

Expanding your e-commerce footprint

An engaging online presence can be a cost-effective value-add to complement a brick-and-mortar pharmacy

by Dave Wendland

As the *NCPA Digest* (sponsored by Cardinal Health) has reported for the past several years, independent pharmacies are increasingly bolstering their web presence and introducing e-commerce. More than nine in 10 use Facebook to establish an interactive web presence with their patients and customers. Yet a mere 12 percent of independents providing data for the 2022 *NCPA Digest* reported the inclusion of an e-commerce option (up from 10 percent in the prior year). E-commerce is generally defined as the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network.

HRG's own Independent Pharmacy Research Study (IPRS) released in January 2021 found that 15 percent of independent pharmacies indicated it is a priority to develop an e-commerce offering of non-prescription products in the next 18 months. (The HRG survey revealed that 19 percent of respondents currently have this capability available.)

Knowing few independents offer the necessary e-commerce bells and whistles to deliver an engaging web experience for their visitors, there is opportunity for most to improve their game and meet consumers at the threshold of technology. One in four consumers surveyed as part of HRG's IPRS suggested that an e-commerce site or mobile app would encourage them to shop their independent pharmacy more often.





The initial foundation – and often an independent pharmacy's first website – is a simple site with basic pharmacy information. This may be offered by their drug wholesaler partner or part of a more templated solution that serves many pharmacies with a similar look and feel. General details about the pharmacy may include its location, services, and an overview of the staff. Some include an opt-in prescription refill reminder system or a calendar scheduler function for vaccination appointments.

These options, I would suggest, have become table stakes. A site like this will serve an initial purpose for a brief time, but when independents consider how much more they can offer patients through their website, and commit to making the investment to do it, they can unlock numerous opportunities and efficiencies.

STEP ONE: CONNECT PHYSICAL AND DIGITAL SPACES

Retailers who limit their sales to times when their physical store is open are at a distinct disadvantage in today's marketplace. The ability to research and shop online any time, from anywhere, has made life easier and far more convenient for consumers, and it has become an expectation. If you don't have an e-commerce site, make no bones about it, you are missing out on sales.

Independent pharmacy needs to ride the wave of combining physical and digital spaces to reap the benefits of both. Adding e-commerce functionality to your site allows you to expand your product offering beyond physical limitations you may have without additional expense. An e-commerce site can also expand your reach beyond your local community and ensure that whenever your customers are ready to shop, they can visit your virtual store if

your physical one isn't open. When you connect your brick-and-mortar store with your digital space, you open a world of opportunity.

It's important that you don't treat your digital space as a separate operation. It needs to be integrated with your store from the look and feel of it to the broad categories offered. You also need to offer the same level of customer attention to your online shoppers as you would to those who physically visit your pharmacy. Think of how this integrated offering will allow you to better serve your community.

STEP TWO: FEATURE KEY ITEMS (AT A MINIMUM)

Assuming you have at least a basic website, prioritize the additional features that need to be incorporated to establish your e-commerce website. Find an enthusiastic and experienced team to help you update your site. If properly integrated, every sale made, whether online or in store, should be reflected in inventory data and correctly priced.

Setting up your online item assortment can be somewhat daunting. Some e-commerce developers may have relationships with product content providers, such as HRG, that digitally capture product images and maintain key product details to populate an online shopping experience. However, for unique items (such as locally sourced and gift items, or other specialty products), establish a process to either receive images and product details from the item manufacturers or select a partner to capture images and product data (carefully) so you can also feature them on your site.

Three item groupings I would focus on out of the gate – at a minimum – would be the category-staple never-outs (items that represent

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the lion's share of sales for each department), your private label (store brand) portfolio, and unique-to-your-store items that differentiate you in your market. These will generate the majority of your sales and give you a solid foundation from which to build.

STEP THREE: OVERCOME YOUR FEARS AND GET STARTED

Do not be afraid to dip your toes in and give it a go. When the direction you want to take becomes clear, bring your staff along for the journey by encouraging and supporting them with the right tools for the job.

Once your e-commerce site is successfully launched and integrations begin making life simpler, focus on optimizing search engine results. You will begin to realize how you can differentiate from your competitors with your unique portfolio of products and services. Remember, you would have been previously limited to foot traffic but now you are literally opening your doors to others who may not cross your traditional threshold.

STEP FOUR: “WALK THE AISLES” EVERY DAY

Just as you set aside time to dust your store's physical shelves, be sure to spruce up your digital space. Double-check that the right items are featured on your site,

well-stocked, and priced correctly. The troubles of misaligned stock management can cause far-reaching issues for you and for your customers.

Whether physical or digital, your goal should be to make shopping easier and more pleasant for your customers. You can then top it off with your high-quality customer service and deliver an experience that impresses your shoppers and encourages their loyalty.

Remember, your success is not the work of just one person. Like most things, it will take time to nurture your website and your digital customers. It requires patience, dedication, and a willingness to continually learn. Sivan Hermon, Google's former director of engineering, suggests you abide by the impact rule: “Focus on driving impact, do a good job measuring it and then communicating it, and good things will come.” ■

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