

## INTENTION FOR HEALING

Pharmetic Entrepreneur Pharmacists Association's members are vitalizing the new media "PHARMACY BROADCAST SYSTEM", while preparing to be ready for 21 century. By Denet C. Tezel



They are running the most powerful retail network in Turkish market. In the last year, at least, 10 billion US dollars run on this network, which has 23 thousand retail points. But this market is recently losing power. The owners of this deep network are businessman, as well as members of health business.

In fact pharmacist Armagan Ener, as soon as graduated from university, opened a pharmacy in 1975. He's working as a pharmacist since 1975. In 32 years he's doing the job in his dreams, in the mean time he is managing his pharmacy as a businessman. Ener, has restored his pharmacy located in Maltepe, Istanbul by spending 100.000 US\$ in March 2007. He turned his pharmacy into a modern sales point. Besides, he extended his product range and increased the stocks cost 150.000 US\$.

He got the fruits within a short time; his pharmacies monthly sales doubled and reached to 100.000 US\$.

Ener's new favorite as a member of Pharmetic Entrepreneur Pharmacists Association, is "PHARMACY BROADCAST SYSTEM".

"PHARMACY BROADCAST SYSTEM" is a new marketing media. It enables companies to advertise in pharmacies. This is a revolution for pharmacies because pharmacy, drug and advertisement equation is nearly a taboo. The joint efforts of DEMEDYA and PHARMETIC on this system provide a new solution for the equation.

Now it is possible to run silent advertisements in two screens, one of them is 32" and the other 42", located in pharmacies. The demo and test runs of this system completed in October and system will be fully ready in 108

points in November. At first the products which are not regulated by law like food supplements, cosmetics, vitamins, perfumes, and derma-cosmetics, personal care products that is sold in the pharmacies will be advertised. This system will become a strong media in the gigantic market when OTC law is passed from the parliament which will be soon. OTC law will create a new advertisement pie of 300 million US dollars

Adile Ozdag is proud to be in this project as the chairman of the Pharmetic. She is describing the profile of the members of Pharmetic as proactive businessmen rather than the pharmacists. "Members of Pharmetic are the ones who choose the model of consultant pharmacist, following the trends in the world closely, investing on education of the personnel as well as theirs, who likes to

invest in their jobs". Ozdag who owns the Akmerkez Pharmacy (a big shopping mall) said that they are searching for a visual solution for in-pharmacy advertisement since 2005. She has no doubt that the system they started with DEMEDYA in the middle of this year. Ozdag thinks that the use of digital signage systems in points of purchase is the necessity of the times we live in. She describes the model as "Marketing model of the century".

Following internet advertisement, second growing media in global advertisement sector is digital signage, closed circuit, running in screens placed in POP's and the places where people traffic is high. This field turned to be a strong media especially after the progress in digital technology and visual systems in the last five years. In Turkey this media widely known as "Closed Circuit TV Advertisement" draws attention where consumers are from shopping malls to coiffeurs. Global market in this field reached 9.1 billion US\$ in 2006. According to the report of UK based RocSearch who conducts global researches, published in July (Global Digital Signage Report), this sector is growing 9% every year and will reach 14.6 billion US\$ in 2011. Reason is simple: Digital advertisement in POP is effective. Market research shows that digital POP advertisement increases the sales from 30% to 300%.

There is no data yet about the size of this media in Turkey. Aysegul Molu, General Manager of Turkish Association of Advertising Agencies, reminds that similar systems are used in developed markets, France for example. Molu states that at the end of 2007 Radio and Television Upper Council will limit the TV commercials with 20% of airtime and TV advertisement rates will become higher. Adding the OTC law, this system will become a good media Molu declares. Molu thinks that by using sound this media will be stronger.

Advertisement in pharmacies is not a new application. POP advertisement

materials in pharmacies bombard the consumers. Adile Ozdag thinks that conventional printed materials in pharmacy environments is an old application, causes visual pollution, thus being harmful instead of being useful. She thinks "PHARMACY BROADCAST SYSTEM" is a modern media and the purpose is clear: "Increasing the sales by the use of information". She also thinks this system converts the pharmacy into a modern POP and creating an attractive sales point for the consumer. "With this system, the time consumer spends in pharmacy will increase. All of this will increase our sales volume" she declares.

Increasing the sales volume is necessary considering the sectoral situation. In hardly competitive environment of 23000 pharmacies in Turkey, increasing sales volume is a vital task. Drug market is changing and the ones adapting will survive, others will close the business.

Government firmly decided to lower the health costs which is 9.8 billion US\$ in budget. They are making the OTC drugs paid by people instead of governmental health funds. Following this, OTC drugs may be sold outside of pharmacies. This also confirms with the EC regulations. If this happen hypermarket chains will be another sales point for 600 OTC items.

On the other hand recent survey of AC Nielsen shows that pharmacies are in a siege of hypermarket chains. AC Nielsen Turkey Sales and Marketing Manager Nihan Sahan declare that "We found that in FMCG pharmacy channel is decreasing and supermarkets are increasing". Pharmacies lost average of 1.2% market share on 26 FMCG goods in September 2006-August 2007 period compared to September 2004-August 2005. The biggest loss is in baby food market with 8.2% and 222 million YTL.

In changing market, it is estimated that 5000 pharmacies will close down. Pharmacies who decided to adapt new conditions will expand their products portfolio and invest on their physical conditions like pharmacist Armagan

Ener. Chairman of the Manufacturer Communication Committee of Pharmetic, Ener says "We cannot run our businesses like we used to do any more. We must be more customer focused". Ener's favorite products are dermo-cosmetics brands. Some pharmacists are going for dermo-cosmetics nowadays. In drugs the profit margin is between 15-20% and in dermo-cosmetics this margin is 30-35%. Turkish dermo-cosmetic market is growing 20% for the last three years and expected to reach 175 million YTL at the end of 2007. "80% of dermo-cosmetic market sales are made by Pharmetic members" declares Chairman Ozdag without hesitation. Ozdag reminds that the mission of the Pharmetic Association established in 2004 is to fight the sectoral problems with their own tools also to provide an umbrella for the pharmacist that is strong in dermo-cosmetic sales. They aim to protect themselves and their customers in a rapidly polluted market. Almost 100 companies are selling skin care products.

Pharmetic thinks that the major advertiser in system will be dermo-cosmetic brands. Serkan Dilver General Manager of DEMEDYA who provides the infrastructure, makes the investment and conducts the media sales has confidence in their system. He declares that although digital signage is a rapidly growing market in Turkey, pharmacies has a distinct potential. Dilver says "Customers in pharmacy has buying potential even when they come to checkout counter. Because of this, the media we offer is much more powerful than alike". He is also confident that there will be a strong demand for this reformist and strong media from the ad givers. Demedya is planning to reach 250 pharmacies till the middle of 2008 but does not make any comments on the total investment. The investment figure we got from the experts in the market is between 1500 to 2000.- US\$ per pharmacy.

Demedy is installing the system to Pharmetic members free and also will donate a share of the advertisement income to the association. The pharmacies that are not members of Pharmetic may subscribe to the system by paying cost of the system. Pharmetic will not get any share from these non-member pharmacies.

Even though Demedy has confidence, advertisers are cautious about the system. Elif Onal, Vice President of Tempo OMD which is a media planning and buying company, says that system will be successful. "This media is principally interesting. We may recommend to our clients. There are lots of factors that can affect the success of this media from screen sizes to location, from advertisement content to airtime. We want to see how it runs. Onal also states that the interest of the ad givers to such systems is increasing rapidly day by day.

On the other hand, a source from Eczacibasi Beiersdorf who sells Nivea personal care products says that advertising in pharmacies is not suitable for them as pharmacy share in their products is small. In contrast, Bayer, German drug giant is very interested in the system. Bayer used this new media for their Supradyn Energy product which is a vitamin, from the beginning of the system, even in pilot phase. Specially produced commercial to use in this system is reaching thousands of consumers in tenths of pharmacies.



Cagdas Yilmaz, Supradyn Product Manager of Bayer states "We believe in this media and we support it to grow". He also states it is very early to get results in numbers.

Advertising in pharmacy has ethical dimensions as well as legal ones. Bulent Becan who consults drug sector on management and ethics says "There is no legal barrier on advertisement of the products other than the licensed drugs in pharmacies. It will be a wise thing to support it also". Becan still mentions that, both the advertising company and pharmacist should take responsibility of the advertisements content. Becan declares "It is wrong to use all advertisements". Both Demedy and Pharmetic is warm on advertisements outside the sector, Bayer's young

manager Cagdas Yilmaz says "It is important that this media to be prevented from pollution".

Pharmetic knows the importance of this factor and will self audit the content. Chairman Ozdag says "We will audit the content and will evaluate the feedbacks from our members and customers".

Chairman Ozdag has many projects in her mind. "For the coming 15 years favorite job is pharmacist and favorite sales point is the pharmacies" she adds. She says that Pharmetic members never lose the battle against hypermarket chains. It seems that instead of complaining they are generating sound strategies. She adds firmly "If the conditions force us, we are ready to organize our members under the brand Pharmetic and compete with chains!"