Community Pharmacy Trends & Opportunities

February 2025

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independent pharmacy group

New Zealand's Leading Pharmacy Marketing Group

1. Predictions – next 10 years
2. Changes to pharmacy design
3. Retail opportunities
4. Technology opportunities
5. Ownership changes

Hoaketanga • Our Purpose

The landscape of Pharmacy is changing rapidly.

The Independent Pharmacy Group has entered the industry to support the growth and business success of owner-operated community pharmacies.

With 50 members and growing, spanning pharmacies of all sizes, we take pride in providing industry-leading tools and business support in three key areas:

- **Instore Experience**
- **Operations**
- **Communications**

We provide IPG members with the **increased sales and profits** that come from centralising the Group's buying and marketing, while retaining the advantages of **personalised service and healthcare advice**.

The IPG Activity Programme

IPG members: pay a monthly fee + pay for additional consulting & support
Supplier Partners: pay a monthly fee + pay for additional marketing and sales activity

Instore Experience *How our customers feel when they're instore*	Service & Store Standards	Quarterly Promotional Events	Professional Services & Health Advice
Operations *How we do things*	OTC Formulary & Planograms	Inventory Management	Performance Measurement & Reporting
Communications *How we stay in touch with our staff and customers*	Websites & ecommerce	Loyalty Programme	Team Workshops

Pessimist:

"The glass is half empty"

Optimist:

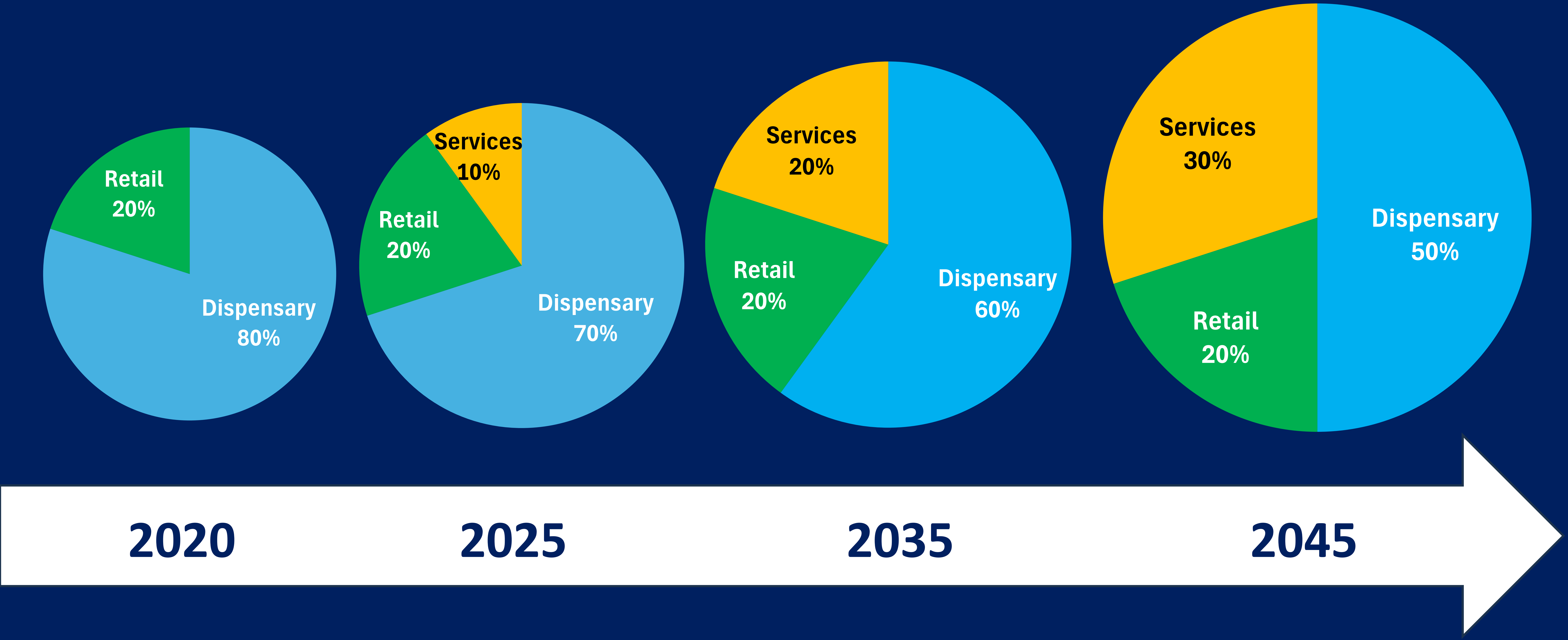
"The glass is half full"

Awesome-ist:

"Holy shit!

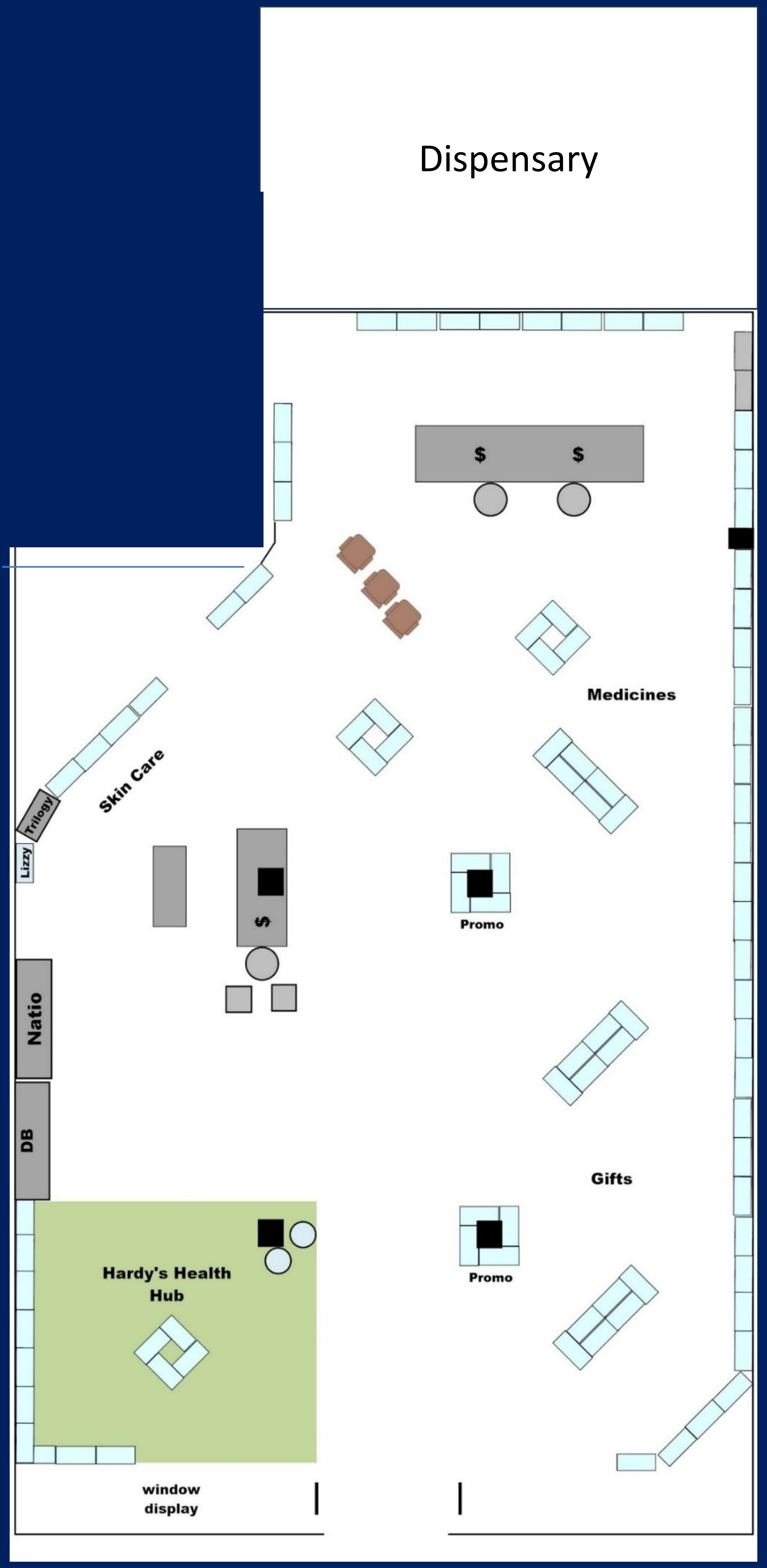
There's a dragon in the glass"

The **health professional** you see most often

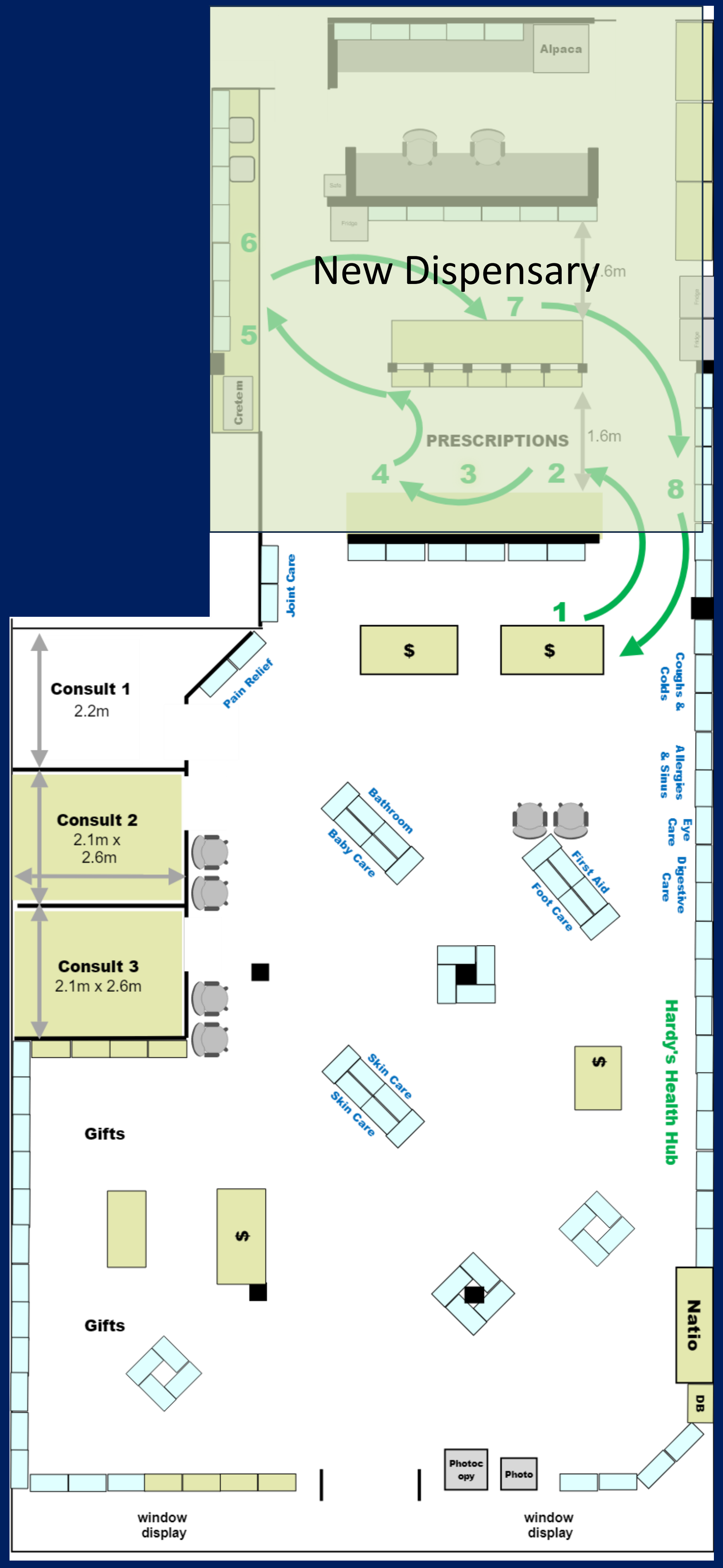


Next 10 years

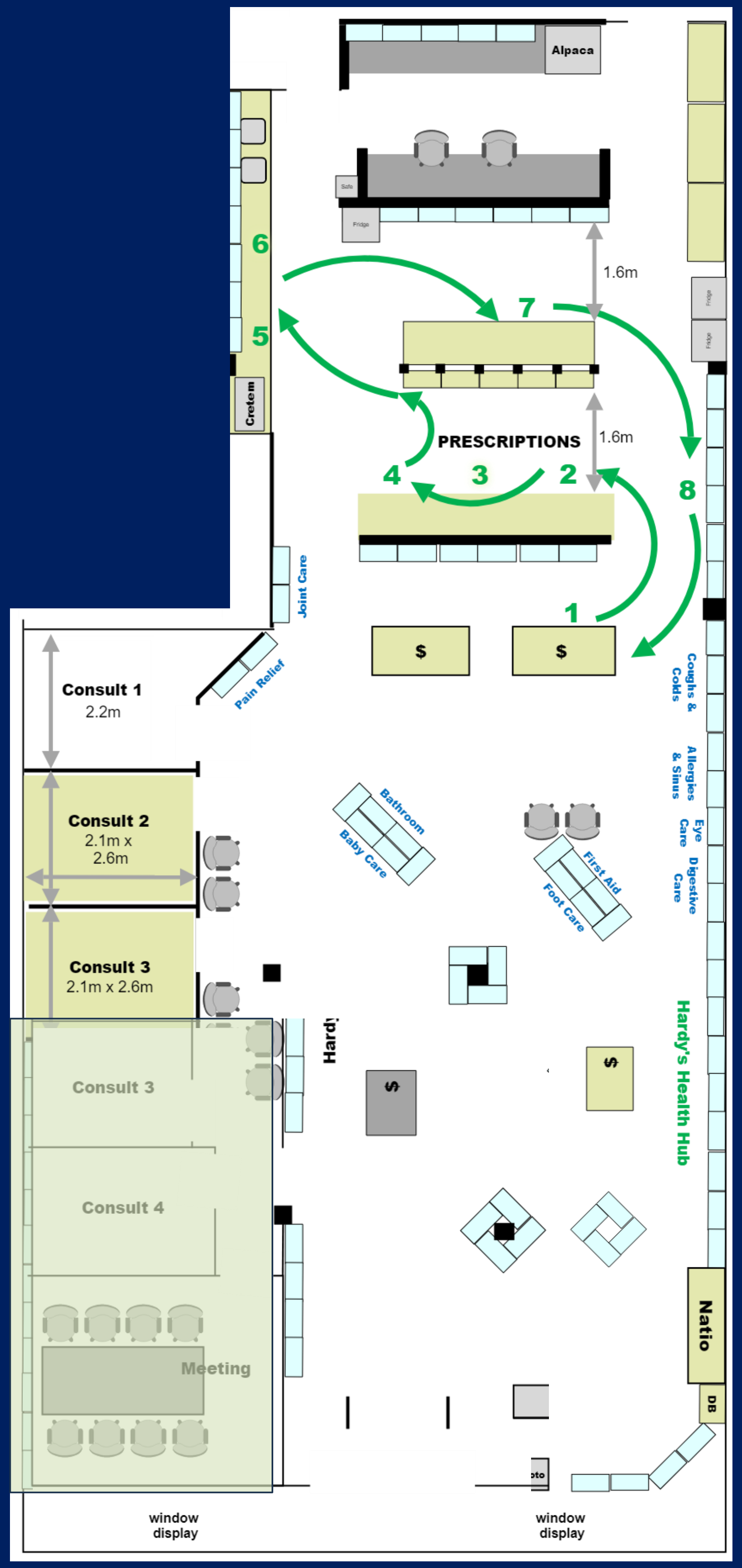
- Differentiation: “your local health professional”
- Fewer aisles / tighter core range / less beauty and gifts
- Growth of services
- Dispensing – more volume / lower margin
- Higher margins on retail and services



Dispensary
$
$
Medicines
Skin Care
Trilogy
Lizzy
Promo
Natio
DB
Gifts
Promo
Hardy's Health Hub
window display



Alpaca
New Dispensary
1.6m
PRESCRIPTIONS
1.6m
1 2 3 4 5 6 7 8
Cretem
Joint Care
Pain Relief
$
$
Consult 1
2.2m
Consult 2
2.1m x 2.6m
Consult 3
2.1m x 2.6m
Coughs & Colds
Allergies & Sinus
Eye Care
Digestive Care
Bathroom
Baby Care
First Aid
Foot Care
Skin Care
Skin Care
Hardy's Health Hub
Gifts
Gifts
$
$
Natio
DB
Photocopy
Photo
window display
window display



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Allergies & Sinus
Eye Care
Digestive Care
Bathroom
Baby Care
First Aid
Foot Care
Consult 3
Consult 4
Meeting
Hardy's Health Hub
$
$
Natio
DB
window display
window display

Clive's Chemist
the happy chemist

Pharmacy design

- Bigger dispensaries
    - Specialist workstations
    - More automation
    - Expanded finished scripts areas
- More consulting rooms / instore clinics
- Dedicated unit-dose-packing dispensary area

? Hub and spoke dispensing – needs legislative change

NZ PHARMACY
Monthly Retail Sales Performance February 2025

-5%

Retail Sales Growth*

**VS February 2024*

Pharmacy same-store retail sales in February 2025 decreased by -5% compared to the same month last year.

Top 10 Selling Products - February 2025

Ranked by $ Sales

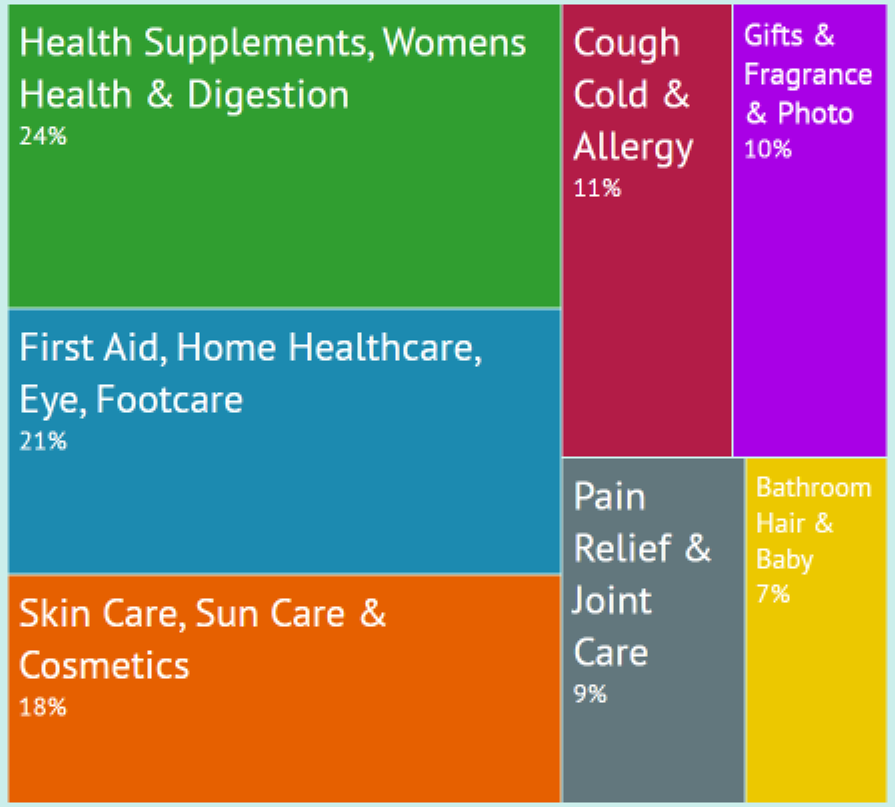
	Pharmacode	Product
1	2555050	LIVON LYPOSPHERIC VIT C 30 SACHETS
2	2663767	ETHICS PARACETAMOL 500MG 100 CAPLETS
3	2119218	VOLTAREN RAPID 25MG 30 TABLETS
4	213845	CLEAR EYES 15ML
5	2592061	FLIXONASE NASAL SPRAY
6	2312204	SEA LEGS 12 TABLETS
7	2428261	ETHICS IBUPROFEN 200MG 100 TABLETS
8	2271060	OTRIVIN ADULT NASAL SPRAY 10ML
9	212245	ANTHISAN CREAM
10	2399504	CRYSTADERM CREAM 10G

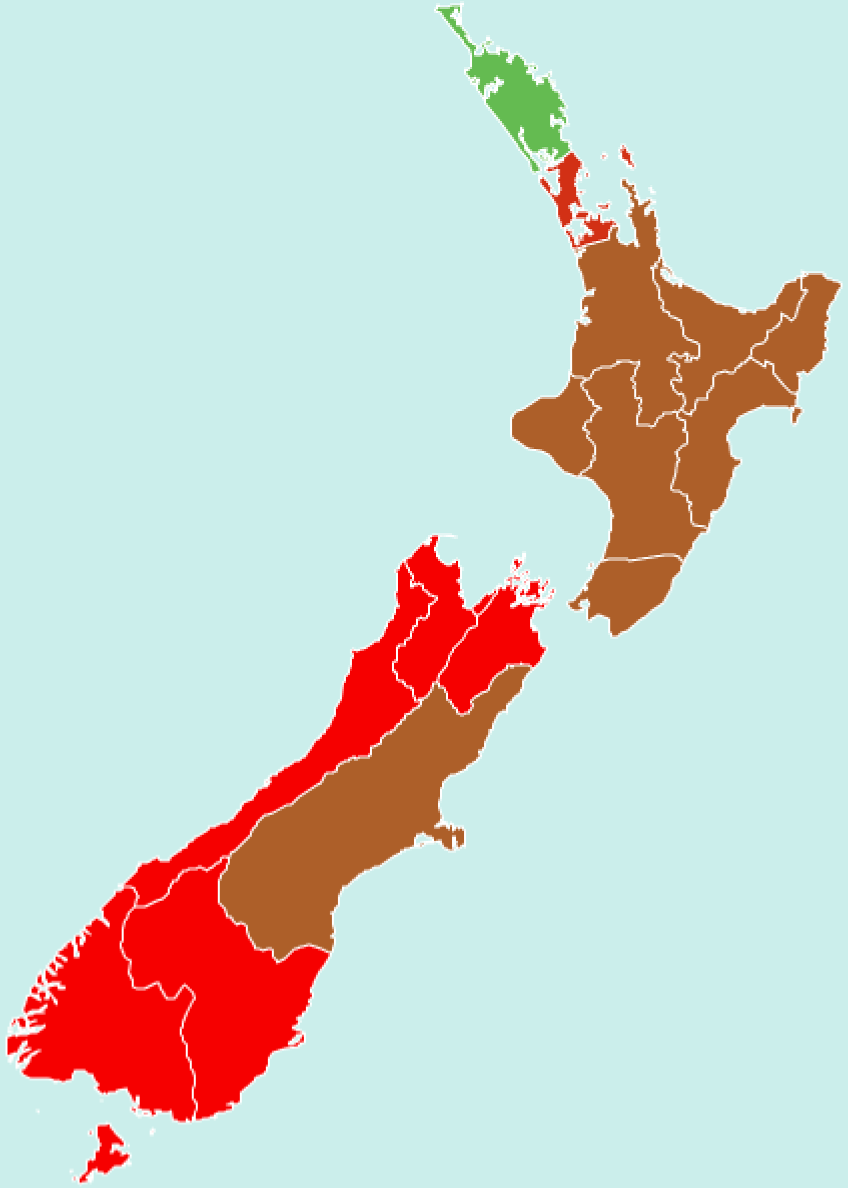
Sales from 117 Independent pharmacies subscribed to RPM

February retail sales were down VS last year, reflecting the difficult economic conditions and back-to-school cost pressures.

The rise in Home Healthcare sales was largely attributable to sales of COVID Rapid Antigen Tests (which were still being provided for free last year).

The Cough & Cold (-3%) and Pain Relief (-5%) categories did not show an increase in cold & flu symptoms Vs last February.





Region	Sales % Change (Vs last year)
North Auckland	5%
Auckland	-7%
Bay of Plenty & Waikato	-5%
Central Nth Island	-4%
Wellington	-2%
Canterbury	-2%
South Island	-17%

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For the last 30 days to Wednesday 12th February 2025

Independent Pharmacy Group

Overall Performance

22

of 50 Stores

Top Categories

1. Health Supplements	14.2%
2. Gifts	14.1%
3. Skin Care	10.7%

Top Products

1. SRW Skl1 Mobility 60s
2. ETHICS PARACETAMOL 500MG 100 CAPLET
3. *VOLTAREN RAPID 25MG T 30S

28% Dead Stock

Gross Margin %

45.9%

Group Average: 44.2%
Top Result: 52.5%

13 of 50 Stores

Fix

Sales Growth

-1%

Group Average: -4%
Top Result: 31%

9 of 50 Stores

Fix

Customer Growth

0%

Group Average: -5%
Top Result: 23%

11 of 50 Stores

Fix

Low Stock %

27%

Group Average: 24%
Top Result: 6%

27 of 50 Stores

Fix

Stock Turn

3.1

Group Average: 3.2
Top Result: 5.0

21 of 50 Stores

Fix

Dead Stock %

28%

Group Average: 31%
Top Result: 9%

17 of 50 Stores

Fix

Average Sale

$27.25

Group Average: $31.72
Top Result: $40.16

33 of 50 Stores

Fix

Products Per Customer

1.41

Group Average: 1.46
Top Result: 1.66

27 of 50 Stores

Fix

Average Product Price

$19.34

Group Average: $21.78
Top Result: $26.12

38 of 50 Stores

Fix

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Category Performance - 2024

CATEGORIES	Sale $ (Incl GST)	Sales Growth	Gross Margin $	Gross Margin %	Stock $	Stock $ LY	Stock Turn	Products Stocked	GMROI	Dead Stock $	Dead Stock %
Gifts	$108,328	-14%	$45,361	48.15%	$23,541	$28,021	2.1	1,150	$1.93	$10,954	47%
Health Supplements	$76,166	-17%	$27,841	42.04%	$11,418	$14,203	3.4	196	$2.44	$3,524	31%
Coughs & Colds	$57,145	6%	$21,029	42.32%	$5,712	$6,052	5.0	107	$3.68	$616	11%
Skin Care	$55,394	-2%	$20,762	43.1%	$13,919	$12,515	2.0	443	$1.49	$4,943	36%
Pain Relief	$44,040	7%	$18,666	48.74%	$5,034	$5,547	3.9	76	$3.71	$48	1%
First Aid	$40,338	5%	$14,880	42.42%	$4,214	$4,422	4.8	155	$3.53	$521	12%
Allergies & Sinus	$39,277	5%	$15,641	45.79%	$5,173	$5,115	3.6	76	$3.02	$227	4%
Digestive Care	$35,297	-13%	$13,568	44.2%	$4,221	$4,544	4.1	82	$3.21	$710	17%
Cosmetics	$28,896	-11%	$9,577	38.11%	$8,284	$9,967	1.9	309	$1.16	$2,861	35%
Home Healthcare	$26,186	-7%	$8,547	37.54%	$3,290	$2,462	4.3	106	$2.60	$534	16%
Eye Care	$17,393	5%	$7,266	48.04%	$1,628	$1,538	4.8	33	$4.46	$49	3%
Bathroom	$16,284	1%	$6,067	42.84%	$3,227	$3,235	2.5	138	$1.88	$1,333	41%
Fragrance	$16,008	45%	$5,662	40.68%	$2,122	$1,322	3.9	45	$2.67	$545	26%
Womens Health	$14,522	-15%	$5,973	47.3%	$2,755	$2,436	2.4	57	$2.17	$742	27%
Foot Care	$13,904	-7%	$4,973	41.13%	$1,767	$2,750	4.0	40	$2.81	$362	20%
Joint Care	$13,332	1%	$4,742	40.9%	$1,452	$1,538	4.7	23	$3.27	$30	2%
Photographic	$10,475	-22%	$8,453	92.8%	$30	$69	22.0	4	$282.90		
Eyewear	$8,453	13%	$3,457	47.04%	$1,671	$1,548	2.3	103	$2.07	$756	45%
Baby & Child	$7,773	-15%	$2,829	41.85%	$1,052	$2,014	3.7	34	$2.69	$174	16%
Hair Care	$7,658	-19%	$2,879	43.24%	$1,301	$1,479	2.9	58	$2.21	$329	25%
Sun Care	$5,923	3%	$2,209	42.9%	$1,511	$1,849	1.9	38	$1.46	$439	29%
Unknown	$4,025	-25%	$1,762	50.33%	$559	$811	3.1	15	$3.15	$393	70%
Weight Control	$2,213	-53%	$680	35.33%	$613	$661	2.0	15	$1.11	$243	40%
	$649,030	**-6%**	**$252,824**	**44.8%**	**$104,494**	**$114,096**	**3.0**	**3,303**	**$2.42**	**$30,333**	**29%**

Some of the biggest increase in sales have been in Coughs & Colds (+6%), Pain Relief (+7%) and First Aid / Allergies & Sinus (+5%) categories. Health Supplements had a decline (-17%) with the IPG Group overall showing (+44%) in this category.

Total stock is $10,000 lower compared to the end of 2023 😊 😊 😊


cough
& cold


Dry Cough
Chesty Cough
Allergies
Mucus Relief
Nose & Sinus
Dry Eyes
Red Eyes


GO HEALTH
Dry Eyes
Joint Nutrition
Vision
Strong Pain Relief
Anti-inflammatories
Red Eyes
Eye Allergies
Eye Infections
Children's Pain & Fever
Aspirin
Contact Lens


Allergies & Sinus
Coughs & Colds

Retail sales

- Growth categories
  - Health Supplements
  - Home Healthcare
  - First Aid
- OTC formulary
- Ordering efficiency – 10 tips for ordering
- GMROI
- Loyalty programme


041 042 043 044 045 046 047 048 049 050
051 052 053 054 055 056 057 058 059 060

Pharmacy technology

- Dispensary automation - $$$$$
- Online (Digital Marketing) = bricks and clicks
  - Domain name / email addresses
  - Product research / BOPIS
  - Repeats / Bookings / telemedicine
  - Social media
- Customer club / loyalty Programme

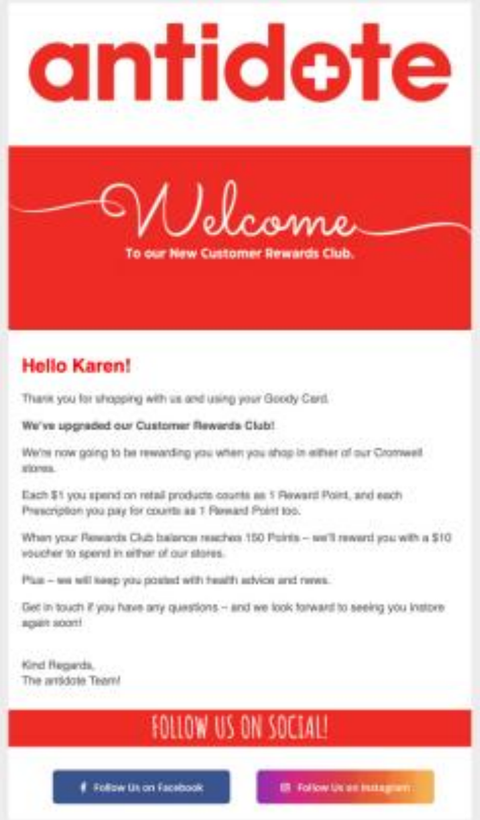
?Dispensary App
?AI

IPG Loyalty Programme

Your website is just the beginning!

The IPG loyalty programme:

- Uses your customer club database for personalised email campaigns.
- Sends automated welcome emails and targeted health advice.
- Runs seasonal promotions and custom event campaigns.
- Drives website traffic, social media engagement & in-store visits.



Email Marketing Campaigns

Our marketing to your customer database ensures your pharmacy stays top-of-mind for customers with data-driven loyalty campaigns and targeted email marketing.

Results that speak for themselves:

- Industry-leading open rates
- $10 Increase in average sale
- 25% increase in retail visits
- Better customer retention and engagement
- Instore promotions that work!

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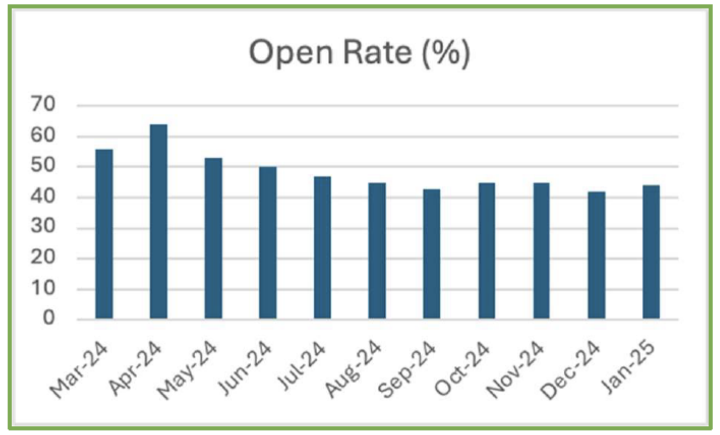
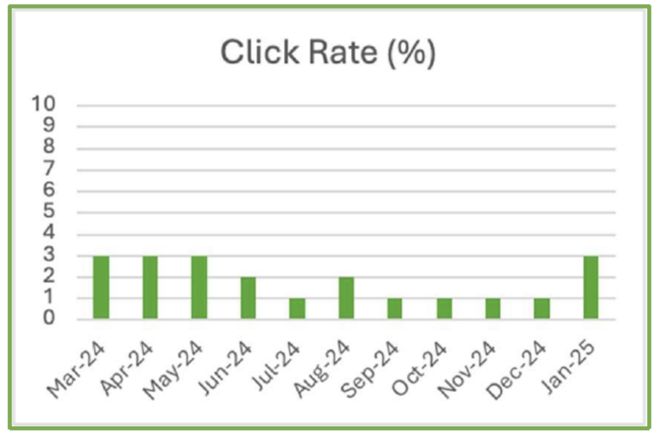
Antidote Cromwell – Digital Marketing Report

January 2025				
Total Emails Sent	**Open Rate**	**Click Rate**	**Unsubscribed**	**# Subscribers**
2,949	44%	3%	1%	2,721
KPI	**20-40%**	**5%**	**<1%**	





Campaign	Emails Sent	Open Rate	Unsubscribe	Click Rate
Newsletter	2172	43%	1%	2%
Welcome	40	53%	0%	3%
First Aid	93	49%	1%	4%
Eye	51	48%	0%	2%
Skin	142	51%	1%	1%
Women's	48	55%	2%	15%

Pharmacy ownership

- Locations
  - Health centres
  - Suburban
  - Rural
    - NOT Mall / CBD
- 2-tier community pharmacy landscape:
  - Expert clinics
  - Battling dispensaries

?More multiples?

ipg POWERED BY rpmretail

New Zealand’s Leading Pharmacy Marketing Group