product.

Merchandising tasks


Merchandising tasks are divided into four groups, according to the number of elements of the marketing mix:



Product. Improving the design of product packaging; making decisions about the product range, methods of displaying goods in the store; ensuring quality guarantees of the goods offered;



Price. Making decisions on pricing policy and strategy; improvement by the manufacturer of logistics services for stores;

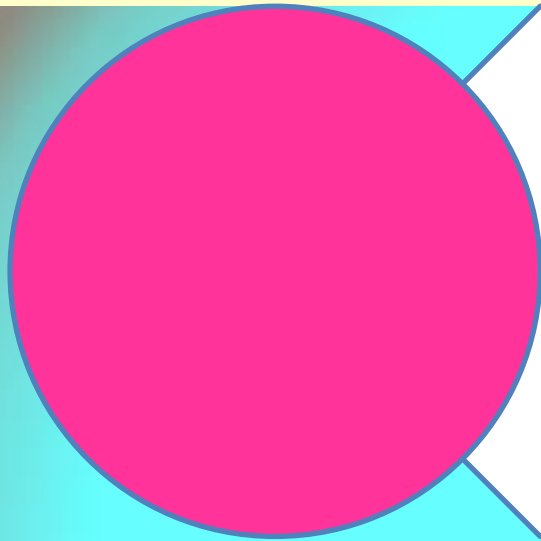


Place. Creating a unique store atmosphere; improving store layout, using signs and directional signs to ensure customer convenience;

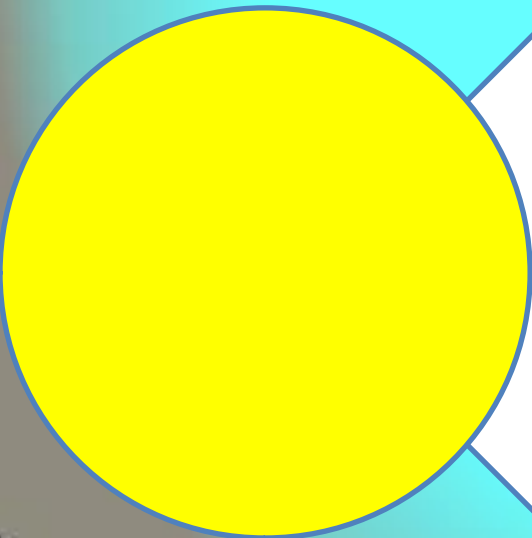


Promotion. Improving the types and methods of using advertising and information at points of sale.

Purposes of using merchandising in a pharmacy



A large number of pharmacy organizations generates competition, in which pharmacies that take into account the needs of customers and offer a high level of service survive.



With an active increase in the number of pharmacies, the number of customers does not change. Therefore, it is important to create an environment in which the buyer would be comfortable to be and pleasant to return again. The display of goods on display plays an important role in this, helping to promote products, increasing customer loyalty and increasing the pharmacy's profits.

Pharmaceutical merchandising is based on three basic principles:



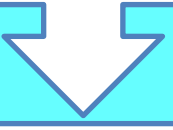
Carefully selected range of drugs, brands and brands



Competent display



The design of the hall creates a comfortable atmosphere for selection and shopping .

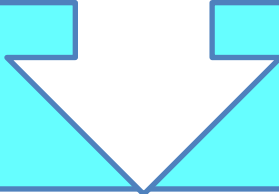


The assortment is selected taking into account the presence of direct competitors in the area, medical organizations in the service area and the location of the pharmacy (residential area, transport hub, local pedestrian flow, etc.).

Merchandising is a **significant component of the system for constructing an offer to the buyer and the system for presenting pharmaceutical products**. One of the most important components of merchandising success is a competent assortment policy.



You can use as many sophisticated **technologies as you like for displaying goods and attracting the buyer's attention, using highly effective merchandising tools - the buyer, however, first of all, comes to the pharmacy for the product that he needs.**



A pharmacy visitor almost always has **an exact goal** that needs to be achieved in order to ensure the health of himself and his loved ones. Based on this, the postulate **for merchandising in this regard is assigned a niche for stimulating impulse purchases or forming a strategy for so-called additional sales, i.e. purchases following main .**

Merchandising allows you to organize the procedure for interaction between a product and a buyer in such a way that:

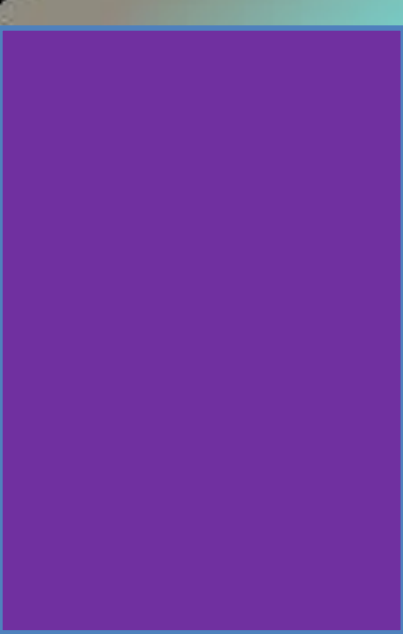
One of the directions for the development and formation of the foundations of merchandising is the analysis of its natural psychological components.

3. pharmacy organizations could use technologically advanced and cost-effective methods of selling goods.




1. the visitor felt comfortable and free when choosing a product;

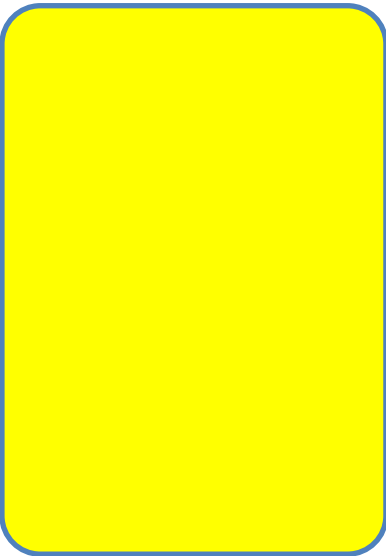
2. the goods themselves informed buyers (thanks to the successful distribution of the sales floor space between them horizontally and vertically), controlling the attention of visitors and forming routes for their movement;



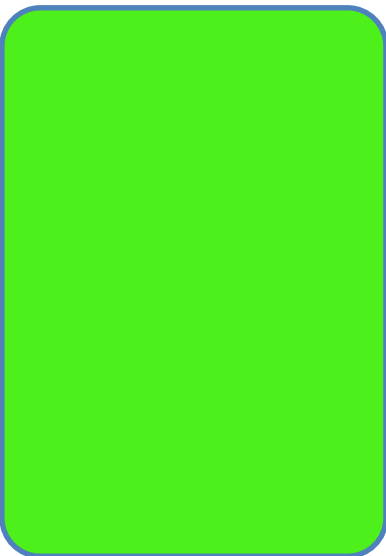
The principles used in building a merchandising system in a pharmacy **contribute to the formation of stable relationships between customers and goods** , while **an important component is also the ability to influence the attitude of the supplier towards the retail outlet** . With this approach, a system is built that allows you to form relationships focused not only on “particularly valuable” customers and “particularly interesting” products, but **on all customers and all products** .



It is necessary to assess the place of each individual product on the market, while not forgetting to take into account **the specific location of the pharmacy**.



Merchandising is the ability to control the buyer's attention . It is important to understand that most merchandising tools are developed based on knowledge about the physiological characteristics of brain activity and the psychological components of human nature. To understand the essence of these tools, knowledge of the specific features of human behavior and perception is absolutely necessary.

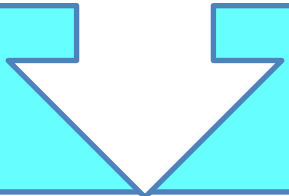


The rational distribution of cognitive resources of visitors in the space of the sales floor is one of the fundamental principles of merchandising and is one of the key factors for the success of sales in a pharmacy.

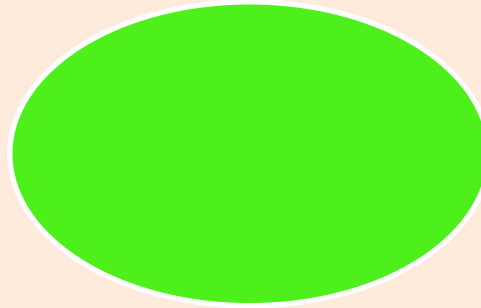
The distribution of cognitive resources of potential buyers determines how they perceive goods, services and other events.



Drugs that command more cognitive resources (due to their position on the sales floor) are more likely to be sold .



distribution process is closely related to attention, therefore a special place in merchandising is given to the attention and perception of the drug and information by visitors on the sales floor. cognitive abilities



Attention is the direction and concentration of consciousness on a specific object, the concentration of thoughts, which particular drug can help me, i.e. the focus of cognitive resources on processing the stimulus. Behind attention are always the needs, attitudes, motives, and goals of the buyer.

Drugs or other pharmacy products that meet the needs and interests of the buyer sharpen attention. The focus of attention, which is the buyer's search and choice of a particular product, is manifested in the readiness to purchase the product; This is a state when the buyer is able to perceive a product in the presence of a small amount of information and other stimuli .



The volume of attention is the number of homogeneous objects that the gaze covers at once.

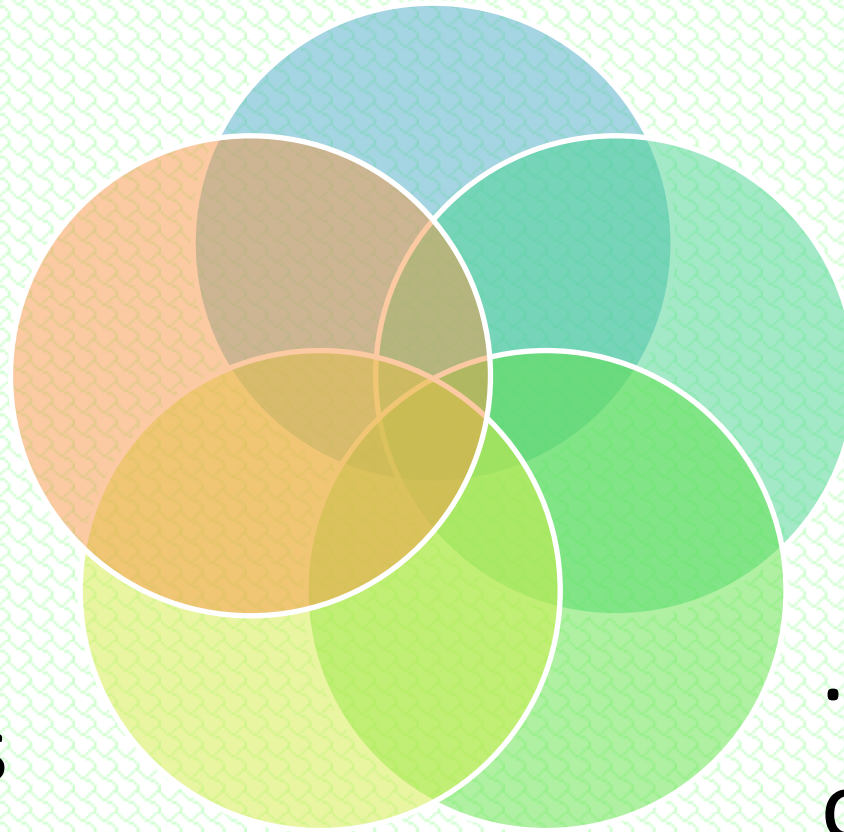
On average, the attention span does not exceed 9 objects.

The buyer's attention should not be overloaded with an unreasonably large number of homogeneous, monochromatic, etc. goods or irritants. It is necessary to adapt your activities to this characteristic of attention and strive for alternation and consistency in the placement of goods when positioning them on the sales floor.

Pharmacies differ according to the following criteria:

- by functional role.

- by forms of service:



- by assortment (a pharmacy can be highly specialized, a typical example is a pharmacy at a medical institution, children's or sports nutrition);

- by the size of the retail space;

In the segment of specialized pharmacies, retail outlets can be distinguished by their characteristic features:

- “category specialists” (the widest range in one product group);

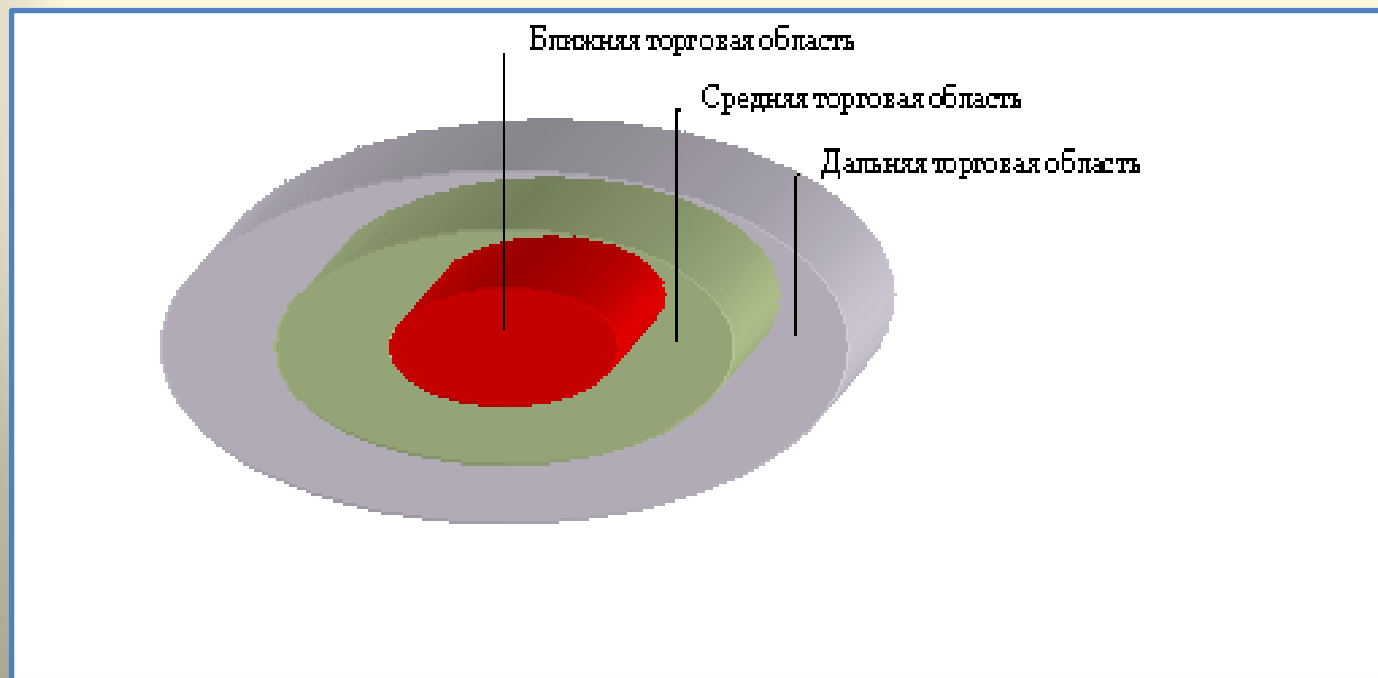
- “category killers” (full assortment for any product category and low prices);

- low-price pharmacies (a wide range of product groups, a small number of assortment items in a group, a limited range of services and low prices).

Characteristics of the location and taking into account the characteristics of the pharmacy

Determining the characteristics of each pharmacy begins with its location, the formation of a general impression, and a description of external factors that may affect the turnover of medicines or other goods in the pharmacy range.

Each retail outlet can be characterized by three trading areas, based on the principle of accessibility to customers



- **Brief characteristics of trading areas:**

- 1. **The nearby trading area** is the one that accounts for **60-70% of the pharmacy's customers. The border of the near region is 4 km for motorists and 1 km for pedestrians.** The time a pedestrian spends on the road is no more than 10 minutes. It is important to take into account that there is a large part of pharmacy consumers whose movement is limited for various reasons, not only physical (elderly and disabled people), but also temporary (young mothers, busy people, clients in a state of illness). Such customers are often tied to the pharmacy that is closest to their home or work.

- 2. **The average trading area** provides about 20% of sales volume. The walking time is in the range of 10-20 minutes and determines the radius of this zone - 2 km for pedestrians and 6 km for motorists.

- 3. **Distant trading area includes customers who rarely or accidentally make purchases at a given pharmacy** , accidentally passing by or on the way to work and

preferring a specific pharmacy to the one located near their home. This zone accounts for about 15% of purchases. Its distance can be defined within 5 km for pedestrians and the absence of boundaries for consumers using personal transport.

Rules of selling merchandising

Rule 1. Location

The most popular rule in merchandising is the “Golden Triangle”.

In fact, this is not always a figure with three corners, so the name is only a typical solution.

The idea is that the most popular product should be located in the far corner from the entrance. And the cash register is in the far corner from the popular product.

"Golden Triangle". The rule of the "golden triangle" is this: **the larger the area formed between the entrance, the cash register and the best-selling product, the higher the sales volume .** When the buyer crosses the hall and goes for the goods he needs, he will become familiar with the other assortment. Accordingly, it is optimal for you to place your goods in the area of this triangle.

Rule 2. Eye level

When a person enters a trading floor, his gaze is most often directed forward.


If you want to draw the customer's attention to a certain product, place it at eye level.

And it's more correct not even at eye level, but 15 degrees lower, since we are psychologically accustomed to looking slightly down when moving.

Rule 3. Product highlighting



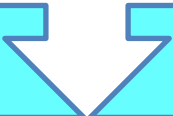
If everything is done incorrectly, then when viewing the products, the client will quickly study everything and move on, perhaps even to another pharmacy.



The reason for this is that nothing “caught on”.



Therefore, you need to learn how to do special actions to “grab the client by the eyes” while he is jogging, options:



1. Lots of goods. 2. Light. 3. The product is on a separate exhibition. 4. Color. 5. Markers. My favorite trick. Place markers “Bestseller”, “New”, “Last copy” and so on on the selected products.

Rule 4. Separation

Group placement is a very important factor. The product must be in the group where it belongs .

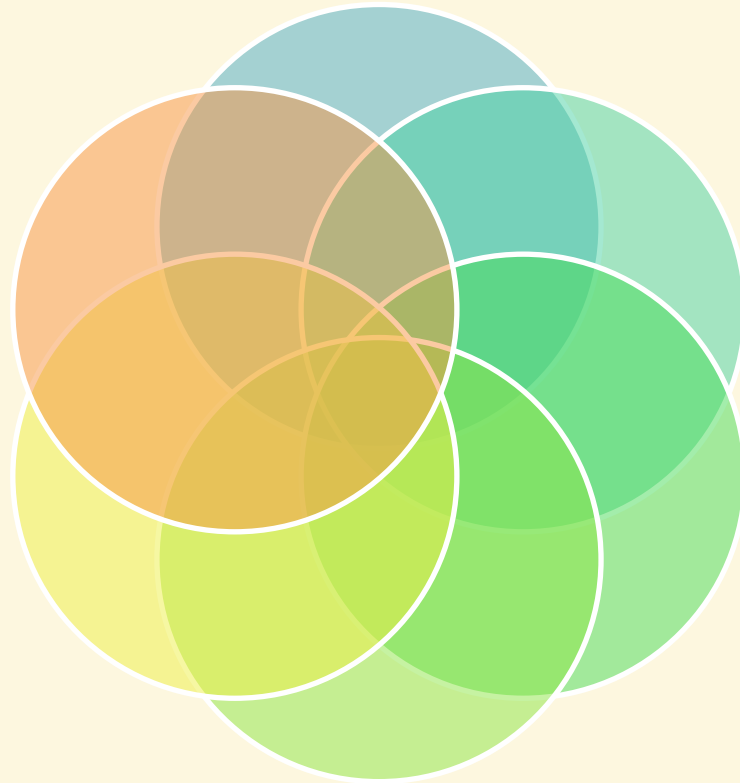
Rule 5. Movement

It's no secret that most people are right-handed. Therefore, **upon entering any room, most people immediately turn their heads to the right and begin an unconscious movement counterclockwise.**

Rule 6. POS materials. "Point of "sales " (point of sale) are merchandising tools for attracting customers' attention to a particular product.

5. Dispenser - a structure in the form of a stand or panel. Used as a stand for leaflets or to display products. Access to the goods is open to customers, so they are often placed in the checkout area.

4. Shelfstopper - a panel that attracts attention to the product and at the same time serves as the boundary of the assortment range.



3. Shelf talker - advertising panels that are attached to shelves and counters to visually separate product groups.

1. Wobbler - a small sign on a movable, flexible leg. Attaches to the shelf above the product to which you want to draw attention.

2. Mobile - hanging information posters that are attached to the ceiling. Mobiles also include three-dimensional designs, most often these are giant product mockups .

Rule 7. Price tags

1. Where exactly will the client look when purchasing a product, besides the product itself? Of course, for the price tag.

2. No matter how much the client earns, he will always find out the cost.

3. Therefore, it is very important to make these merchandising elements excellent. You need to make the price tag as selling as possible.

**Rule 8.
Rearrangement**

In merchandising, it is recommended to make rearrangements at some intervals so that the visitor comes to you every time as if it was the first time.

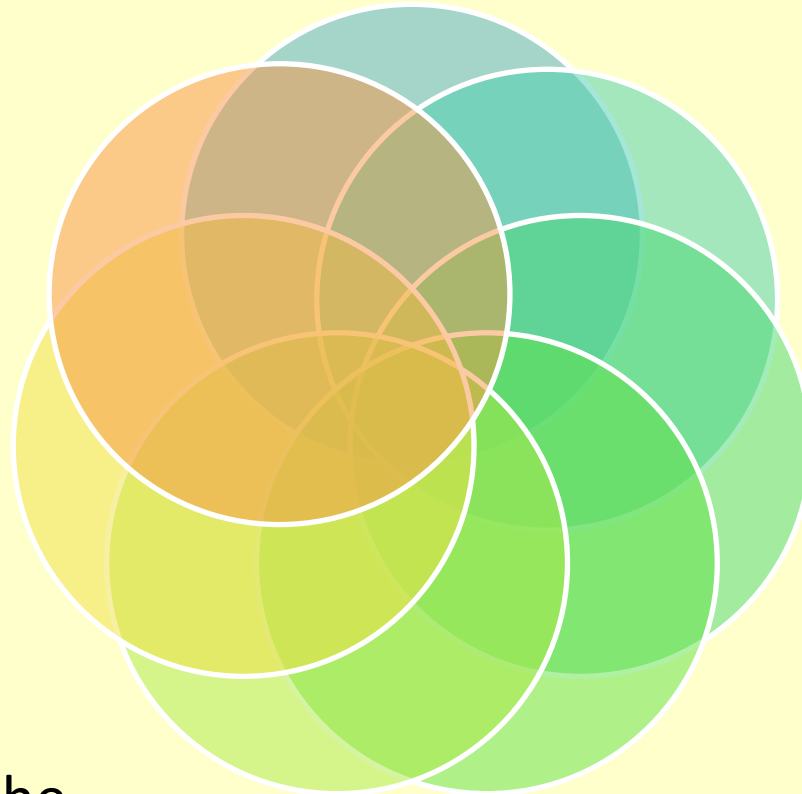
Rule 9.
Different people

Different groups of buyers are accustomed to making purchases at different times of the day. Working with the target audience. For example, the elderly most often visit pharmacies in the morning, the first half of the day - housewives, the evening - busy people after work, and the night - the time of young people.

When organizing purchasing behavior and the trading process within a pharmacy, it is necessary to take into account:

- form of trade

- the form of the trading floor;
- location of entrance and exit;




- lighting;

- display of goods on equipment;


- planning the placement of departments, sections and goods;

- placement of equipment and cash registers;

Attention is closely related to perception; the objectivity of assessments of perceived objects (goods, etc.) depends on its individual characteristics.



Perception is a holistic reflection of objects, situations and events under the influence of physical stimuli on the senses.



Together with sensations, perception provides orientation in the surrounding world; it is closely related to thinking, memory and attention; is guided by motivation and has an emotional connotation. Perception presupposes choice and is selective in nature, determining a person's actions in the future.

Perception and action are two interrelated aspects of the same continuous process of activity.

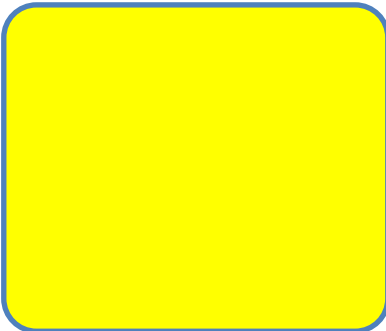
Thus, **perception and the act of purchasing are functionally interconnected: perception performs the function of adapting the buyer to a real action, the act of purchasing acts as a means of continuing this action.**

Layout of the premises, placement of departments, equipment, goods, etc. according to merchandising rules with the support of information support (special signs to facilitate the search for the right medicine in the pharmacy, accessible and understandable labeling on product packaging, advertising at points of sale, in the media, etc.) etc.) **allows for targeted influence on the client's perception and behavior.**


Color combinations and light. Seasonality factor



Color is the first thing a visitor notices, so it is one of the most important tools that helps influence the buyer on an unconscious level and encourage the purchase process.

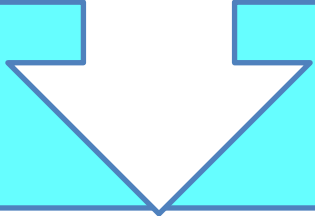


An important role is played **by the range of the interior of the trading floor**, which is responsible for creating the right atmosphere. For example, the predominance of warm colors encourages impulse purchases. To reduce tension in the checkout area or areas where queues often form, cooler shades can be used.

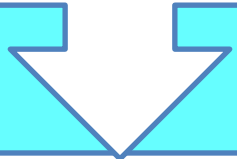


Typically, dark and aggressive colors are not used for the space, which can put pressure on buyers. These include purple, yellow or crimson shades. It is unacceptable to use black or brown colors.

The trading floor, equipment and goods are physical bodies. They are described and perceived through various properties, including optical and geometric . Buyers compare products by price, properties, quality, etc. However, they are usually limited to a visual assessment.



This approach leaves room for distortion and error. Often the sources of illusions are incorrectly or specially chosen backgrounds and the order of placement of goods.



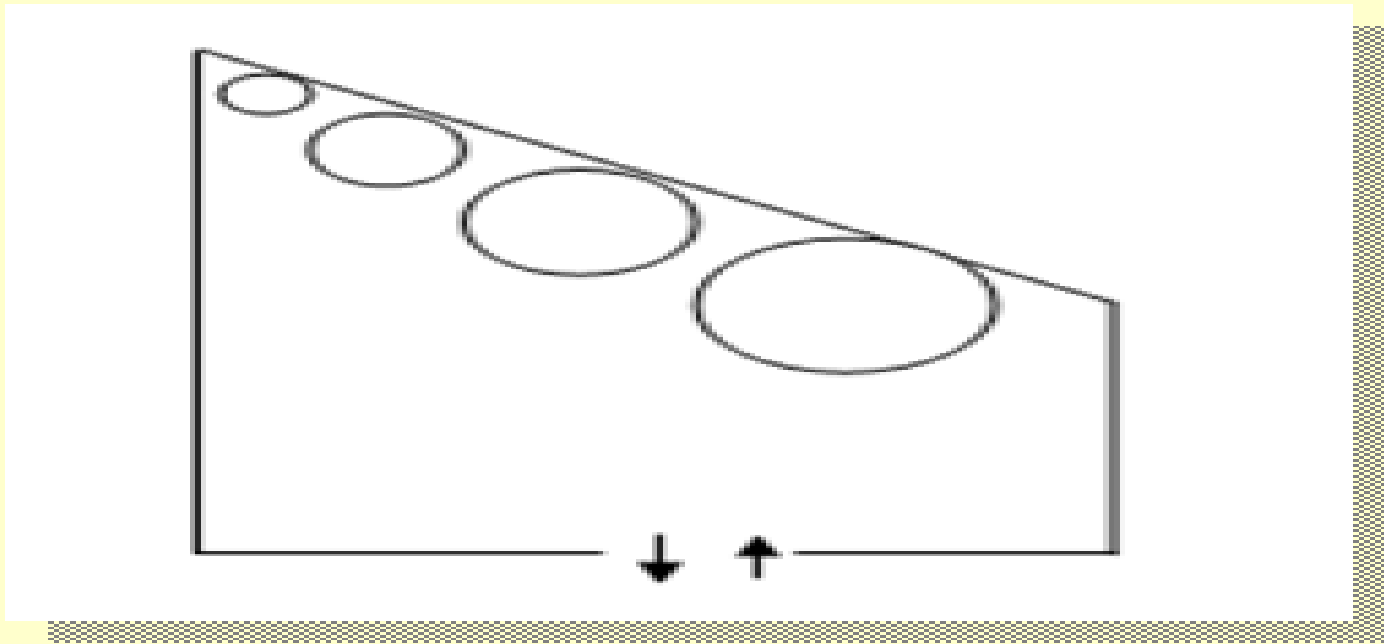
By manipulating illusions of perception , it is possible to create preferential or discriminatory conditions for the goods of individual manufacturers or brands, depending on their status, role and place in the pharmacy's assortment offer and other factors of their attractiveness for the enterprise.

Pharmacy premises

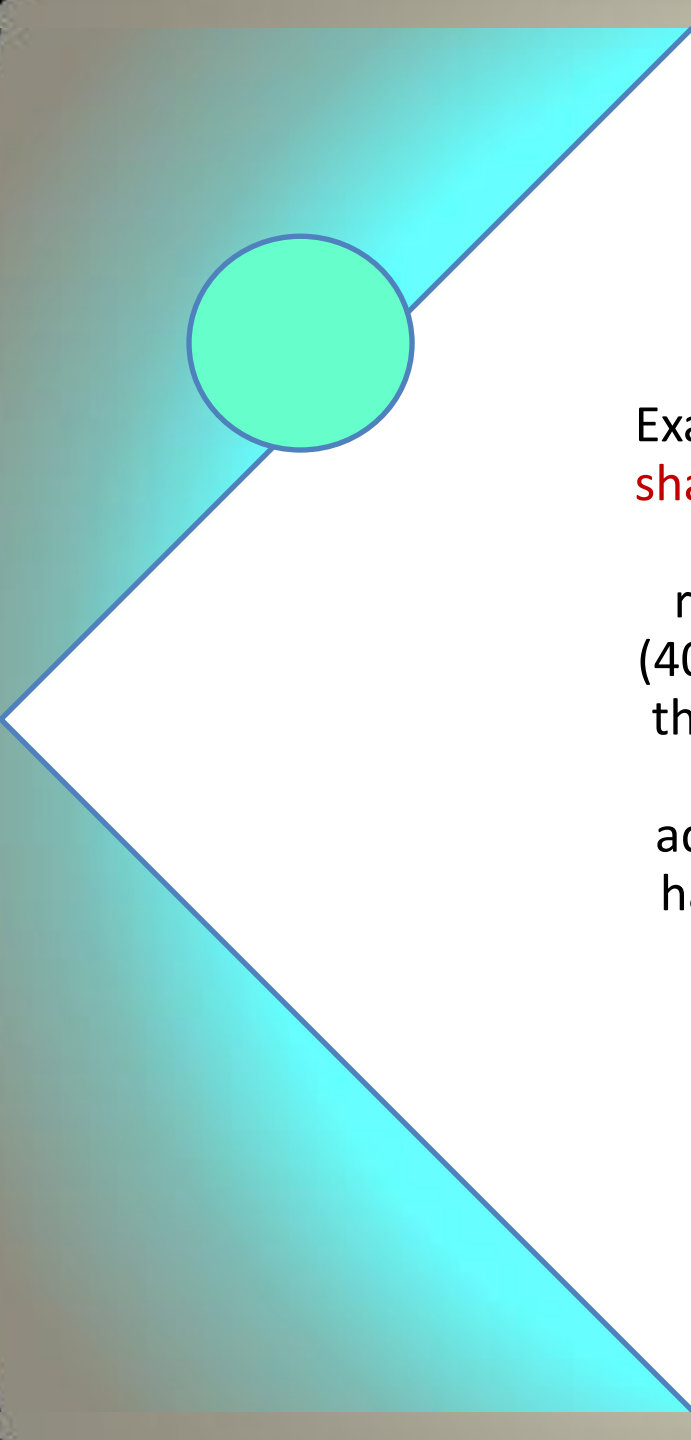
From a merchandising point of view, there are **different approaches to the distribution of sales floor space. Rational use of the sales area and the correct placement of equipment, goods and cash registers, as well as a clearly organized system of customer flow** in the pharmacy are some of the main tasks of merchandising specialists.

The most convenient (optimal) shape of a sales area is a rectangle with an aspect ratio of 2:3 or 1:2 and a height of at least 3.5 m. Such premises are quite difficult to find; most often you have to use available premises, usually located on the first floors houses and sometimes having completely non-standard configurations.

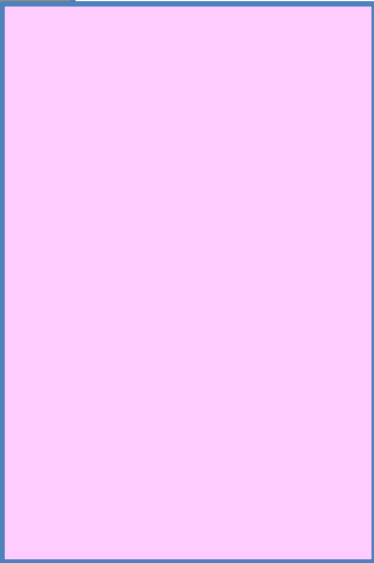
- **Trading floors do not always have the correct outline; often premises with complex and irregular configurations are adapted for them** (for example, massive arched structures and vaults), which can affect the perception of the trading floor and goods. For example, **in a trading floor that has a trapezoidal configuration, similar products placed in the far sharp corner appear smaller than those (Figure) that are placed in other corners, etc.**



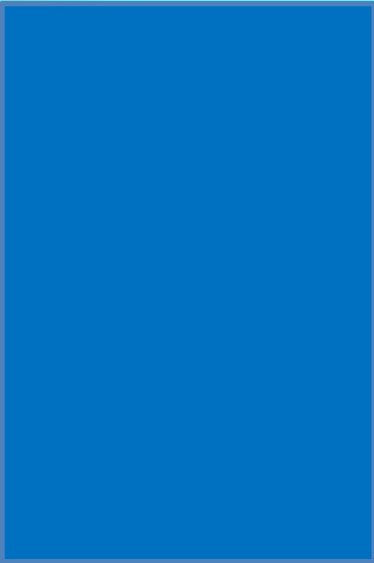
- The illusion of the size of a visible object - at the moment of entering a room, goods of the same size located near an obtuse angle appear larger.



Example: the ideal case is when **the room has a square shape, artificial and uniform lighting (no windows) and an entrance in the middle of the facade**. In such a room, visitors turn right more often (60%) than left (40%). Consequently, goods placed on the right side of the hall, other things being equal, have an advantage over goods placed on the left side of the hall. In addition, people are reluctant to visit the back of the hall (30%), preferring to make purchases in the front part (70%) of the trading floor, which creates an advantage for goods in this part of the room.



If the goods in a pharmacy are presented in display cases located around the perimeter and the segments of the display cases are not highlighted in any way, and the sales floor is lit equally in each section , then **the buyer will move around the sales area counterclockwise** , while his attention and interest in the goods on display will decrease proportional to the number of steps he has taken.




The occurrence of such a situation will be helped to avoid by objects located on or inside the display case that attract or arouse the client's interest.

- In any pharmacy there are places that customers, due to their perception, visit the least such zones are called “cold” , and places that are visited more often than others are called “hot” zones. The task of merchandising in this context is to make “cold” areas “hot”. “ Cold” zones are formed because people, by their nature, do not tend to change the direction of movement.

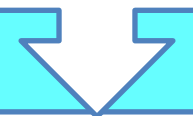
Also, if the consumer **flow is directed counterclockwise (and this is the characteristic behavior of a visitor in a sales area)**, then the far (right) corner will be visited by a **small part of buyers** (provided that this corner is not marked with signaling objects), while the main a lot of people will continue moving straight, not paying attention to this part of the window .



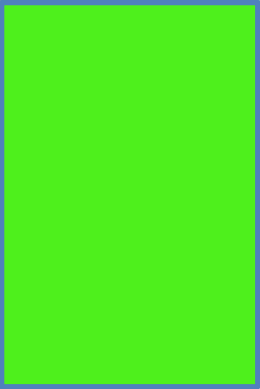
The following techniques can help you avoid this situation:




you can change the movement of customer flow by creating a barrier of retail equipment on its way.



if equipment is installed along the path of consumer flow, using knowledge of the characteristic features of human movement, then the consumer flow is directed to the right, thus ensuring full coverage of the sales area by the visitor.



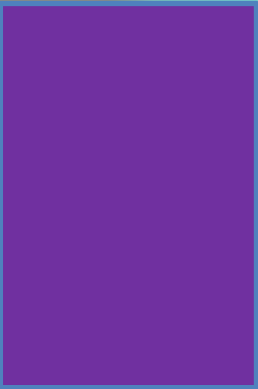
The space of the sales floor can be divided into zones - strong and weak points for presenting the assortment to customers. **Let's consider the principles of placement of goods taking into account the zoning of the premises.**



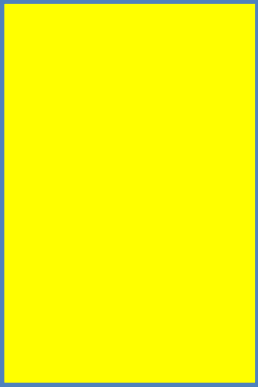
Adaptation zone at the entrance to the premises. In the first seconds, the client needs **time to get used to the new space and evaluate the situation.** Typically this area is pre-selected or left empty .




"Hot" zone. This includes **the space on the right side in the direction of customer movement, as well as near the cash register.** This area is in maximum view of buyers.



"Warm" zone. Located in the center of the trading floor and in places with good frontal visibility. It is visited by up to 70% of visitors to the outlet.



"Cold" zone. As a rule, these are showcases that are furthest from the entrance, shelves located on the left side in the direction of customers' movement, and corners of the sales floor. Products with small but constant demand are placed here.



"Ice" zone. The space on the left side of the exit zone, which is visited by no more than 10% of customers. This is the least profitable area, which can be used to organize a corner for relaxation and arrange decorative elements.

Options for placing goods in a pharmacy, taking into account the “strong” and “weak” areas of the premises



In the “ **hot** ” - strong - zone, it makes sense to display goods that bring maximum profit for the pharmacy, seasonal drugs. Less popular products can be placed next to them, improving their perception by customers. The impulsive desire to make a purchase manifests itself at the beginning of movement around the sales floor, so the most popular medicines can be placed in display cases located on the right side in the direction of customers' movement.



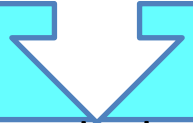
In the “ **warm** ” zone, for example, in the central display cases, you can place inexpensive parapharmacy , dietary supplements and expensive vitamins, off-season goods, ointments. Most of the visitors pass by them.




“ **cold** ” zone is the least in demand by buyers, so pharmaceutical products that are in small but stable demand are placed there. These include hygiene items, medicinal cosmetics, items for caring for the sick, children's products, and so on. To increase the efficiency of the zone, you can add seasonal drugs that are in demand among customers to the display cases.

The purchasing decision process as an opportunity to apply merchandising tools

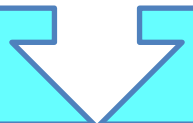
The purchasing decision process is primarily related to the nature of demand. In accordance with the demand for goods, they are divided into the following main groups:



1. **Convenience goods** - consumer goods that are purchased frequently, without thinking, with minimal effort spent comparing them with each other. These are goods that are purchased regularly (mandatory nomenclature list of the pharmacy assortment).



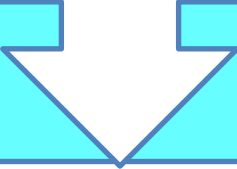
2. **Impulse purchase goods** are goods that are purchased unplanned, and, as a rule, they are available for purchase in many places (parapharmaceutical products, sweets, toys, etc.).



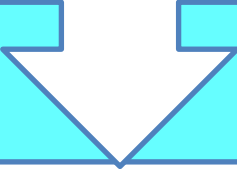
3. **Goods for emergency cases** are purchased based on the emergence of an urgent need for them (these most often include medications for “quick” help - dressings, antiseptics, etc.).

The purchasing decision process as an opportunity to apply merchandising tools

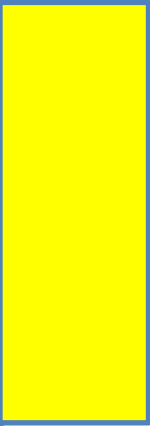
4. **Pre-selection products** require longer time and greater effort in the purchase decision-making process (vitamins, medicinal cosmetics, etc.). The buyer compares them with each other according to the criteria of ease of use, price, quality, and appearance.



5. **Goods of special demand** are goods with unique characteristics, individual branded goods and specific ones (antibiotics, cardiovascular drugs of the latest generations, more expensive analogues, etc.), for the acquisition of which the buyer is willing to spend additional effort.




6. **Goods of passive demand** - goods that the buyer usually does not think about purchasing, regardless of whether he knows or does not know about their existence.



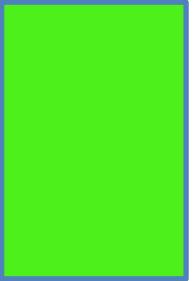
Knowing the stage of a visitor's purchase decision, a merchandising specialist can predict his consumer behavior and create a situation adequate to this state.

Depending on the product group and the buyer's level of awareness of it, the purchase decision-making process can go through various stages.

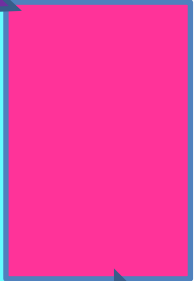
Hence, the measures taken by the pharmacy to influence this process should be different.



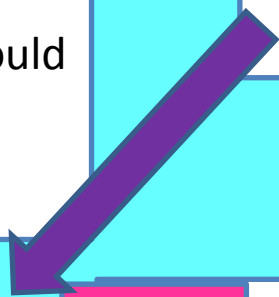
The consumer purchasing decision process typically includes the following steps:



awareness of the need;
→ information search;
→ evaluation of options; →



→ purchase decision;
→ reaction to purchase.



The retail space of a pharmacy implies a special atmosphere.

If the buyer sees many products to “get to know” (look, touch, etc.), and is influenced by a certain atmosphere of the pharmacy, he may reconsider preliminary purchase decisions and make new ones.

Buyer behavior in a pharmacy sales area goes through stages depending on the type of purchase, which are reflected in the table (see next slide)

Types of goods and stages of making a purchase decision on the sales floor

Type of purchase	Decision stage	Merchandising element				
Awareness of need	Search for information	Product selection	Product rating	Purchase of goods		
Clearly planned bathroom purchase				+	+	Constant availability of goods
Partially planned bathroom purchase		+	+	+	+	Effective placement of goods on display , Presentation
Unplanned or impulse purchase	+	+	+	+	+	Effective placement of goods on display, Presentation

Types of purchases

Types of purchases are divided into three conditional types:

1. **A clearly planned purchase** - the buyer **has determined in advance the drug** or other product **that he intends to buy** . The time he will spend in the pharmacy depends on how easy it will be for him to find the necessary product (as a rule, this is done with a doctor's prescription).

2. **Partially planned purchase** - the buyer knows what product he needs (usually a pharmacological group), but the process of selecting a specific drug continues until payment for the product . As an example, it's easy to imagine shopping "on a list."

3. **Unplanned purchase** - both the drug and the manufacturer are selected directly at the pharmacy (**merchandising comes to the fore, with such a purchase the role of a specialist is high**).

Types of purchases and tools for influencing the buyer

- Depending on the type of purchase, you can use tools to influence the buyer (these are merchandising tools), which will lead to the satisfaction of your buyer's needs (Table).

Type of purchase	Tools for influencing the buyer and ways to create commitment to a product or pharmacy
Clearly planned - bathroom purchase	<ul style="list-style-type: none">- Availability of information and advice on application issues-Presenting information about new products produced by a given company or generics in order to motivate an additional or more expensive purchase-Placing departments and products in such a way that the client considers purchasing other products-Providing data on products that can be consumed together with the target.
Partially planned bathroom purchase	<ul style="list-style-type: none">-Providing the buyer with the most complete and reliable information regarding the properties of the selected product and its analogues-Advertising, display opportunities and drawing attention to specific products-Possibility of demonstrating the beneficial qualities of the product
Unplanned purchase	<ul style="list-style-type: none">-The full range of advertising possibilities and emotional impact-Breadth of product range of the pharmacy

Product display as a tool to achieve merchandising goals

How advantageously a product is presented to the buyer can affect the organization's sales level.

To do this, it is necessary **to place products according to certain rules and maintain the required range.**

When **planning the display, the following are taken into account:**

- **characteristics of buyers and their preferences,**
- **nuances of the products offered,**
- **seasonality**
- **degree of popularity of different brands.**

Relevance and completeness of the pharmacy display case

It is necessary to adhere to the optimal number of positions on the display window when displaying goods in a pharmacy: do not create piles, but also do not leave emptiness (because of this, visitors may have the feeling that there is a lack of goods).

For open-type pharmacies, the principle of mass display becomes significant: there should be the maximum possible number of “copies” of the same product on the shelf. People associate the abundance of a product with its availability (and therefore with an attractive price), besides, the more of a drug, the more noticeable it is.

“If we consider **closed-type pharmacies** , then at best a double presentation of the drug is possible here - that is, two packages”

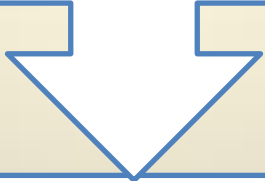
You should pay attention to **the height of the product - on the shelves of the display cases.**




As practice shows, **displays at a height of more than 1.8 and less than 1 meter have low attractiveness for buyers .**



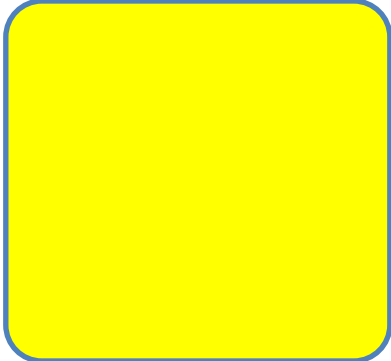
The most attractive range for presenting an assortment is between 1.3-1.8 meters - the most **profitable** or “**traditional**” products can be placed on these shelves. A height of 1-1.3 meters has average attractiveness.




Knowing the strengths and weaknesses of the room, you can optimize the space and arrange the goods in such a way that they bring maximum profit.



Window design in a pharmacy organization is perhaps the most difficult process, since a significant assortment is difficult to combine with the requirements of visual perception:



- do not overload the showcase with the number of visible elements (remember, no more than 13 elements are adequately perceived by the eye);

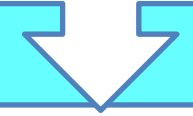


take into account the color combination of product packaging. At the same time, it is necessary to remember about the already known principles of merchandising when placing goods.

Display of goods is a set of actions, the result of which is the demonstration of goods in such a way that the process of creating consumer preferences is easy, as well as the search and selection of necessary goods by the consumer.



Methods for displaying goods can:

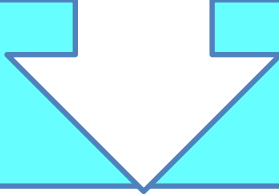


- help distribute the visitor's attention; determine the level of review and attractiveness of the product for the visitor;



- promote the formation of closer relationships between products and visitors;

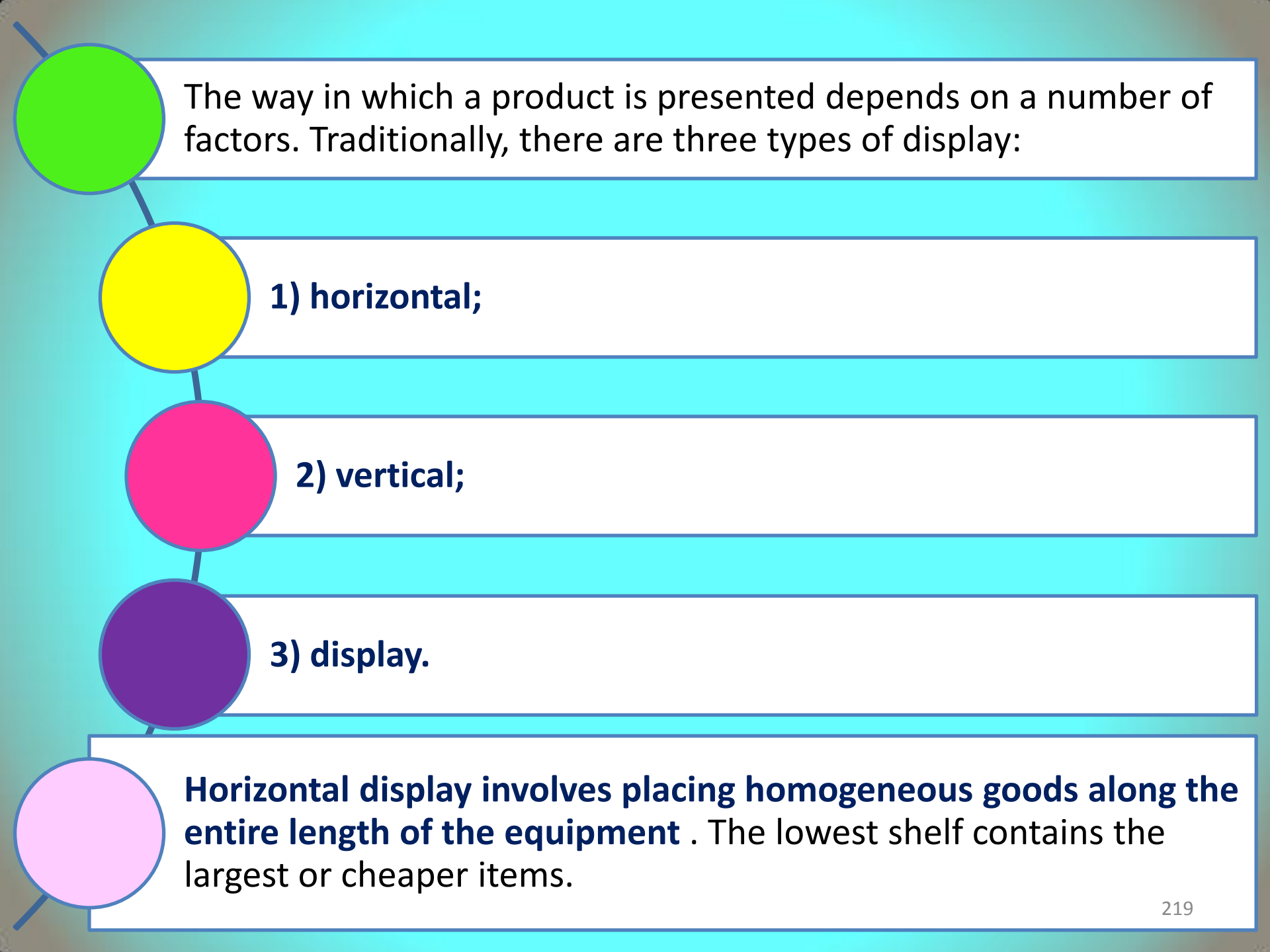
- create conditions for an acceptable neighborhood in which goods of impulse demand, passive demand, etc. are sold;



- **create preferential conditions for individual brands** selected by the company as objects of special attention and used to achieve certain tactical objectives or strategic goals.



Thus, product display is a special tool for achieving merchandising goals.



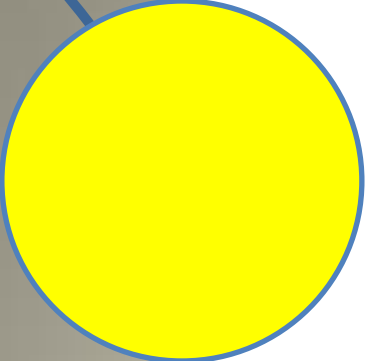
The way in which a product is presented depends on a number of factors. Traditionally, there are three types of display:

1) horizontal;

2) vertical;

3) display.

Horizontal display involves placing homogeneous goods along the entire length of the equipment . The lowest shelf contains the largest or cheaper items.





Vertical display involves the arrangement of homogeneous products in several rows on all shelves of the racks from top to bottom. This display of goods is convenient for buyers of any height. Products can be placed on walls or high “gondolas” so that they correspond to the natural movement of the eyes: shoppers look like they are reading a newspaper, moving their gaze from left to right, from top to bottom.



It is believed that **the vertical display method is more effective than the horizontal one** , as it provides quick orientation in the sales area and ease of selection of goods for customers of different heights.



Display display is usually used for additional points of sale . In this case, a free-standing branded stand or stand is used that is not tied to the main point of sale of this product.




To assess the distribution of attention and the quality of placement of goods on shelves, display cases, etc., it is important to highlight the main patterns of the process of evaluating complex items.

During the selection process, the observer's gaze usually lingers on only some elements of a complex object.

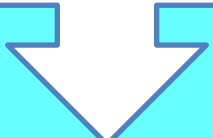
To ensure customer orientation, pharmacy products should be laid out in categories that are easy to understand.

There are no strict rules for displaying goods, however, it is necessary to take into account the requirements of Order of the Ministry of Health of the Russian Federation dated August 31, 2016 N 647n "On approval of the Rules of Good Pharmacy Practice of Medicines for Medical Use," which, for example, prohibits the placement of drugs on an open display case prescription drugs.

Traditionally, pharmacies use the following approaches to product display:



·1. **Ideal presentation of the product.** This approach is usually based on some idea or image of the pharmacy.

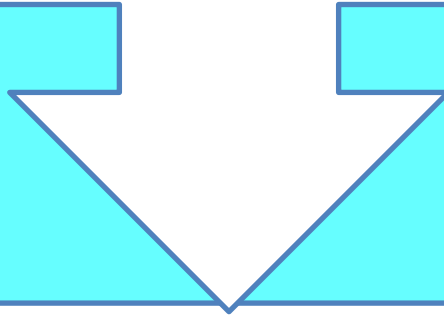


·2 . **Presentation by type.** That is, the maximum supply of goods of one type in one place.



·3. **A price tier view** gives shoppers the ability to select a product at a specific price.

- **4. Frontal view.** This approach to product display is to present the attractive side of the product to customers. To do this, one unit of goods located on the shelves is presented in unfolded form. This situation is typical, for example, for expensive types of cosmetics.



- **5. Volumetric presentation** involves the presentation of goods in large quantities. Consumers associate large volumes of similar products with low prices. The product represents itself.

Due to the fact that regulatory documents require **differentiated display by external and internal forms**, it is advisable **to provide parallel headings by pharmacotherapeutic categories**.

Often in pharmacies there are **enlarged categories such as “medicines for external use”**. This kind of gradation is not effective from the point of view of the perception of its “content” by the visitor, since it combines, say, antifungal agents with analgesics and anti-inflammatory drugs.

Product categories should be logical and understandable for visitors.

For example:

- remedies for colds;

- antipyretics;

- painkillers;

weight loss products:

- remedies for heart diseases;


- remedies for diseases of the vascular system;

- antiallergic drugs


- etc.

Categories in the pharmacy


One of the basic principles of successful window display design in a pharmacy is detailed and accessible headings for visitors.



Rubrics should be bright, visible from afar (font at least 2-3 cm high, clear letters in contrast with the background).



You should not use special terminology: complex names, such as “Anthelmintics for lipid metabolism disorders,” are not understandable to everyone. However, the use of colloquial nominations (“From the head”, “From diarrhea”, etc.) is also not recommended.




Give preference to simple (but not too) heading headings: “Cold remedies”, “Medicinal herbs”, “Painkillers”, “Cosmetics”, “Hygiene items”.




In some cases, pictures are acceptable - a kind of illustration for decorating windows in a pharmacy in groups: for example, a smiling toddler - next to vitamins for nursing mothers.




Recommendations for displaying pharmaceutical products:




1. The shelves must display all groups of medicines that can be purchased without a prescription. For the convenience of buyers, it is necessary to provide rubricators with the distribution of goods by pharmacological groups or principle of action (for example: “antispasmodics”, “expectorants”, “vitamins”).



2. It will be useful to create “thematic” selections that can prompt the visitor to think about purchasing additional products. For example, select several drugs for older people that give the greatest effect when used in combination.




3. The most popular drugs should be placed at eye level of clients, i.e. at a height of 1.3-1.8 meters - this allows you to stimulate sales of the most popular goods.




4. It is advisable to alternate expensive medications in the pharmacy with more affordable ones, offering different options.




Recommendations for displaying pharmaceutical products (continued):




5. Placement on pharmacy windows should not be very dense; packages should be positioned freely so that the buyer does not dazzle in the eyes.



6. Seasonal medicines should be displayed in a visible place. If a visitor does not see them on display, he may leave without purchasing, since not everyone is ready to seek advice from a pharmacist.



7. The price tag on the package should be located on the side where the name is placed. If there are several series of the drug with different prices, you need to make sure that the package with the higher price is on display.



8. Pay attention to the color scheme of the room. Correctly selected colors will help push the visitor to make a purchase. To do this, you can choose soft warm shades, for example, beige.

**THANK YOU FOR YOUR
ATTENTION!**