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THE STORE EXPERIENCE

Pharmacy can double as a powerful marketing tool

NEW YORK - Most purchasing decisions are made when consumers are in the store, research suggests. And that gives store aisles and shelves the potential to be valuable places in which to advertise.

The drug store's potential as a marketing vehicle for prescription drugs was explored earlier this year at the DTC National Conference, a forum devoted to the direct-to-consumer marketing of pharmaceutical products. Gary Norman, executive vice president and general manager of a company called Rx EDGE, said at the time that in-store promotions are an emerging trend that is allowing drug makers to boost their emphasis on patient information and education.

"Retail pharmacies are attractive, cost-effective and perhaps underutilized outlets for reaching consumers who want to learn about various conditions and treatment options," Norman argued during a preconference workshop titled "Beyond Broadcast and Print: A Full Analysis of DTC Media Vehicles."

Rx EDGE, a business unit of LeveragePoint Media, promotes pharmaceutical brands with at-shelf dispensers, counter displays, counter mats and other in-store media in more than 17,000 pharmacies in the United States.

Such ads are uniquely effective in educating consumers because the pharmacist is on hand to answer any questions the displays provoke, Norman said. "Research shows that 60% of drug store customers ask for a pharmacist's advice about new prescription drugs."

The effectiveness of in-store advertising and promotions in the drug store is by no means limited to medications. Research by Point of Purchase Advertising International (POPAI) has quantified the value of in-store advertising in the drug store class of trade.

The study, conducted in 2004, is the most recent and most thorough look at the effectiveness of in-store advertising in chain drug stores. It was carried out in 127 drug stores throughout the country and operated by Walgreen Co., CVS Corp., Rite Aid Corp. and Brooks Pharmacy. Suppliers participating in the study included PepsiCo Inc.'s Frito-Lay unit, Pharmavite LLC, Cadbury Adams USA LLC and Unilever.

POPAI's chain drug store study found that in-store (or at-retail) advertising delivers a 6.5% increase in incremental sales, on average. Combining such advertising with promotions provides the biggest gains.

Some of the other findings from the study were:

- Nearly one-third (31%) of the brands studied experienced a sales lift of more than 20%.
- At-retail advertising drove additional sales 70% of the time. Chain drug stores reach an average of 5,850 people per week. That compares with 8,500 for large chain supermarkets.
- At-retail advertising costs range from \$1 to \$9 per thousand impressions.
- Brand messaging and sweepstakes drove the largest increases in promotion-related sales.
- Educational at-retail advertising for health and beauty care products drove incremental sales 90% of the time, with increases ranging from 4% to 22%.