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TAKE THE FIGHT TO AMAZON NOW



MEGAN HAGGAN — 12/12/2017

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Australian pharmacy is under-prepared for Amazon's entry into the market – and pharmacists won't likely react until they begin to feel the pain

Pharmacists need to be wary of taking "rear-guard" action and need to take the fight to Amazon now, says Glenn Guilfoyle, principal of The Next Level.

"I believe that Amazon has the potential to disrupt the industry whether location rules change or not," he tells the *AJP*, a week after the site launched its full retail offer in Australia.

"Just as the Big Box model has disrupted the previous status quo, Amazon could provide the next shock of similar nature and magnitude," says Mr Guilfoyle.

“Arguably, Amazon provides the next step in the direction created by the Big Boxes: convenience, range and price.”

Amazon’s pharmacy offer is relatively quiet at the moment, with a health, personal care, beauty and fragrance offer, and remedies under the “Medication and remedies” department.

But “If we look to see patterns with regard to similar emerging threats of recent times, I think it is fair to say that generally pharmacists react when they feel a pain point themselves,” Mr Guilfoyle says, “rather than pre-emptively plan ahead for a protection strategy.

“So I expect to hear more noise from the community when we start to see real inroads in volume and market share.”

Are you prepared?

“I believe that, on the whole, the industry is significantly under-prepared,” Mr Guilfoyle tells the *AJP*.

“Again, witness the notion that pharmacist behaviour aligns with human behaviour overall.”

Pharmacists are all busy day in and day out, “and tend to fend off threats when they are in our face in a rear-guard action”.

“The good news is that the solution required here is essentially the same solution that has been ascribed for several years now in relation to the string of threats hitting the pharmacy radar since the advent of PBS reform,” Mr Guilfoyle says.

“When it comes to health products, the best insulation for protection against Amazon and pretty much all the threats that have reared ugly heads over the past five or so years is to reverse the sequence of the conversation paradigm.

“Our studies show that the reigning paradigm is that the product specification leads the way, sets the scene, whether the identification of the product is initiated by the customer, pharmacist or doctor script. And the conversation unfolds accordingly.

“The reverse paradigm is that the health solution conversation is foundational and foremost... and that the product selection follows accordingly.”

Amazon cannot compete on this front if it is handled really well by existing pharmacies, Mr Guilfoyle says.

“The trouble is that many pharmacist stakeholders do not know what ‘really well’ looks like, because most of them think that they already provide that.

“But our data indicates the gap between perception and reality. As one example, the current average duration for a script customer visit comprises a mere 12 seconds of proactive health counsel and solution recommendation beyond what the customer or script specifies.”

So what action should pharmacies take now?

“Community based, professionally imaged pharmacies must scream their differentiation from the rooftops,” Mr Guilfoyle advises.

“The richness of the conversations must do the screaming, not platitudes, advertising, posturing, branding or stickers on the front window.

“Imagine the rules were changed so that every consumer of open market health products ultimately had to get their products from Amazon anyway. So, retail pharmacies with no open market health products physically on site.

“But imagine these fictitious rules also predicate that the consumer must select a pharmacy to go to first for advice to qualify to get their product/s from Amazon.

“Forceably imagining and role playing such a scenario in your mind is a good way to start thinking about what ‘good’ needs to look like to attract customers to your pharmacy to have ‘the complete solution conversation’ in order to get your clip of the ticket for the product/s they would ultimately access via Amazon.”

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