



Community Pharmacy 2025

Framework for Change

Growth pathway: Review products



The Pharmacy
Guild of Australia

www.guild.org.au/cp2025



Review products

What is the pathway?

Review the pharmacy's health related product range to leverage the physical distribution network and enable the other growth pathways, including:

- Broadening the retail range to include new products from best-selling categories
- Introducing health products not currently widely available in pharmacies, which have the greatest relevance, profit margins and growth prospects
- Aligning the product offering with the services focus

Why make the change?

Retail competition will continue to increase, particularly from online sources (including Amazon), traditional grocery retailers and large pharmacy discounters. Community pharmacies need to continually update and adapt their product range to maintain customer appeal and make best use of their retail footprint. They also need to be able to respond quickly to major changes in product and retailing trends, both in Australia and internationally.

The opportunity for pharmacies

The right products and product mix can generate material increases in profits, deliver additional foot traffic and build customer loyalty. This may include well-established pharmacy segments such as baby-care, skin care and pain, as well as products in the wellness and wellbeing categories. There are also opportunities for pharmacies to specialise in health products that align with their services offerings. Finally, Australia's international reputation for quality in health care products provides the potential to retail to offshore customers.

Care is required in product selection and stocking decisions in order to maximise effective sales per square metre of shelf space and avoid the need for heavy discounting to move old stock. Product selection should also align with the brand of the pharmacy, including its areas of health focus and its broader health partnerships.

What happens if I don't make the change?

Community pharmacies are operating in a highly competitive, cut-throat retailing environment. Physical retailers will need to secure a greater share of a declining in-store market, as consumers move online and products are more accessible than ever before. If pharmacies do not respond by aligning their products with their brand, their services offerings and local customer needs, they risk not being able to sustain a high foot-traffic retail footprint.

You are not alone – champion story

Amanda Bryce – Gerald Burns Pharmacy, Bicton, WA

Amanda knew that her pharmacy had to provide a point of difference for the community, as Gerald Burns Pharmacy is located in a shopping centre across from a supermarket. Products in community pharmacy have to assist patient health outcomes, and Amanda recognised that reactive single solution based health care was not achieving those outcomes for her patients. Holistic health solutions enhanced by supplements, vitamins and locally produced products such as fermented drinks for gut health have allowed Amanda to build a unique and innovative pharmacy. Transforming the selection of products to match the health services and patient outcome focus of Gerald Burns was Amanda's top priority when reviewing her products.

"I'm open to any product if it has a health benefit. We as a team need to believe in the product. If it's a fad, it's not going to cut it. We need to believe in its health value, be passionate about it, and be willing to promote its health benefits to our patients and health care partners."



Pathway change plan



Market research

Patients express little interest in expanding pharmacies' focus on non-health related retail products. Patient focus groups indicated a preference for smaller, more personalised and health focused pharmacies over supermarket style pharmacies. Large, diverse product ranges do not figure into most patients' vision of the pharmacy of the future; rather they emphasise the importance of medicines, health advice and health services.

Quick wins

Determine the most and least profitable products in your pharmacy through analysis of sales, margins and stock turns.

What can I do now?

- Determine your most and least profitable products through analysis of sales, margins and stock turns
- Access up-to-date research on consumer product preferences, retailing category trends and segmentation
- Access research or undertake your own due diligence into online purchasing trends relevant to pharmacy
- Undertake some initial planning. Establish a budget. Talk to your patients and staff about which of your existing products are most valued and where there may be an opportunity to introduce new products
- Consider modifications to your product range based on margins and turnover and the benefits of aligning your products with the services provided by your pharmacy and local allied health professionals
- Identify categories and segments where range can be expanded or contracted, as well as innovative new products that may be appropriate to trial
- Adapt shelf space allocation and floor layout to accommodate proposed changes to your product range and focus
- Train staff on selling products and the strategies required for higher price items
- Understand how your products interrelate and range in ways that enable you to deliver holistic health solutions
- Use data to review and change your products dynamically if positive or negative impacts are observed

Who do I talk to?

Consider talking to a retailing expert who may be able to work with you in reviewing your current approach and devising a strategy that is aligned with your pharmacy's broader business strategy.

Scripts in



**The Pharmacy
Guild of Australia**

The Pharmacy Guild of Australia

Level 2, 15 National Circuit, Barton ACT 2600

PO Box 310, Fyshwick, ACT 2609, Australia

P: +61 2 6270 1888 F: +61 2 6270 1800

www.guild.org.au