

Marketing Pharmacy Services

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Lesson description

This lesson focuses on key points that should be considered by pharmacy owners, managers, and dispensary staff related to the marketing of new pharmacy services. It addresses aspects related to marketing and avoids any commentary on what specific pharmacy services should be considered by the reader. The lesson begins with an overview of some of the key fundamentals of marketing that need to be considered when evaluating a potential opportunity.

Following the brief overview of marketing fundamentals, this lesson also examines three distinct areas: considerations prior to moving into the area of new pharmacy services, preparing the service offering, and marketing the service and communicating its value to potential clients.

Learning objectives

- Provide the definition of the term “marketing” and key fundamentals behind the process of successfully marketing a product or service.
- Provide an understanding of the aspects that should be considered in preparing an expanded pharmacy service before bringing that service to market.
- Provide an overview of key aspects related to the marketing of pharmacy services and how to effectively communicate the benefit to stakeholders and potential clients.
- Demonstrate the importance of thinking big as a crucial step in expanding the scale of the service offering and paving the way for its sustainability.
- Highlight examples of what pharmacists in various geographical locations across the country are doing in the area of developing and marketing unique pharmacy services, and profile their advice on key success factors relating to effective marketing.
- Explain the point that simply building a service offering, with no consideration for marketing, will likely result in failure (in contrast to the common notion that if you build it they will come), and provide examples to support that position.

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Nancy Simonot graduated from the University of Toronto pharmacy faculty with her thesis in pharmacy management. She has 15 years of management experience in pharmacy. Five of these years were spent as an associate with a large chain drug store. She currently works in her two pharmacies which she started as independents specializing in niche areas. Her teaching experience includes several years of teaching at the Sheridan College Pharmacy Technician program. Her community talks in pharmacy cover a broad range of topics. She most recently facilitated training programs for the public and area physicians with the Arthritis Society.

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Prior to joining Lovell Drugs, Rita enjoyed a 20 year career with Big V Pharmacies Co, Ltd., working as a staff pharmacist, then as a store manager and most recently as Director of Operations for over 20 drugstores. During this time, she was directly responsible for all the financial aspects of these pharmacies and district profitability. Rita has delivered numerous workshops and seminars on pharmacy marketing, customer service, staff training, and human resources during her tenure with Big V Pharmacies and Lovell Drugs.

Rita's accomplishments include Board member of CACDS since 1998, pharmacy committee member of CACDS since 1999, past Chair of the Board of CACDS, and currently Vice Chair of the Pharmacy Committee of CACDS.

She has also been involved with many pharmacy organizations such as OPA, PDPA, and CPha, and as a mentor in the IPG program. Rita is also a Board Member of the Kingston Medical Arts Limited. Rita also speaks to local groups on a regular basis on topics such as cholesterol, heart health, and general drug information.

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1. Before you start

1.1 The landscape of change

"It is not the strongest of the species that survives and not the most intelligent, but the one most responsive to change." – Charles Darwin

Over the course of the past few years, an enhanced scope of practice for pharmacists has gained significant momentum across the country. There have been initiatives such as provincial-government-funded medication reviews for any Ontario resident taking multiple chronic medications, and pharmacist prescribing and more formal multi-disciplinary collaboration initiatives in Alberta. The next few years promise a great deal of opportunity for change in pharmacy practice in Canada.

The objective of this continuing education (CE) program is to assist pharmacists in better understanding key considerations in the marketing of expanded pharmacy service offerings. The program includes a number of real-life examples of what pharmacists across the country have done in this area, and highlights what they have achieved as a result of stepping out of their comfort zone and taking a calculated risk. This lesson will focus on considerations related to marketing and business development once the decision to move in the direction of offering expanded pharmacy services has been made.

1.1.1 The role of marketing in business

It's easy for pharmacists not familiar with marketing to look upon the concept with suspicion, since there seem to be hundreds of different definitions of what marketing is. In its simplest form, marketing can be defined as matching an organization's (i.e. the pharmacy's) capabilities with customer needs.

Malcolm McDonald, in his book *Marketing Plans: How to Prepare Them, How to Use Them* (6th Edition), very simply defines the role of marketing. If business success is determined (generally speaking) by continuous growth in revenue and earnings and an ever-increasing value of the company, it depends on the following elements¹:

1. product and/or service – the core value
2. processes – the efficiency with which the service offerings can be delivered
3. professional marketing – understanding market needs
4. people – those who act in the areas above

Therefore, it is important to regard marketing as an important tool that, when implemented prop-

erly in a business, can act as a key determinant of success.

Jay Levinson, who wrote the bestselling book *Guerrilla Marketing*, further simplifies the role of marketing in business. He states that at its core, marketing is a business, and the purpose of business is to earn profits.² Levinson takes a more holistic approach to defining marketing. He defines it as every bit of contact your company has with the outside world.

Pharmacy as a profession has never had to worry much about marketing itself. Health care is a service that has inelastic demand, meaning that regardless of the area of the country, the time of the year, or the economic climate – there is always demand for health care and for pharmacy services.

However, given that pharmacists have long ignored the need to market their services, it is not surprising that the public (in general) doesn't fully understand the range of services that can be provided by a pharmacist and the critical value of the pharmacist in primary care. In this era of increasing retail competition in the community pharmacy arena, financial challenges brought about by public and private sector third-party payers, and the advent of expanded scope of practices for other healthcare professionals, the need for marketing new pharmacy services is more critical today than it has ever been.

1.2 Delusions of grandeur – there are no shortcuts

The business model of traditional pharmacy practice has been relatively consistent for decades. When someone opens a new pharmacy, they plan for low prescription volumes that increase appreciably (and usually somewhat predictably based on the geographical area in question) over the course of the first year, and into subsequent years. But when pharmacists look at unique markets, and the provision of more specialized services outside of the traditional reach of pharmacy practice, the situation becomes much different.

One area where many business owners fall short is that they are accustomed to projecting exponential growth within the first 24–36 months of initiating a new business or an expanded array of services. This can lead to expectations of much higher initial returns. The absence of strong revenue growth and widespread uptake initially can demoralize even the most determined individuals. Selling services that fall outside of the traditional boundaries of pharmacy practice takes time. It takes time to build credibility, time to build a name in the community, time for word of mouth to spread and, in the case of the provision of niche services, time to build relationships with key decision makers.

Kevin McDonald understands that it takes time to build up a business of expanded pharmacy services. Having gained experience working in remote areas of northern Ontario, he knew the people, he knew the system, and he understood their needs. Kevin recognized an opportunity to provide hospital pharmacy services to the small regional hospital in Moose Factory, Ontario, remotely from an office in Ottawa. Kevin knew he was on to something because his services were a win-win for everyone, but he also knew a good idea alone was not enough to grow the business. He would have to be patient in developing the opportunity in Moose Factory to use as a case study and bring the good things he was doing to other potential clients. That would take time, and as a result, his expectations of growth had to reflect the reality of the situation. Later in this lesson we will look at how he approached this opportunity.

Jeannie Collins Beaudin was very proud of the work she had completed to expand the specialty compounding capabilities and infrastructure of Keswick Pharmacy in Keswick, New Brunswick. She knew she was now in a position to meet the needs of a wide swath of new potential clients, given her investments in the ability to service markets like pain management, veterinary medicine, and women's health. She made the necessary investments, committed to her vision, assembled the right team to assist in moving this side of the business forward, and decided to celebrate with an open house complete with food and refreshments and her new facilities on display. There was only one problem: nobody showed up to the open house – not one physician, not one veterinarian, not one new client from outside of her existing practice.

There is a happy ending to Jeannie's story, and that of the Keswick Pharmacy. Today, they have a thriving compounding practice and have made a name for themselves across the province. Jeannie is a respected authority across the country on specialty compounding. The story of going from humble beginnings to significant success in the area of non-traditional pharmacy services is one highlighted by a very strategic and well considered approach to marketing. The situation at Keswick Pharmacy also highlights the need for realistic expectations for revenue and uptake when one sets out in a new direction. We will look at it in depth later in this lesson.

1.3 What does marketing really mean?

For many pharmacists, the term "marketing" can sound like vague description of something large retail companies do, and a very imprecise, creative, and unscientific process. Our technical training in the sciences can tempt us to consider something

we perceive as being more abstract to have less value, and hence we run the risk of overlooking its benefits.

Marketing is, in essence, how we identify the needs of a potential client and identify how our products and services meet those needs. This is a very important consideration because many of the expanded services pharmacists can offer are of tremendous potential value to our patients. We need to make them aware of the value and how we can meet their needs. That is why effective marketing is a win-win for all parties.

In 2004, the American Marketing Association updated its definition of marketing: "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders."³ From this definition, it is evident that marketing involves organizational strategies that guide the sales and promotional activities that occur on the personal level. To be a successful marketer, an organization must create perceived *value* for customers so that they purchase the product or service in our pharmacy.

Pharmacies are now competing with companies that have strong brand image and marketing approaches. This is not a random phenomenon. There are extremely important reasons why some of the players in the world of pharmacy have invested so heavily into marketing and creating strong brand images. This intensifies the need for pharmacy owners to persuade customers to shop in their store, not in the competitors' stores. It is a very different world than it was 10 years ago, but there is also tremendous opportunity. With the scope of practice being enhanced for pharmacists across the country, in the face of stiff competition there is also boundless opportunity.

With tighter competition, merely presenting a set of products or services within the four walls of a pharmacy and waiting for a person to stumble across the store no longer works. A pharmacy cannot assume that it understands a customer's needs, and any business that ignores its customers will not remain in business very long.

If a business has a marketing approach, the organization aims to provide a product or service or deliver a service in a way that meets a customer's need or want. This is in contrast to an approach where an organization seeks to provide a product or service that they create. A marketing approach is a structured approach that involves a number of activities:

- identifying the target market (customers with unmet needs)

- creating value in the mind of the consumer
- promoting the value of the product or service that fills that unmet need
- monitoring and measuring the success of the marketing efforts
- adapting and extending service offerings so that the consumer remains satisfied

1.4 The marketing mix

The marketing mix aims to blend four major components together, namely product, price, promotion, and place (also called the 4 P's), to reach the target market and achieve your marketing goals. This is the core of marketing. It is important to understand how each element works and how they interact with internal and external forces in order to achieve the right balance in the overall mix.

- **Product:** This can be a physical product or a service. Some key product considerations to keep in mind when planning the mix may include:
 - › Do your products and/or services meet the changing needs of your target market?
 - › How have you packaged your products/services to appeal to your target market?
 - › Have you branded your products/services in a way that stands apart from the competition?
- **Price:** When selecting pricing strategies, it is important to remember a few basic principles: Are your target customers willing to pay your price? Can you maintain a profit? Can you remain competitive in the marketplace? Some pricing strategies include:
 - › price skimming – raising the price of certain products or services according to demand. Often when products are in high demand, people are willing to pay more.
 - › cost-plus – calculating a price based on the actual cost of buying or producing products or services and then adding an additional amount needed to maintain a profit. The additional amount added may be a percentage of variable costs, fixed costs, and a markup.
 - › value-based – setting a price based on what you believe your customers are willing to pay for perceived value and benefits your business offers. Often customers base their decisions not on price alone, but rather on the value they gain.

With respect to the pricing of pharmacy services, the key is ensuring you can make a profit. Charging too little for your service can jeopardize its sustainability, but one must also be cautious not to price the offering out of the range of the customer and risk significantly lower volumes of sales. When

one is selling a product, it is far easier to price the item because it is easier to calculate what the costs were to provide the product to the end customer, and then add an appropriate mark-up to cover profit. With pharmacy services, it is a far more difficult exercise. You need to factor in the intangible values such as the value of intellectual property involved with the service. How do you price the value of what's in your head? It is far more challenging to price for the use of one's mind as opposed to the fruits of one's labour.

The key is to not be shy about the value of your time and your mind. It may be worthwhile to consider references like the Ontario Pharmacists' Association's Suggested Fee Guide for Pharmacy Services to get a sense of what general market rates are for different types of pharmacy services. It is also important to keep the notion of perceived value in mind. If the pharmacy services you offer will have a significant benefit for your customers, where they perceive a great deal of value, pricing your service offering too low can have an unintended negative consequence. Having a discounted price for services can often lead to the perception that there is less value in what is being offered compared to a competitor with a similar offering and a higher price.

Would you send your spouse for a massage at a spa that charges \$25 per hour or \$100 per hour? Somehow, a \$25 massage (even if the spa is still making a small profit) seems a lot less appealing and valuable than a \$100 massage.

- **Promotion:** This is the part of the mix where communication becomes the underlying theme. Considerations in promotion include: How will you find customers? What are the messages you want to deliver? Some popular promotions include:
 - › advertising – creating a campaign to effectively market your products using a variety of media, including radio, internet, newspapers, flyers, and brochures.
 - › personal selling – selling to the customers on a face-to-face basis and answering any questions as they arise (marketing to physicians or specialists in the area to elicit referrals). This form of promotion is particularly effective for cognitive services.
- **Place (distribution):** Place (or distribution) may be defined as how you will deliver products or services to the consumer.

1.5 Market analysis

Market analysis is part of market planning. You need to identify the characteristics of the market

you are entering to determine what opportunities are there that the business can take advantage of. One way to find out more about characteristics of a particular market is through market research.

Let's take an example of a pharmacy looking to expand heavily into natural products such as homeopathy, organic foods, herbal products, etc. and providing associated recommendations and counselling services for these products. There are a number of market factors that need to be considered in properly planning for this expanded product and service offering.

1.5.1 Market research

Most people recognize market research. Many of us have had those pesky phone calls during dinner hour or been approached in a mall. However, obtaining information about your customers is an important exercise, as it allows you to be more efficient in your marketing efforts. For example, if you decide to position your store as one catering to the needs of new mothers but you are in the middle of an area with a high percentage of seniors, you will find that your chances of success may be low.

Market research should guide you to identify what types of customers you have, when they shop in your store, why they shop in your store, and what some of their needs are. Market research can also give you more information about potential customers and their habits as well, in order to determine how to influence their choice of pharmacy.

Some market characteristics of interest to a pharmacy include:

- market size
- market growth rate
- trends in the marketplace – e.g., changing from more to less affluent
- access to transportation – can they easily drive out of the market to shop in other areas?
- customer analysis – where do they shop now? what are their demographics?

You find out about these characteristics by conducting and assembling market research from a number of sources:

- local chamber of commerce office
- Statistics Canada (www.statcan.ca)
- local city hall's planning department
- local business association
- personally observing customer behaviour in and around your store
- speaking with other business owners in your trading area

1.5.2 Competitor analysis

Leading factors determining your chances of profitability within a market are the numbers, types, and business strategies of competitors. Pharmacies can compete on many different fronts. They may be individual stores operating on their own, or part of a larger store (a mass merchandiser or food store). They may compete by having a low-price strategy, or they may give extra customer service for a price.

For example, perhaps you have discovered that the market that you have decided to open your store in has many competitors. You find that they are all low-cost providers and it is not a fast-growing community. You might be worried that you can't compete in that area with all these discount stores. However, with some research, you discover that there is no diabetes education clinic within the community, and there are lots of seniors. You decide that there is still opportunity to prosper by offering enhanced, specialized care for the diabetic community to differentiate your store. So, in marketing terms, you have decided to focus your strategy for entering the market on being a high-end specialty store for the senior diabetic population.

It is generally relatively easy to define your competitors' strategies by visiting their stores and observing. However, the reverse is also true – your competitors can easily visit your store to determine your strategies.

In the case of the natural products example introduced above, the competitors in the business are not necessarily other pharmacies. There are other businesses that offer similar goods and services. For example, a well-run natural health product store may capture much of the demand for these products and make it difficult to sell vitamins and natural health products in your store. The key is to understand what they do well and what they don't do well in order to focus on where you can differentiate your offering.

1.5.3 Demographics

The term "customer demographics" refers to statistical information about the population in your marketplace. Some examples include:

- age
- gender
- religion
- income
- family life cycle (empty nesters, young families, etc.)

In considering the natural products example, if the market in your immediate area is dominated by seniors, there may be less of a market for very exotic natural products and remedies. If your area

contains a very affluent population, perhaps one of the focuses of the business should be on high-end imported product lines from Europe.

1.5.4 Market segmentation

In any given market, there are many types of customers with different characteristics. When marketers use the term “market segmentation,” they are really just dividing up a market by a set of characteristics. Each market can be segmented in many different ways, depending on the criteria used. For example, one way of segmenting the prescription market could be the frequency with which prescriptions are filled. Some people are on chronic medications and therefore get prescriptions filled frequently; some never fill any at all; and there are variations in between. Analyzing the characteristics of people who get prescriptions filled most frequently may define a market segment that could then be targeted. This would be a function that could be filled by the pharmacy computer operating system.

Operating a business without segmenting a market is called mass marketing. Mass marketing involves offering a static group of products and services to a wide variety of customers. This form of marketing attempts to cast a wide net, hoping to capture as many customers as possible. However, given a particular market, it will be impossible to capture all potential clients or satisfy all their needs, so this gives rise to an opportunity for a competitor to enter the marketplace with an offering that more closely aligns with the needs of a particular group of customers, taking away some business from the mass marketer.

The alternative to mass marketing is target or “niche” marketing. When a pharmacy decides to target its marketing efforts to one group, it can better fulfill the needs of that group in a way that is efficient for the business. The business strategy is to excel at meeting those needs. An excellent example of this would be a pharmacy that provides services for travellers such as travel clinics or a pharmacy specializing in sports medicine products and related services.

Once these marketing fundamentals have been addressed, the next important consideration is preparing the service offering.

1.6 Marketing as a process

Malcolm McDonald does a great job of differentiating between the marketing concept and the marketing function. The marketing function is concerned with the management of the marketing mix described earlier in the lesson. The marketing mix is essentially a collection of tools and techniques available to implement the marketing concept.

Marketing is a process for the following³:

1. defining markets
2. quantifying the needs of the customer group
3. determining the value proposition to meet the needs
4. communicating these value propositions to all of those people in the organization responsible for delivering them, and getting their buy-in to their role
5. monitoring the value delivered

Let’s consider the example of a pharmacy that is looking to provide sports medicine products and services. In defining its market, perhaps it has identified professional sports teams, university athletic teams, and local bodybuilding and boxing gyms as being key markets that are under serviced in the area.

Having conducted interviews with trainers and athletes, the pharmacy concludes that the major needs of its target market include access to reputable brands of supplements, information on which types of supplements are best for which activity/body type, information on what products can be taken together and how prescription medications may interact with their supplements, better access to customized therapies (such as braces and topical anti-inflammatory therapies), and access to the best professionals in the area of sports medicine.

In conducting your research, you better understand the amount of money the average professional and amateur athlete spends on supplements, therapies, treatments, and consultations in a given year, and have a good estimate of the size of the potential market in your area.

The next step in the process is determining how to solve these problems for your potential clients in such a way that distinguishes your business. Perhaps you focus on compounding specialty anti-inflammatory preparations that you have consulted with sports medicine physicians on, as well as providing counselling services to give an expert opinion on proper use of supplements, and you develop strategic partnerships with companies that specialize in customized brace development and fittings and sports medicine clinics in a way that allows your store to be the gateway to the highest level of sports medicine care in the area.

2. Preparing the service offering

“The greatest enemy of a good plan is the dream of a perfect plan.” – Carl von Clausewitz

2.1 Doing it yourself – the secret to limited glory and ultimate failure

Consistency and sustainability are two very important considerations in preparing the service offering (i.e., taking it from a vision to setting the groundwork for the execution of the idea). McDonald's and Coke became leading international brands because their products were consistent, and no matter where you were in the world Coke was Coke, and a McDonald's French fry was a McDonald's French fry. On the service side, Four Seasons Hotels has been able to maintain its position at the top of the world of luxury hotel brands because its service is consistently miles ahead of all of their competition. It doesn't matter who comes to pick up your FedEx package or who delivers it to the final destination, FedEx has become such an enormously successful company because their customers know that their package will arrive where and when it is supposed to. They will pay a premium for that peace of mind, for that dependability and consistency.

Pharmacy owners and managers need to remember the vital role their entire staff will play in delivering expanded pharmacy services, so they need to engage their staff from the point at which the vision has been solidified and the process of preparing the service offerings begins.

There is one critical piece to the successful development of the asset within the business and the long-term sustainability of the move to expanded pharmacy service: it cannot depend on just one person, the visionary who started the ball rolling. If you cannot market to your own staff to get them excited, to get them to see the value, and to get them to become intrinsically involved and critical to the success of the business, the service will not make it very far.

At the same time, if the entire service depends on one person, it will not be sustainable. If the knowledge and experience is not transferable, there will be no asset left to sell if the business changes hands, the service levels will not be consistent (or possibly even exist) in the absence of the owner, and the whole adventure is destined for a short-term and limited existence.

2.2 Staff consultation

Staff consultation is an important step but is easily overlooked in the process of preparing the service offering because so much time and effort is spent on turning the idea into a reality and focusing on a tangible "to do" list in advance of delivering services. Since the staff will be a key piece of any marketing component, it is necessary to make them an active part of the process of preparing the service offering. If the staff are not motivated and do not believe in the value of the service offering, they

will be very poor messengers to the existing client base within the pharmacy.

While new services are being added to the portfolio of offerings within the scope of an existing practice, it is vital not to marginalize the importance of older, more established services. At the same time, all of the key resources in the pharmacy cannot be focused on the new initiative without consideration for the existing business.

It is worth considering seeking the input of staff with respect to the investments that need to be made into the research, development, capital costs, and marketing expenses associated with developing new services. If some of the staff perceive that there is a large discretionary budget for investment in new services, that could foster problems with morale if staff salary increases have been flat or modest in recent years, or if staff perceive themselves to be at the lower end of the salary range for their position. If the team at the pharmacy understands that the investment being made is in the best interest of the sustainability and growth of the business, and that management is sensitive to the costs related to the project, there is a much greater chance for success.

The other benefit to staff involvement when considering investment is enlisting their help in reducing costs. This can be achieved through having staff members solicit multiple quotes for physical projects and being charged with the responsibility of performing due diligence on the vendors, or in soliciting their ideas on streamlining project costs.

2.3 Compensation

There are many mainstream businesses that have creative and flexible compensation mechanisms that seek to align the interests of the employee with the interest of the business. This is an absolutely vital consideration, and one that is very often overlooked by pharmacy, a profession whose business model has been dominated by basic fixed salary and hourly wage compensation mechanisms for decades.

The goals of compensation from the point of view of the management team should include:

- aligning interests in a way that encourages employees to help grow the business in exchange for enhanced personal rewards
- rewarding added responsibility with additional compensation
- ensuring employees have a vested interest in the day-to-day operations of the business
- providing opportunities for professional development that will serve the interests of both the employer and the employee

Human behaviour is driven by incentives. The best incentive to ensure the long-term cohesion of your team and the delivery of consistently high quality service offerings is to ensure that members of the team feel adequately compensated. This will go a long way in ensuring that the marketing of expanded services will be a successful endeavour from the outset.

There are some potentially negative consequences that can arise from poorly designed compensation systems, including the following:

- Compensation based solely on high volumes or keeping costs to an absolute minimum can be a disincentive for providing quality service.
- A focus on solely financial compensation can overlook professional development programs (e.g., certification courses, diploma courses, relevant industry seminars) that could provide an even greater return to the business in the form of employees who feel very fortunate to have the opportunities for further development, and an investment in skill sets that can directly impact the business.
- Providing uniform bonuses across the team regardless of individual contribution and performance can alienate exceptional team members.
- There is a risk of establishing a culture of expectation – if an employee receives a very significant bonuses or commission in one year (especially in cases where the compensation is entirely financial) but does not receive it in a subsequent year for any reason, the reaction can be extremely negative despite the best efforts of the manager to share rewards with the entire team that contributed to the success of the service provision.

2.4 The need for established procedures and formal training

If we consider a service like the new medication management counselling service that is being paid for in Ontario by the provincial government (MedsCheck), the development of proper procedures in preparing the service offering is critical to ensuring successful implementation. In this example, consideration must be given to:

- how the service is booked by eligible customers
- what type of documentation is required for auditing and legal liability purposes, and how it can be completed in an efficient manner
- where the service will be rendered and how it will be executed (i.e., the structure of the interview) to ensure consistency
- how to ensure that sessions run within their allotted scheduled period to avoid backlogging,

and to ensure that the proper profit margin is maintained in cases like the Ontario-funded MedsCheck program, which only provides for a fixed fee

- how the billing will take place

Formal training helps to protect the reputation and consistency of the service delivery, and also assists in making employees more comfortable being part of the process. A formal, active training program that helps to simulate examples of the service provision will provide employees with the answers to questions they may not have thought to ask. It will also provide them with ideas related to how to approach a situation in the most efficient and practical manner.

Examples of where formal training will pay off many times over in the long run include:

- ensuring that client expectations are addressed in advance of the service delivery (e.g., review of a standardized pre-interview screening form for medication management services) and that the scope of the service delivery is well communicated in advance
- ensuring that employees are comfortable discussing the plan's fee structure and billing before delivering the service
- detailed hands-on training sessions reviewing an employee's sterilization and/or compounding techniques in the lab, and providing appropriate feedback to ensure product quality and the minimization of waste
- interview sessions and the preparation of scripts to provide interactive training with respect to how to handle complaints from key customers in the case of servicing long-term care facilities, rural health centres, or other partner organizations

2.5 Engaging key stakeholders early in the process

If there are key stakeholders that will have a major impact in determining the success of your service (e.g., area physicians in the case of a specialty compounding pharmacy), it is very beneficial to inform these stakeholders about what you are planning before the services are live. This will give the stakeholders a chance to ask questions, provide feedback, and possibly even suggest areas where they feel they could be serviced better by another vendor and/or identify other areas of opportunity that they see.

This initial face-to-face encounter (preferably) provides a useful opportunity for the pharmacist to provide the elevator pitch of the business (the 30–60 second overview of what the service(s) entail

and where they see an opportunity). It also provides a lasting frame of reference for subsequent marketing materials that seek to remind key stakeholders of the offerings, and reinforce the vision provided in the initial conversation.

This process should also help to guide the format and content of upcoming marketing endeavours by fine-tuning the message and hitting the right buttons with the target audience.

3. Marketing services and communicating with clients

3.1 The myth of “If you build it, they will come”

“If you build it, they will come” implies that you do not need to market at all to be successful. That somehow it will just happen on its own. Anyone who opened a pharmacy in the 1970s or 1980s may be able to relate to that idea, but anyone operating a pharmacy today understands that it is a far more competitive landscape than ever before.

Selling something as intricate as healthcare-related services is much more complex than might appear at first glance. Pharmacy services do not sell themselves. These services are either very personal (in the case of medication reviews, disease state management programs, specialty compounding, etc.) or very specialized with only a limited number of potential buyers (in the case of services such as remote pharmacy services, telepharmacy, or long-term care services).

This section might be best titled: “If you build it, they will come after you have proven yourself, built relationships and reminded your target audience repeatedly what it is you do.” If the example of Keswick Pharmacy is reconsidered, **Jeannie Collins Beaudin** and her staff did not see instant success by simply expanding her compounding lab, investing in new equipment, and developing an expertise in the areas of pain management, veterinary medicine, and women’s health. The proliferation of empty chairs and leftover food at their initial open house is a useful example that simply creating the vision and putting the physical elements in place to execute the vision will not automatically sell it.

Where strategic marketing can make a difference is how one reacts to a situation like the open house example, and how the experience is framed. Whereas many people may have been profoundly deflated by the initial outcome, Collins Beaudin and her team persevered. In fact, they noted that although nobody came to the open house, the distribution of the flyers alone was a very good step in educating a number of the area physicians

in what her store and new facilities had to offer. In fact, despite the lack of turnout at the open house, the staff at Keswick Pharmacy still felt the initiative was a success because it gave them an opportunity to market their expansion, and gave them a very useful excuse to contact all the area physicians. Collins Beaudin has developed a thriving compounding practice in her area through continued targeted marketing to physicians and ideas such as regular prescription updates to local veterinarians with respect to new products they had developed in response to other requests, or fax prescription suggestions to physicians whose chronic pain patients were not seeing adequate pain relief. Her store now services the compounding needs of patients across the province.

When **Kevin McDonald** initially started doing work with the Weeneebayko Hospital in Moose Factory, a small, remote community in Northern Ontario, he did not dream of a telepharmacy service in multiple centres. McDonald had previous experience working in the area, and in response to the need for hospital pharmacy services in the community he knew very well, he saw an opportunity to establish a remote telepharmacy service from his office in Ottawa. But developing and building the service in a small centre in Northern Ontario is not the means to national exposure, and McDonald knew that. Simply offering a valuable service to an area in need is of no use if nobody else knows it exists. He built it, but how would hospitals in Deep River, Peterborough, Timmins and regions outside of Ontario know to come?

McDonald approached other small hospitals in Ontario with similar needs, and demonstrated to them the successes he was enjoying in Moose Factory. Once that chain reaction was in place, it was only a matter of time until awareness of his services grew and word of mouth began to spread. Having first-hand knowledge of the people, the system, and the needs in Moose Factory did not build up his business. It gave McDonald an opportunity to develop, refine and measure the benefits of his service offering, but it was only by making others aware of his service that he enabled his business to grow.

One can have a fantastic idea, such as providing pharmacy services to an area that has no other alternative at that time, or having the ability to custom compound medications for patients and their pets, but just because you build it, does not mean they will come. The audience has to be made aware of your services, and consistently reminded about it. Patience is a virtue. It does not happen overnight, much like a new pharmacy does not grow from 20 prescriptions in one day to 200 the next.

3.2 Building relationships

When you are selling services, not products, building relationships is vital to the success of your business. In order to buy services from you, your target audience needs to be aware of you and what you offer, people need to trust you, they need to perceive that you are an expert in the area you operate in and can add value, and they need to be reminded that you are there amidst the hectic pace of their lives. Your audience is constantly being bombarded by advertising, sales pitches, and information – it is easy for them to lose track of your services. The more specialized your service offering, the easier it is for that to fall out of the forefront of someone’s mind.

Jeannie Collins Beaudin became instantly aware of the importance of focusing on marketing after she had begun to establish herself as a compounding expert in her area. One of her good friends was a physician who worked next door to her practice. Despite the regular professional interactions during the work week (to say nothing of their friendship outside of the context of the workplace), her physician friend had no idea she was able to compound a key product that had the potential to benefit a number of their mutual patients. The recognition that even her strongest supporters did not fully understand the scale and scope of her service offerings immediately led to the development of a regular newsletter, brochures that were distributed across the city to all physicians, and regular updates of specialty veterinary prescriptions to the core network of veterinarians in her area.

Daryl Dolynny runs the Shoppers Drug Mart pharmacy in Yellowknife, Northwest Territories, is an accomplished entrepreneur and manager, and is one of the most active members within the community. His involvement in the community and his business acumen resulted in him being recognized as one of Canada’s Top 40 Under 40™. As part of his work with Shoppers Drug Mart, Daryl and his wife, Cindy, a fellow pharmacist, have grown a very successful business servicing health centres across the territories. They have grown this business to a point where they service close to 20 health centres for communities ranging from 50 to 1,000 people.

Dolynny credits the success of the operation to the relationships he has been able to develop with the nurse practitioners across the north. In fact, they have worked closely for years with a number of people they have never met in person. However, he cautions “it’s all about relationship building, and that takes time. You have to prove yourself before people will take you seriously.”

Taking an active role in the community and interacting with future colleagues early on in their

career has paid significant dividends for Dolynny, who well understands that it is a small world, and an even smaller world in the north. He has made a habit of being involved in the academic training of nurses and nurse practitioners in the north. This has provided him with exposure to his future colleagues before they have even entered the workforce. He is well aware they could become key decision makers down the road. At the same time, he has seized opportunities to pitch in and help out as a means of demonstrating that he is a dedicated member of the community. When the hospital in Yellowknife was suffering for a lack of staffing, Daryl and Cindy played a leading role in assisting it through difficult periods. This kind of community support is not soon forgotten and goes a long way in developing meaningful and lasting relationships.

Kevin McDonald also stresses how important relationship building is in his world given the fewer potential customers (compared to a wider medication management service offering, for example) and longer sales cycle associated with his business. Hospital administrators will not buy a service simply because it worked elsewhere. They need to be convinced it will work for them and fit in with the culture of their institution. Not only does this require a credible service offering that is proven, it requires meaningful relationship building.

3.3 Persistence pays off – proper positioning

The Keswick Pharmacy in New Brunswick understood what they needed to do from a marketing perspective. They had to position themselves as being “knowledge oriented not price oriented” since their biggest competition within their traditional pharmacy business was coming from discount stores. They set out to differentiate themselves, and specialty compounding provided a wonderful opportunity to focus on the value of knowledge.

The key is finding inexpensive but meaningful opportunities to play the role of expert and develop credibility in the community so that you are not having to lead with a very aggressive sales approach. Some ideas to take advantage of opportunities to promote your knowledge include:

- delivering presentations to any group that may have some relevance to your business, such as:
 - › service club meetings
 - › church groups
 - › community-based organizations
 - › seniors’ residences or centres
 - › special interest groups (e.g., meetings of new mothers)

- writing columns in local newspapers or trade journals
- developing a regular newsletter featuring relevant information for your audience with pieces related to your involvement in the area

Most new initiatives start off with a very limited marketing budget, so it is very important to seek out avenues like those described above to get the biggest bang for your buck initially. Collins Beaudin makes an excellent point when she describes an opportunity that presented itself to her. She was invited to address a community group on the other side of town to talk about herbal medications. Realizing that the topic bore no relevance to the compounding practice she had developed and was busy marketing, she did not want to invest time preparing for and delivering a talk related to commodities that would not entice the vast majority of the audience to drive to other side of town to buy from her. The audience could buy herbal medications anywhere, and certainly buy it for less from larger retailers. She accepted the invitation on the condition that she would also be allowed to discuss compounding, which the organizers had no issue with. As a result, she had taken an opportunity with potentially marginal value for her, and was able to speak to, and educate, a captive audience of potential customers.

3.4 Know your audience

In the case of Keswick Pharmacy, the key is aligning themselves up with all of the various physicians, veterinarians, and dentists in such a way that they are perceived as a valuable resource, and not a threat. However, for the likes of Kevin McDonald and Daryl Dolynny, their markets are much more specialized, and the pool of potential buyers is smaller. In situations like this, being politically astute is as important as being perceived as an expert.

Upon moving to Yellowknife, Daryl quickly realized that many of the important strategic decisions are made by a small pool of politically connected individuals. In order to succeed in this environment, he knew that he, too, would have to become politically connected with these decision makers. For business people who shy away from these situations, areas like this may not be the ideal place to expand services, further highlighting the need to know your audience.

3.5 The process of selling a solution

In many respects, selling a product is far easier than selling a service or solution. The task of selling a service is made even more difficult by the nature of selling services into a market as diverse and per-

sonal as healthcare. There is a default desire to tell customers why they need you, and why they need your services, but if they have managed adequately in the absence of your services, this is a difficult task. It is frustrating to put a great deal of time, energy, and resources into marketing something you perceive as innovative, beneficial, and valuable but make very few inroads. It can erode your passion for the initial vision you developed.

Diagnose before you prescribe

An approach that will spell disaster when marketing your products and communicating with potential customers is assuming you know what is best for them. Leading with lines like “You know what you need...” or “We have exactly what you need...” or “It sounds like you need...” will often be met with scepticism. If people are dealing with chronic health problems, they likely won’t respond well to claims of somebody knowing exactly what they need when they have been coping with a less-than-ideal situation for a long period of time.

Even in the case of telepharmacy services to small regional hospitals or the provision of medication management services to remote health centres, these groups somehow managed to cope with their situations before solutions arrived. They may not have everything as they would like, but if they have grown accustomed to life a certain way, they will be initially skeptical of any solution that is provided by a pharmacy that claims to be the answer to their prayers.

The more effective way of marketing to these groups is to take the approach of creating the same vision for them that you have in your mind. This can be achieved by developing a picture for them and taking them from the beginning of the story to the end.

Compare the two approaches (note: the author does not claim to be an expert in HRT and bio-identical hormones; this is simply being used as an example to illustrate the point, and the information provided should not be taken as fact):

1. **The Prescriptive Method:** I see from your profile that you have discontinued your HRT. But you don’t need to continue to suffer from hot flashes; I have exactly what you need. We compound our own bio-identical hormone replacement therapy because that’s what women should be taking, natural hormones, as opposed to synthetic hormones that you find in other prescription products. This way you know you are getting something that is completely natural. We can compound different strengths to tailor to your needs. We don’t take a one-size-fits-all approach. We have the solution for you.

2. The Diagnostic Method: I see from your profile that you have discontinued your HRT. I can understand where you are coming from. There has been so much conflicting news in recent years about what works and what doesn't, what is safe and what isn't, it's even difficult for those of us in pharmacy to keep it straight. We also receive feedback from many women that they have a hard time tolerating HRT. The one thing that hasn't changed, though, is that we still hear from so many women suffering from debilitating symptoms related to menopause. We have teamed up with a number of local physicians to look at solutions in response to the overwhelming need being communicated by our mutual patients. If you are still struggling with some of the symptoms of menopause, you may be interested in what other women in our practice who were unable or unwilling to take HRT have been doing with seemingly great success.

When it comes to someone's health, you will rarely win using a hard sell and an aggressive approach. You are not selling a laptop computer or a car, you are selling a solution to problems that relate to people's health and well-being. The prescriptive method seeks to get the patient asking more questions once they realize that you can relate to their situation. You want to put the customer in the driver's seat. You want them asking questions, and you need your answers to create a vision in their mind that is identical to yours.

Customer (following the diagnostic approach): "I am still being driven mad by these hot flashes. I can't get to sleep at night, and I am starting to feel like my memory is getting worse. I don't know, maybe it's just my lack of sleep, but this is no way to live. What are these other women you mentioned doing?"

Pharmacist: "The biggest issue we have seen as it relates to HRT is that we have been treating a decline in natural estrogens and progesterone in the body at menopause with synthetic hormones that are foreign to the body. The issues related to how well HRT is tolerated usually have to do with that incompatibility. Medicine has recognized this problem and a great deal of effort has been spent studying how well we can get natural hormones (that are exactly the same as the hormones in your body) to get absorbed through the skin. There have been some amazing advances in this area, and we are at a point now where we can measure hormone levels and develop customized products in our specialty compounding facility that deliver the drug. Although we have known for years what causes menopause, and what can happen to women at that point in their lives, we have only

now discovered how to replace lost hormones with exact replicas and measure how much hormone is actually needed. I would be happy to give you some more information. We have some feedback from other women that you may find helpful. The local doctors and our staff have been thrilled to see how much our patients have benefited. It's a great feeling knowing you have made a difference like that."

3.6 Focus on the benefits, not features

Products have features – they are listed on the window of a car, on the specifications sheet on the appliance or electronic equipment you are considering, or even on a tag on the shoe you are buying. The provision of services is a different world, and bombarding potential customers with a laundry list of features is usually not strong enough to convince a large enough percentage of your target market to buy from you. If you are unsuccessful painting a vision for these potential customers where they see your service as a meaningful solution to a pressing problem for them, they will not buy.

The key to success is expressing the benefits of what you are providing – in other words, articulating why your service(s) will result in a meaningful solution for them. The marketing of your services should focus on the benefits, not the features.

Let's look at some of the features of the bio-identical hormone replacement therapy from the earlier example therapy:

- The product is customizable and allows for the tailoring of three key estrogens in the body (estriol, estradiol, and estrone) ± progesterone and/or testosterone.
- It contains natural bio-identical hormones, as opposed to synthetic hormones.
- It is applied on the skin and does not have the same tolerance issues as oral medications.
- Levels can be measured over time and doses adjusted accordingly.

Let's look at the same example from the point of view of the benefits that can arise from the provision of specialty compounded bio-identical hormone replacement therapy:

- "Given the ability to measure and customize doses of identical hormones, we can use lower doses of hormones in many cases, leading to better tolerance, which you indicated was an issue when you were on commercially available HRT."
- "The ability to provide the medication in cream form, as opposed to via an oral tablet, also helps

to improve tolerance, which again is something you indicated was an issue for you in the past.”

- “The ability to customize doses and measure hormone levels in the body using saliva allows us to supplement hormone levels at an appropriate level without the potential adverse effects of supplying the body with too much hormone, which is an important consideration given that you are concerned about the safety of HRT products.”
- “We have the ability to taper women off HRT gradually, which provides our clients with the flexibility of moving away from HRT in a safe and effective manner when they feel the time is right. You mentioned that you did not want to be on HRT long-term, so this is an important consideration for you.”

Once you have spoken to a potential client to assess their sentiments on HRT, you can customize the vision based on how they identify the concepts of safety, appropriate supplementation, tolerability, customization, and flexibility. These selling points are far more effective when you move beyond listening features and focus on relating back how the service benefits the person you are speaking to.

3.7 Two key reasons why someone won't buy

1. *Hopelessness*

Providing services in the area of healthcare can be challenging, especially if one is dealing in the area of chronic diseases. Many people who suffer from chronic disease feel that they have tried all medical options available to them and begin to lose hope. They begin to believe that a solution does not exist for their condition. As opposed to having a need at the forefront of their mind that they need to satisfy, or a pain they are acutely aware of that they need to relieve, when people lose hope, these pains or needs become latent. These patients do not seek out solutions as they may have when the issue was at the forefront of their mind.

This can also be the case in business-to-business service offerings such as the provision of pharmacy services to a remote health centre or regional hospital. If they have coped for long periods of time without on-site pharmacy services provided by a pharmacist, the need to fill the position of an on-site pharmacist with an outsourced solution is no longer top of mind. It has become a latent pain.

Consider a man with chronic lower back pain, who has spent years reading about the condition and investigating alternatives to treat his condition, and has spent thousands of dollars on OTC agents, natural products, and prescription ther-

apies only to have met with limited or no success in adequately treating his pain. This individual is unwilling to consider far more invasive treatment options such as surgery for fear that the recovery time and the potential limitations of the surgery will leave him no further ahead in the end. At this point, he has given up on a solution and has resigned himself to living with the pain. He begins to make accommodations to his routine and his activities in order to live with the pain. His condition is now a latent need. He isn't giving it much thought, has given up on finding a cure, and will be instantly skeptical of products he reads about that claim to be successful. If you are a compounding pharmacist who specializes in customized pain management therapies, this poses a major problem. You will not have an easy time getting through to a patient like this. In this situation, you would be better off targeting patients who have not given up hope, who would be willing to explore a useful new alternative. It will take patience and repeated exposure to good news stories related to your product to get someone like this man with lower back pain to buy from you.

2. *A lack of trust*

One of the greatest benefits of practicing as a pharmacist is that year after year, we are constantly being cited as among the most trusted professionals in society. That is an enormous benefit from a marketing standpoint because people do not buy services from people they do not trust. It may seem like common sense that this is the case, but it is an often overlooked advantage for pharmacists. For far too many years, pharmacists have been reluctant (generally speaking) to charge for their advice and for their time outside of the traditional dispensing fee model. We have felt an obligation of sorts to provide this community service. In many ways we feel as though we have earned the title of being trusted to such a great degree by the public because we have never sought to profit from our vast pool of knowledge to the extent we could have. We have a fear of doing what lawyers, accountants, tradespeople, or even funeral directors do with relative ease and comfort – talk openly about the cost of their services and secure payment for them.

If the service is credible, and if the service meets a real need in the marketplace, the pharmacist has an advantage that few other groups enjoy with such ease. It is not dishonest to get paid for one's expertise. It is not a conflict of interest to earn income in exchange for providing a valuable service.

If one does not charge for a service, nobody will ever see the value in that service. There is a way

to be considered a trustworthy person with professional integrity while at the same time making a fair return for the service or knowledge one provides. It is time pharmacists leveraged their considerable trust to sustain the provision of these expanded services.

3.8 Soliciting feedback

It is much harder to price a service and evaluate its impact than it is to do the same for a product. This highlights the need to solicit detailed feedback from clients to ensure that the service is meeting expectations, and to look for ways to expand on what is being offered. It is also important to solicit written testimonials from satisfied customers that can be used in promoting your service offerings to others. It is much easier to market your services to potential clients by highlighting the challenges others have faced and how you have assisted them in finding meaningful solutions.

The ability to use phrases like the following can have a very positive effect in marketing initiatives, particularly with written testimonials to back up the benefits being articulated:

- We have many clients who have expressed the same frustrations, and we have worked with them in providing [service X], which has resulted in [outcome Y].
- We have seen other clients with the same challenges benefit from [X] in the following ways...

3.9 Think big

Earlier in the lesson, you read that “If you build it, they will come” is a myth. That is certainly the case, but that should not prevent pharmacists from thinking big once they have begun to establish some credibility and recognition in their area of expertise.

Human nature is interesting. If we schedule a meeting for three hours, it always seems to take the full three hours, or even run late. However, if circumstances require that same meeting to be completed in 45 minutes, it is absolutely amazing how it can get done in one-quarter of the time without compromising what needs to be achieved. The same is true in business and in marketing services. If you treat your service as a niche, and are comfortable developing and servicing a small roster of clients because it produces a modest return, that is as far as the business will go. If, on the other hand, your vision entails bringing your service offering to a broader population beyond your own backyard, you need to think big. The next step is acting big, and the results can be extremely impressive. If you think big, you can be big.

Raymond Bannister is a highly respected pharmacist in Saskatoon, Saskatchewan. Even as he entered the latter years of his career, he was continually innovating and looking for ways to make people’s lives better. You would not expect to see a pharmacist in Saskatoon, approaching an age when many of his former classmates would be golfing six times per week, become consumed with enhancing the quality of life for women with various endocrine-related conditions. But he had seen daily struggles of women, and knew he could make a difference. Here was a male pharmacist rolling up his sleeves to work with women to address some very personal physical, mental, and sexual problems all that had roots in their hormonal imbalances.

By the late 1990s, Ray had built up a very strong reputation in the community based on his expertise and the individual, hour-long counselling sessions he would book with women (which he did charge for, and they happily paid for). He knew that he had a very valuable service to offer and he saw an opportunity to think big and make women across the province aware of his services. Ray arranged for a leading American physician who was an expert in the area of menopause and related hormonal imbalances to come to Saskatoon to speak. He did not bother renting a small meeting room for the presentation, either. Instead, he rented space at Saskatoon’s Centennial Auditorium downtown. Even in his wildest dreams, Ray never expected to get the turnout that he did. The event ended up being so well attended (at \$10 per guest) that the line-up to get into the presentation stretched outside the doors of Centennial Auditorium into the street, and the presentation had to be delayed to allow guests enough time to get registered and seated. The event attracted women from across the province, and from this point forward, Ray’s status as an expert in the area expanded across the province and into Alberta as well.

It was not long after that Bannister sold his store to focus his time exclusively on patient counselling sessions, a practice he continues to this day.

Kevin McDonald’s initial pilot project with the Weeneebayko Hospital in Moose Factory, Ontario, has now transformed into a business that has expanded across the province, and recently into Western Canada. By thinking big and understanding how what worked in Moose Factory could work in other jurisdictions, Kevin has developed a business that is well positioned to continue thriving. His business now has the advantage of being more diversified, which will help in the event circumstances beyond his control affect business at one or more of his existing client sites.

3.10 Be remarkable

One of the most respected marketing books in recent times is Seth Godin's *Purple Cow: Transform Your Business by Being Remarkable*. The author uses a terrific example of the need for being remarkable, and the difficulty in remaining remarkable over time without an ongoing review of your service offering.

While driving through the countryside in France with his family, Godin was astounded at the beauty. In particular, he and his family noticed these storybook like cows as far as the eye could see in the fields as they drove along. These cows had perfect color and shape and size – like something you would see out of a children's story. However, as they drove on it dawned on him how quickly the novelty wore off. By the end of the drive, they were bored of the cows – the same creatures they had been fascinated with only a few hours earlier.

That is human nature, and hence that is the reason why being remarkable is so important in marketing your expanded service offerings. As Godin defines it, "remarkable marketing is the art of building things worth noticing right into the product or service. If it isn't remarkable, it is invisible."⁴

4. Putting it all together

Legislative change, enhanced recognition of the services pharmacists can deliver to assist the healthcare system as a whole, the limitations of the existing compensation model for pharmacy practice, and a demand for expanded services by aging baby boomers willing to pay to maintain their health are all fuelling unprecedented opportunities for pharmacists across the country. However, marketing services and the vision of meaningful solutions to potential customers is in many ways far more challenging than marketing products, especially in a personalized area such as healthcare.

The pharmacy action plan

1. Before you get started, review the four fundamentals of business success, and ensure you are willing to give each its proper attention:
 - › **Service** – Will you commit to the proper research into finding a need in the market that needs to be met?
 - › **People** – Will you involve your staff, will they be adequately compensated, will they understand and buy into their roles?
 - › **Processess** – Will you invest the time and resources into developing processes and training programs that will allow for efficient and consistent delivery?
 - › **Marketing** – Will you commit to investing the resources in ensuring that your contact with your client base communicates the remarkable features of your service offering, thereby enhancing its demand? Will you commit to fulfilling a need in the marketplace and then commit to making the market aware?
2. Consider the marketing mix – the 4 P's:
 - › **Product/service offering**
 - › **Pricing**
 - › **Promotion**
 - › **Place (distribution of your product/service)**
3. Complete the market analysis:
 - › **Competitors**
 - › **Market research**
 - › **Demographics**
 - › **Segmentation**
4. Prepare your offering:
 - › **Ensure it is not reliant** on one person only.
 - › **Recruit** the proper staff.
 - › **Compensate** the staff properly – line up the incentives properly.
 - › **Train** people to ensure the proper processes are followed to allow for the efficiency and consistency highlighted above.
 - › **Build relationships** with key stakeholders.
5. Be persistent and have faith – Rome wasn't built in a day.
6. Commit to being remarkable – that way your customers won't forget you and the value of your service.

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Questions

1. Which of the following is NOT a reason why is it necessary to research and plan before expanding into the provision of new pharmacy services?
 - a. Most pharmacies have limited resources for expanding their offerings, so they must ensure they are investing their capital wisely.
 - b. Without an elaborate business plan that is reviewed by an external party, your expanded service offering will fail.
 - c. A pharmacy cannot scale up service offerings as easily as product offerings and therefore will need to pay an appropriate amount of attention to ensuring profit levels at lower volumes.
 - d. All of the above.
2. Which of the following is NOT a key consideration when researching and developing ideas for an expanded service offering?
 - a. the profitability of the proposed service offering
 - b. isolating service offerings that take the least amount of time
 - c. the demographics of a pharmacy's existing client base
 - d. the demographics of a pharmacy's potential client base
3. Which of the following is an important consideration when planning the delivery of a proposed expanded service offering?
 - a. consistency
 - b. ensuring the program does not depend on one individual
 - c. sustainability
 - d. all of the above
4. Which of the following is an example of a creative compensation model that will help ensure the success of the expanded service offering?
 - a. rewarding staff with escalating bonuses in each successive year of the program offering
 - b. providing an equal bonus to all team members upon reaching a pre-set revenue target
 - c. mixing non-financial compensation such as fully reimbursed training programs for staff that relate to the service offering provided at the store level
 - d. all of the above

5. Why is there a need for establishing formal procedures when developing an expanded service offering?
- to establish consistency with respect to service delivery
 - to establish a basis on which a manager can test employees who are looking to become involved in the service delivery
 - to allow for the provision of complete liability coverage to all employees who will be involved in the service delivery
 - A and B only
6. What is NOT true about the need to build relationships in ensuring the success of an expanded service offering?
- Given the personal nature of services as opposed to products, people will only buy services from people close to them such as friends and family.
 - The more specialized the service offering, and the fewer the potential buyers, the greater the importance of building relationships.
 - You must prove yourself credible before potential buyers will consider your offering.
 - You must continually reinforce what you can offer because people are being continually bombarded by advertising and information from different sides, and so it is easy to fall out of the forefront of someone's mind after they are initially made aware of your service offering.
7. Which of the following are examples of low-cost, high-impact opportunities for initial marketing of yourself and/or your service offering?
- presenting to a local service group or community-based organization
 - writing a column for a newspaper or trade publication
 - A and B
 - none of the above
8. Which of the following statements to a potential customer is an example of a benefit of your service offering?
- "What we offer is less expensive than any other pharmacy in town."
 - "You mentioned you had difficulty swallowing pills and tablets, so our ability to compound this medication is a liquid dosage form may be of interest to you."
 - "We can customize the program to each client."
 - A and C
9. Which of the following statements to a potential customer is an example of a feature of your service offering?
- "The service offering can be booked on line."
 - "We offer the program during the morning as well as the evening, which is an important consideration in your case given your variable work schedule."
 - "We charge a flat fee, not an hourly rate, so you don't have to worry about phoning us every week, since you mentioned you feel you will have many follow-up questions."
 - All of the above.
10. What is a reason why somebody will not buy a service from you?
- They have lost hope that anything will help them with a given problem.
 - They don't trust you.
 - The problem you are addressing is no longer at the forefront of their mind - it has become a latent issue.
 - All of the above.
11. According to Malcolm McDonald, whose works were referred to in the lesson, which of the following is NOT a key element of business success?
- processes
 - professional marketing
 - number of products and/or services for sale
 - people working within the business
12. Which of the following are the components of the traditional "marketing mix"?
- price, promotion, place, and product
 - price, promotion, people, and product
 - price, people, place, and product
 - price, promotion, place, and people
13. What is the opposite of mass marketing?
- guerrilla marketing
 - on-line marketing
 - market research
 - niche marketing

14. What are the advantages of staying away from mass marketing for small business owners?

- a. Generally speaking, a small business has a better chance of effectively servicing a narrower portion of the total market than the entire market.
- b. It is difficult to satisfy every customer's needs, and that opens the door for a potential competitor to enter the market and fulfill specific unmet needs, thereby taking away business from the mass marketer.
- c. Both A and B
- d. None of the above

15. Marketing is considered a process for all of the following except:

- a. budgeting appropriate advertising
- b. determining the value proposition to meet customer needs
- c. quantifying the needs of the customer groups
- d. defining markets