

**DBA**

# Design Effectiveness Awards 2017 Entry

**FOR PUBLICATION**

**Submission Title:** SOpharmacy: Your healthcare partner for life  
**Industry Sector:** 5333 Drug Retailers  
**Client Company:** SOpharmacy  
**Design Consultancy:** Creative Leap  
**Submission date:** 1<sup>st</sup> July 2016



## 2. EXECUTIVE SUMMARY

Following a strategic review of the Bulgarian retail pharmacy market dynamics and growth potential, Creative Leap was appointed by Sopharma Trading to develop a disruptive brand positioning and design for a new retail pharmacy brand: SOpharmacy.

The concept would be piloted at a brand new store in capital city Sofia. It would be located in close proximity to an established competitor chain pharmacy – so clearly communicating SOpharmacy’s distinct offer, relevant differentiation, and appealing to increasingly affluent but still price-conscious customers would be critical in attracting business away from the competition.

The pilot site’s impressive achievements were measured through a qualitative Concept Evaluation Study as well as quantitative first year objectives for sales, basket size, and growth versus market.

With little in the way of marketing activity or other influencing factors, the relevant and differentiated positioning and design were vital in ensuring that the brand delivers on its own promise for every action, behaviour, and communication.



Inside pharmacy store

The pilot is a huge success – here are just some of the great results:

**+40%**

Total sales totally outstrip objective by +40%

**5x**

5x faster sales growth than overall market

**+10%**

+10% average basket size versus target

**98%**

98% like the pharmacy

**94%**

94% of current visitors declare repeated visits in the future

**100%**

Brand and staff deliver a satisfying customer experience to visitors – almost 100% shared positive feelings after their stay in the store

**1 in 4**

SOpharmacy is the most regularly visited pharmacy for every 1 in 4 customers

**6 months**

Competitor pharmacy closes within 6 months

And the ultimate accolade of the pilot’s success is that SOpharmacy is now growing extremely fast and opening around one new store per month. SOpharmacy is well on the road to becoming Bulgaria’s premier retail pharmacy brand.

## 3. PROJECT OVERVIEW

### 3a. Outline of project brief

#### Create Bulgaria's premier retail pharmacy brand

Economic growth and gradually improving living standards in Bulgarian cities means consumers want more choice in matters of personal health and wellbeing. Following a strategic review of the retail pharmacy market dynamics and growth potential, Creative Leap was appointed by Sopharma Trading to develop a disruptive brand positioning and design for a new retail pharmacy brand for the Bulgarian market.

The positioning needed to be the driving and unifying force for everything the pharmacy says and does – from name, identity, retail design, and communications guidelines all the way through to the product/service offer and staff attitudes/behaviours.

The concept would be initially piloted at a brand new 140sqm store near a surgery in a residential area in capital city Sofia. It would be located in close proximity to an established competitor chain pharmacy – so clearly communicating the brand's distinct offer, relevant differentiation, and appealing to increasingly affluent but still price-conscious customers would be critical in attracting business away from the competition.

With qualitative and quantitative results for the pilot dictating the future of the brand's roll out across the country, the pharmacy needed to be centered around a unique positioning and vision that gives the retailer 'permission' to offer a greater variety of non-drug products and additional consultative services.

Ultimately, this is about building a strong pharmacy brand from scratch to create SOpharmacy – a retailer that engenders strong brand awareness/consumer loyalty and which meets pilot objectives for sales, basket size, and growth versus market.

### 3b. Description

#### About Sopharma Trading

Sopharma Trading is one of the largest companies in Bulgaria, an ambitious leader in the pharmaceutical sector. The company is a pioneer in the introduction of international best practices in the country, and the preferred partner of manufacturers, wholesalers, pharmacies, hospitals, and investors. Its mission is to become a provider of complete, innovative and high-quality healthcare services.

#### Gap in the market

Working with PWC, Sopharma Trading identified a gap in the Bulgarian retail pharmacy market, and seized the opportunity to gain first mover advantage by developing a new pharmacy chain. Competitive advantage wouldn't be based on price (as is the case with most players on the market), but instead through the implementation of:

- Unique brand positioning and offer
- Superior branding, marketing and advertising practices
- Rich but balanced product mix displayed through efficient category management
- Consultative health & wellbeing services.

### 3. PROJECT OVERVIEW (CONT.)

#### Target customers

- Urban dwellers with medium income upwards (in the region of >800 Bulgarian Lev (BGN) per month).

#### Assortment & product mix offer

- Rich assortment covering all relevant categories: top selling healthcare brands/ pack sizes, and top selling beauty/cosmetics brands with a medical focus
- Selected innovative and limited offer exclusive products

#### Service offer

- Service quality consistently high: competent advice, friendly and polite, efficient, consultative

#### 3c. Overview of market

##### Market trends

The rationale to develop this new retail pharmacy offer was determined by the following market trends in Bulgaria:

- Strong market fragmentation of the pharma retail market: very few national pharmacy chains, but many regional players and independent pharmacies
- YOY decrease in the number of Bulgarian pharmacies over past three years
- Discount pharmacy chains such as Mareshki and FIK Pleven operate with high volumes but low profitability
- Health & Beauty segment is a high growth area, with YOY growth of 43.6% from 2003-2009

- No clear and consistent brand positioning for most pharmacies and pharmacy groups (except for Mareshki which has a mainly price-based positioning)

- Unsatisfactory quality and types of services offered to customers, sporadic marketing activities, and absence of category management
- 42% of pharmacies are part of chains, realising a cumulative 66% of the market turnover. Pharmacy chains have on average 2-3 times higher monthly turnover per outlet than independent pharmacies.

#### Competitor overview/challenges

Because so many pharmacies in Bulgaria are independently owned, this highly fragmented market has resulted in overall low brand awareness with only two widely recognised pharmacy brands – Mareshki and Sanita – with prompted awareness of 90% and 62% respectively.

Historically Bulgarian pharmacies lack strong, clear positioning and prominent branding (other than on fascias), and are perceived as follows – virtually the opposite of the vision for SOpharmacy:

- Low value/low prices
- Crowded with elderly people awaiting prescriptions, resulting in long queues and increased waiting times
- Mostly used to buy national health service medicines
- Lack of uniform standard for service from one location to the next.

### 3. PROJECT OVERVIEW (CONT.)

**Drivers for visiting pharmacies**  
Research and competitive analysis showed that the main factors for choosing a particular pharmacy are:

- Closeness to home or work (customers usually have choice of 2-3 pharmacies)
- Variety of products
- Personalised service.

### Pilot site

The pilot would open on a site that didn't previously have a pharmacy – so there was the double awareness building challenge of launching a completely new concept into a store that was not already known as a pharmacy.

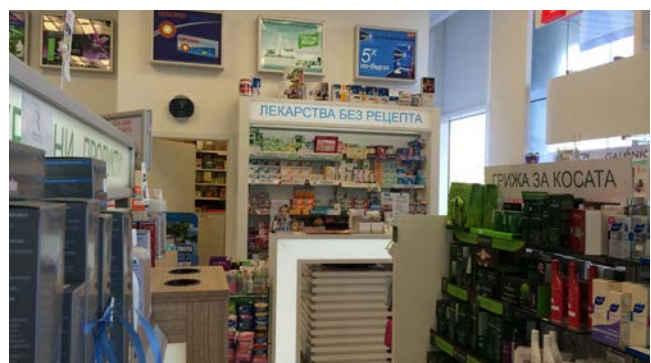
**3d. Project launch date**  
May 2015

**3e. Size of design budget**  
N/A

SOPharmacy Exterior & Interior



Competitor pharmacies



## 4. OUTLINE OF THE DESIGN SOLUTION

This brand-led retailer is clearly differentiated, relevant, inviting, and engaging to its increasingly affluent but price-conscious customers.

### Positioning, purpose and values

The positioning, purpose, and values needed to be the central unifiers for everything the retailer says and does. Following consumer testing of various options the clear articulation of the brand's positioning became: 'SOpharmacy – Your healthcare partner for life.

Customer healthcare needs are the number one priority for this pharmacy whose newly defined purpose is to help customers with all their healthcare needs, from fulfilling prescriptions and providing personalised help and advice through to offering a comprehensive range of good value products.

This was supported by five values shown on the right.



Inside store 3D Renders & Floorplan

**Efficient & friendly dispensary service**

**Personalised healthcare help & service**

**Wide range of good value health and wellbeing products & services**

**Customer friendly, open and inviting environment**

**Customers at the centre of our professional life**



#### 4. OUTLINE OF THE DESIGN SOLUTION (CONT.)

##### Name

The brand name is SOpharmacy. Because Sopharma Trading has an excellent reputation in Bulgaria, it made sense to establish a link between the two companies.

##### Identity

In addition to the logotype, pharmacy cross, and store fascia signage, a flexible identity system using icons, colours, and imagery style allows the retailer to dial up or down medical or friendly cues, depending on the communication need.

##### Retail design

Every element of the retail design links back to the positioning, purpose, and values in some way. The environment is much more open, accessible, friendly, colourful, easy to navigate and welcoming compared to competitors. The design also means staff can be on the floor interacting with customers, rather than behind a glass screen as is done at competitors.



Pharmacy Cross

sopharmacy

Brand Logotype



Store Fascia Signage

sohealth

SOhealth Logotype

## 4. OUTLINE OF THE DESIGN SOLUTION (CONT.)



Uniform & Name badge

The following items are of particular note, and completely different from anything found in other Bulgarian pharmacies:

- **Welcome point:**  
Service proposition linked to the store design, where every customer is personally welcomed into the store and directed to the right area for their needs.
- **Department zoning:**  
Three main zones are main pharmacy, dispensary, and wellbeing. Colours, icons and style are used to establish each one as a distinct area. The main pharmacy has five key departments that are warm, colourful, inviting. The dispensary area is separated into a 'paid for' prescription counter and a 'free' prescription counter, and has a more 'medical' feel to it. The Wellbeing zone promotes natural and holistic medicines.
- **Reduced queuing:**  
Efficient service is facilitated by two till points within the dispensary, plus there's a waiting area. This reduces queuing times, improves customer flow, and gives elderly people somewhere to rest whilst awaiting prescriptions.
- **Professional services area:**  
SOpharmacy is 'Your healthcare partner for life', so the store has a discreet area for consultations and services around smoking cessation, weight management, diabetes, heart health, etc.
- **Iconography:**  
Simple, friendly iconography clearly signposts zones to enable ease of navigation.



wellbeing



cosmetics



skincare



mother & baby



toiletries



medicines

Departmental Icons & Colours

Wellbeing	Main Pharmacy			Dispensary		
wellbeing	skincare	mother & baby	medicines	toiletries	dispensary	здравна каса

Department Zoning



## 4. OUTLINE OF THE DESIGN SOLUTION (CONT.)

### Guidelines

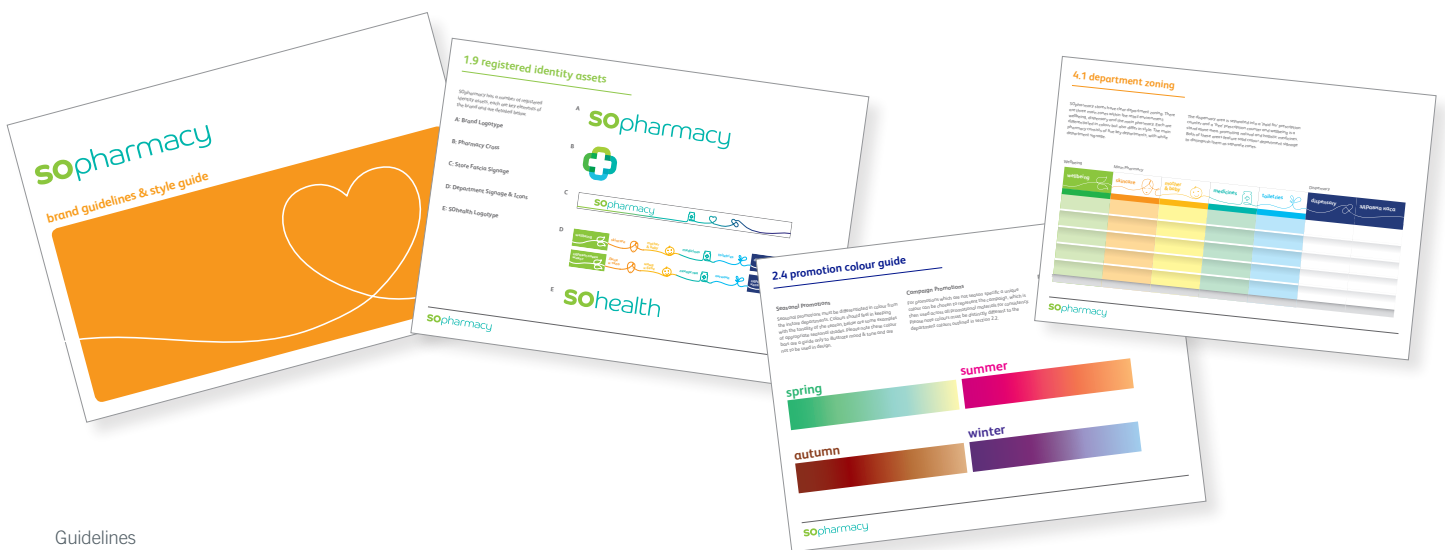
Future stores and in-store/external communications must be on-brand and presented consistently, so comprehensive guidelines help employees and third parties maintain the brand identity, retail design, and other communications.

The guidelines explain SOpharmacy's special difference, what it believes in, and how people should express the brand positioning and visual language for all communications – from retail design through to in-store leaflets and window promotions and everything in between.



SOhealth Magazine

Leaflets



Guidelines

## 5. SUMMARY OF RESULTS

The pilot's impressive achievements were measured through a qualitative Concept Evaluation Study (conducted six months post launch) as well as quantitative first year objectives for sales, basket size, and growth versus market. Thanks to its positioning and design, it's clear that the pilot is a huge success and that SOpharmacy is well on the road to becoming Bulgaria's premier retail pharmacy brand.

### +40%

**Total sales totally outstrip objective by +40%**

Not only this, but sales remain at relatively the same level each month from September 2015 onwards, with no significant sales spikes you'd normally see when other influencing factors play a major role.

### 5x faster

**5x faster sales growth than overall market**

The Bulgarian pharmacy market sales growth was +4.77% from Jun 2015-March 2016, while the SOpharmacy pilot's growth was almost 5x more than this at +28.30% over the same period.

### +10%

**+10% average basket size versus target**

Actual average basket size after first year exceeds objective by 10%.

### 6 months

**Competitor pharmacy closes within 6 months**

The competitor chain pharmacy near the pilot closed within six months of the pilot's opening. As this location is also near a surgery there are likely to be plenty of potential customers, but SOpharmacy stole so much share that the competitor's offer was no longer viable at that location.



## 5. SUMMARY OF RESULTS (CONT.)

### Concept Evaluation Study

Methodology for this qualitative study six months post-launch included:

- 60x exit interviews with actual visitors to the pilot store
- 100x face-to-face interviews with adults aged 25-54 living in households near the pilot, with household income >800BGN per month, and that visit pharmacies at least 2x per month

### KEY FINDINGS:

- 98% like the pharmacy
- 94% of current visitors declare repeated visits in the future
- Brand and staff deliver a satisfying customer experience to visitors – almost 100% shared positive feelings after their stay in the store
- Concept meets most of the attributes important to customers
- Almost 50% of those aware of SOpharmacy declare readiness to recommend it to friends and relatives, with good service generating highest satisfaction and recommendation levels.
- 80% were aware of SOpharmacy and 87% of the aware have visited it
- SOpharmacy is the most regularly visited pharmacy for every 1 in 4 customers
- 88% like the consultation area
- 45% Net Promoter Score

### Nationwide roll out

The ultimate accolade of the pilot's success is that SOpharmacy is now growing extremely fast by opening around one new store per month – a total of 13 new stores will be located in three cities by the end of August 2016.

## 6. OTHER INFLUENCING FACTORS

Every action, behaviour, and communication for SOpharmacy revolves around its positioning. And the pilot's success is even more impressive given there was very limited marketing activity.

### **Marketing/ Communications activity**

In terms of marketing the pilot, there was virtually no activity, especially in the first six months, beyond the following, which all followed the brand's positioning and look and feel:

- Approximately 5,000 monthly promotional brochure door drops in the local neighbourhood
- PR campaign in leading newspapers

There was no advertising, quite deliberately, because SOpharmacy was trying assess customer perceptions of the brand promise, concept, and store environment during that time, as that would be the basis on the decision whether to begin a countrywide roll out or not. The results of the brand awareness study speak for themselves, as does the fact that SOpharmacy is now rolling out around one new store per month – with a total of 13 new stores in three cities by the end of August 2016.

### **Free in-store consultations 1-2 times per month**

The pilot site invited doctors to provide free consultations on topics such as osteoporosis and heart disease. It also organised dermoanalysis days with special skincare brand promotions. In total, there were 1-2 activities per month, which stay true to the brand's promise, and are central to the offer's relevant differentiation.

### **Staff training**

SOpharmacy's proposition and service ethic is a completely new way of doing things, so there was a lot of staff training. However, this centred about the brand's positioning and values to ensure staff deliver an in-store customer experience that is all about the brand's promise to be 'Your healthcare partner for life'. Without the positioning, it could be argued that staff would not be as effective as they could be.

Finally, it's worth noting around 40-60% of those interviewed in the Concept Evaluation Study weren't aware of the marketing/communications activities which suggests that this may not have had significant impact on the pilot's success. What's left? The positioning and design.

## 7 Research resources

- Consumer Usage and Attitude Towards Pharmacies: PWC, April 2012
- Assessment of Strategic Options for Entering the Bulgarian Pharma Retail Market: SoPharma Trading, 2011
- Concept Evaluation Study: Noema, September 2015
- Bulgarian Pharmacy Market Data: IMS, 2015-2016
- SOpharmacy internal data: 2015-2016