



## **Imagine that**

### **Author**

Woods, Phillip Stephen

### **Published**

2011

### **Journal Title**

Australian Journal of Pharmacy

### **Downloaded from**

<http://hdl.handle.net/10072/52716>

### **Link to published version**

<https://ajp.com.au/the-australian-journal-of-pharmacy/>

### **Griffith Research Online**

<https://research-repository.griffith.edu.au>



# Imagine that

Phillip Woods, lecturer in Pharmacy Management, Griffith University School of Pharmacy, Queensland. [phillip.woods@griffith.edu.au](mailto:phillip.woods@griffith.edu.au)

## THE INTERNET IS EMPOWERING CONSUMERS AND TRANSFORMING RETAIL BEHAVIOUR.

**T**he retail landscape is in complete transformation said Ross Honeywell, social scientist and futurist, when interviewed recently on Radio National.

The interview was about recent dramatic changes in retail spending behaviour that had allegedly contributed to a rash of retail business receiverships and liquidity problems within some high-profile retail groups. At the centre of these changes is the rise and rise of the relationship between consumers and the internet.

### EMPOWERING CONSUMERS ONLINE

The internet is facilitating a phenomenon of consumer empowerment: consumers are buying goods on the internet and incorporating website searches into their overall shopping research and experience. This enables consumers to dramatically expand their choices of product and vendor, check on the reputation of suppliers and engage in 'virtual conversations' with previous customers to share stories of satisfaction and complaint.

Stephen Shore reported in an *Australian Financial Review* article, 'Online shopping figured out' (30-31 July 2011), that online sales are expected to grow at more than 20% per year over the next 10 years, compared with 3.6% for bricks and mortar retailers.

Obviously, established retail stores have high fixed costs associated mainly with rent and staffing, making profit productivity on space an increasing

challenge. What reinforces this truth is the inexorable margin retreat on current and future sales caused by the dual impacts of PBS Reform and the discounting phenomenon.

### SIZE MATTERS

Futurist Ross Honeywell points out that retail is as much about real estate as it is about retail, and suggests that the 200 square metre (sq m) store, most typical of small retail businesses (including pharmacy), is the least likely to survive over the coming years. Instead, he suggests an emerging polarisation in space efficiency will see stores either growing to fit into 400+sq m through economies of scale, or more commonly downsizing to 50, or even 20 to 30sq m.

According to Honeywell, there are likely to be many more stores where larger stores once stood. He suggests that these smaller, more focused retail

## WILL PHARMACISTS WILL HOLD THEIR PLACE IN THE IMAGINATION OF THEIR CUSTOMERS

footprints will move away from price competition by building specialisation and a customer base that is 'willing to pay a premium for authenticity, for provenance, for the pedigree of something, for quality'.

### BUILDING COMMUNITIES OF INTEREST

In particular, smaller specialist stores are well positioned to utilise the internet as an interactive marketing channel and a communication space to engage specific customers, or

groups of customers which Honeywell calls 'communities of interest'. This is where the retailer acts as facilitator in bringing together small groups of people who communicate and share the same specific interest through the store's internet platform. But the physical presence of a retail outlet, albeit smaller, still permits the human-to-human contact that more focused and specialised offers require.

The impact of the internet on consumer behaviour was also the subject of a recent SBS Television 'Insight' forum. Participant Chris Chapman, from the sports footwear retailer The Running Company, explained how his organisation focuses first on educating their consumer, rather than 'selling', as a way to combat the rampant price-product promotion of his competitors.

To accomplish this at its Sydney Bondi Junction store, the retailer organises running groups twice weekly in conjunction with the Bondi Running and Triathlon Club. Similarly, he says the owner of their

Geelong store assists people to train for their first marathon. To me this is an excellent example of building 'communities of interest' and becoming deeply involved in the customer experience.

### NO LIMITATIONS

Pharmacy has never before had such a need for greater thought, planning, innovation and flexibility than now. Segments of community pharmacy in Australia are equal to this task but

it is my view that the profession's leadership could do much more to bring more openness, imagination and debate into its internal dialogue. What could we imagine if we allowed ourselves, for once, to fence-off the sacred cows of limitations to permitted business model, ownership and location?

Perhaps one day pharmacists could serve the community in the same way as other professionals like accountants, doctors or lawyers, who are not limited by the standard 'shopfront'. Perhaps single pharmacists will have that 30 sq m 'store' in a shopping centre as the physical 'hub' for their online pharmacy services business targeting patients in their homes.

The hub can be where special 'communities of interest' visit or meet. Perhaps this non-dispensing 'store' with a very limited but highly specialised inventory will have other periodic visiting (or partner) health professionals dealing with wound care, asthma, diabetes, sports medicine, or such like.

Far fetched? Perhaps not. This type of possibility is becoming evident now with the ability for accredited pharmacists conducting medication review services to be paid their fee direct from the government payer, without the need of a pharmacy approval number.

But regardless of whether we allow ourselves to imagine or not, the fact is that customers are implementing the results of their own imagination. So the question is not so much whether we will do the imagining, but whether pharmacists will hold their place in the imagination of their customers. ■