

How Pharmacy and Manufacturers Benefit by Using Point-of-Sale Data

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Successful pharmacy owners are improving front-of-store performance as average prescription revenues decline.

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How Often Do Your Pharmacy Customers Purchase Products from the Front of Your Store?

Many independent pharmacy owners describe the front-end of their stores as untapped opportunity. Point-of-sale data can show you how to make small changes that can have a big impact on sales and customer satisfaction.

What Small Changes Can Increase Sales?

Customer shopping patterns can help you decide what products to sell, which items to promote, when to stock your shelves, and how to staff your store. Point-of-sale (POS) systems track every transaction -- quantifying your biggest months, busiest days, and sales for every item, every day.

Transaction data shows how often products are purchased together -- highlighting new ways to improve the layout of your store, to pair the right products together on endcaps, and to cross-promote with shelf signs.

Linking replenishment orders to weekly sales can help to avoid out-of-stocks that disappoint customers and reduce sales. Comparing POS reports to a quick check of on-shelf inventory can identify any discrepancies that indicate damages or potential theft.

Many pharmacies participate in data sharing programs that provide a quick and easy way to compare their store performance to a group of similar pharmacies. These benchmarking reports help pharmacy owners to:

- identify categories with lower than average sales or growth rates
- learn about new products they should stock
- compare their best-selling and slow-moving items to other stores
- compare retail prices and update when appropriate

These insights enable pharmacy owners to make small changes that can yield big improvements in sales and profitability. POS data enables you to quickly determine what impact these changes have on overall store sales and customer transactions.

Independent Pharmacies May Be Eligible for New Promotion Programs Funded by Manufacturers

POS systems are enabling some pharmacies to participate in new “pay on scan” or consumption-based promotion programs funded by manufacturers. Pharmacies run approved, temporary sales prices on select products each month. Manufacturers reimburse participating pharmacies for the price discounts using POS records that show the number of packages sold for each item during the weeks of the promotion.

These programs enable pharmacy owners to enhance the value image of their store without reducing profit dollars or margin. Participating pharmacies have been able to increase average transaction values (dollars per basket), and to improve the proportion of pharmacy trips that include the purchase of items from the front of the store (non-Rx items).

Processing and Protecting POS Data

Data management companies are continuously refining methods to process and protect retail data. Effective encryption is necessary to meet HIPPA requirements*, and to protect information related to debit cards, credit cards, and pharmacy benefits.

Several processes are used to ensure accurate sales reporting:

- data hierarchies to aggregate products by category, brand, and manufacturer
- weekly/daily retail price validation for each item
- “flags” that indicate when each product has been promoted
- correct product descriptions

Dynamic Dashboards Provide Actionable Insights

Transforming POS data into dynamic business performance dashboards enables store owners, suppliers, and wholesalers work together more effectively to:

- find business-building opportunities
- reduce out-of-stocks and overstocks
- identify new items to stock and products that can be removed from the store
- participate in manufacturer-funded promotions
- better manage orders, replenishment, and forecasting
- improve sales and profit with small changes in retail prices

Ultimately, an effective POS reporting system helps pharmacy owners make fact-based decisions that help retain customers and increase transaction values.

*HIPPA stands for the Health Insurance Portability and Accountability Act, the federal law that establishes standards for the privacy and security of health information and electronic data interchange (EDI) of health information.