

4 Trends That Can Make, Shake, or Break Your Pharmacy

Does your independent pharmacy have what it takes to ‘make it’ instead of ‘break it?’

Basic marketing principles known as the “marketing mix” tell us that there are four controllable variables in marketing that can help determine success. The highly coveted “four P’s” include: Product, Place, Promotion, and Price.

While independent pharmacy is its own mechanism, it still survives and thrives on a unique version of the four P’s. And, we’re here to share four very specific controllable variables — or four P’s — you can work into your pharmacy’s marketing strategy.



Independent Pharmacy’s “Four P’s” Marketing Mix

Product

Let’s face it. We’re all growing older (and wiser). But with age and wisdom comes the need for more health care services to keep us operating on all cylinders. And, as the senior population continues to grow, so does a market need in your community.

As your community welcomes more seniors each year, a focus on Medicare becomes a more important focus for your pharmacy. According to [Kaiser Family Foundation](#), in 2018, 43 million Americans enrolled in Medicare Part D plans, with about 58 percent using stand-alone drug plans, and 42 percent turning to Medicare Advantage plans. Around 12 million received premium and cost-sharing assistance through the Part D Low-Income Subsidy (LIS) program.

This means you’ve got a growing senior market. So, it’s important to create a pharmacy product and service that caters to this growing market. How? You can pursue the market in these ways:

- Focus a part of your pharmacy “product” on your community’s senior market
- Help your senior market review their plans to make better-informed care decisions
- Cultivate relationships with prescribers who might refer seniors to your pharmacy
- Ensure your pharmacy is part of a Medicare preferred pharmacy network

Place

Outside of the doctor's office, your pharmacy can become the destination for one-on-one, do-it-all care. Many consumers look at retail pharmacies as "one-stop-shops" to get medications and care counsel, and to knock out multiple errands all at one.

Be ready to provide all the basics from medications, flu shots, and other preventatives through easy meals, cleaning supplies, and sundries. Not only will your pharmacy become the community's go-to health destination, but it will likely turn into the quick stop for daily household necessities, too.

Promotion

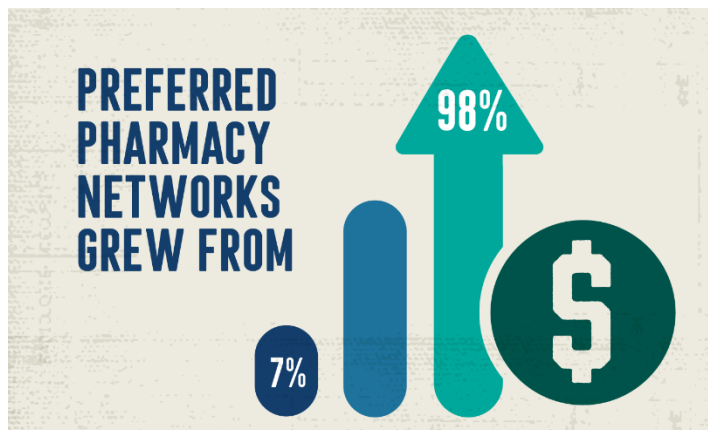
Independent pharmacy is all about community. And, if we've said it once, we've said it 1,000 times: supplement your community outreach with a digital community through social media. Social media channels, such as Facebook, Twitter, LinkedIn, Instagram, and beyond offer you virtually limitless (and relatively inexpensive) ways to promote your pharmacy and build your own digital community of consumers and (hopefully) dedicated fans.

With just a little time and know-how (there are many online resources that can get you on your way to building a social media following), and a lot of consistency, you can build inexpensive digital communities to promote special offers and discounts, vaccinations, pharmacy events, health fairs, and even school sports exams that can drive repeat business.

It's important to remember: social and digital media are no longer exclusive to the youngest generations. More and more seniors are adopting social media each year, making it a great place to reach existing and potential consumers wherever they are.

Price (and Performance)

Preferred pharmacy networks are extremely important and are often confusing. Being a part of preferred networks can affect your reimbursements, but without access to them you also lose access to a huge potential customer base. When you miss out on this, you miss out on a retail pharmacy trend that will only continue to impact your business.



In the past seven years — from 2011 to 2018 — the number of Medicare Part D plans that included preferred pharmacy networks grew from 7% to 98%. But that's not the only change in the world of preferred networks. The criteria to participate in those networks now includes more stringent performance metrics.

Therefore, it's essential that your pharmacy gains and maintains access to preferred networks. With the majority of Part D plans now including preferred pharmacy networks, participation in these networks is essential to your pharmacy business. Once you have access, maintaining that status is vital. To make access sustainable, your star rating measures need to remain high and in the top 20%.

Partnering with an organization like Keystone can get you access to the preferred pharmacy networks that are critical to your pharmacy business and help you stay on track to meet the key performance metrics needed to maintain that access.

Final Thoughts

Can your pharmacy “make it’ or ‘break it?’

Has your pharmacy found a way to take advantage of these ‘make it’ or ‘break it’ trends? Have you been focusing the “four P’s” of marketing from the get-go? Do you have a strategy or tip you want to share? How has your pharmacy’s profit improved — or not — after putting these trends into action?

We’d love to know and may even share those experiences in future blog posts, white papers, and e-books. If you’d like to add your experience, please contact us.

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