



(l to r) Steve Thompson, national director merchandising; Jackie Langlands, national Pharmasave brand manager; Sukh Sidhu, owner and pharmacist, Pharmasave Fort Langley, B.C.

Committed to the community

Pharmasave's private brand program is the uncomplicated, trustworthy choice its patrons prefer.

By Michal Christine Escobar

In 1981, Joni Mitchell was inducted into the Canadian Hall of Fame, MTV launched in the United States, and *Cats*, the fourth-longest running show in Broadway history, received its world premiere in the New London Theatre. That same year, Langley, British Columbia-based Pharmasave, a Canadian independent pharmacy and drugstore retailer, was born through the merger of two British Columbia-based pharmacy chains: United Pharmacy and Western Drug Mart.

Since then, Pharmasave — a member-owned and -governed cooperative — has grown to

560 stores in nine provinces across Canada that range in size from less than 1,000 square feet to 20,000 square feet. And it's not finished growing. According to Steve Thompson, national director, merchandising for Pharmasave, the retailer expects its store count to grow to more than 600 by the end of 2016.

And this growth has positively benefitted the retailer's private brand program.

"As our store count and sales grow, it's afforded us the opportunity to branch into new categories beyond the traditional drugstore categories," says Jackie Langlands, national Pharmasave brand manager. "Our members are excited to see our private label program expand."

For instance, the retailer is currently



testing a peg-top nut program, Langlands says.

"This is the first time we have entered the food or snack category, and we are very excited to see the results," she adds.

Always improving

Currently the retailer works with about 30 manufacturers offering its members access to approximately 700 store brand SKUs. And it works hard to either add or refresh products each year. In 2014 and 2015 alone, it added 140 new SKUs.

"As national brands change and upgrade, we are continually changing our products to improve our quality and align our offerings," Langlands says.

The role the retailer takes in product research and development, however, largely depends on the product category. For example, when developing an over-the-counter (OTC) product, Pharmasave's supplier partners own the product in terms of regulatory requirements and comply with all Health Canada Guidelines, she states. However, when it comes to a product such as a cream or lotion, Pharmasave has considerably more input into areas such as formulation development, fragrance and packaging.

The retailer also works hard to communicate its private branding message to shoppers.

"The branding message to our customers is value, quality and trust," Langlands adds. "We stand behind our products, offering our consumers a satisfaction guarantee."

Considering that many of Pharmasave's customers are health-conscious consumers who are either patients or caregivers for their families, engendering trust is key, she notes.

And while many of its competitors offer



their customers a multi-tier private brand program, Pharmasave deliberately made the choice to go forth with a one-brand strategy, Langlands says. The products are said to be national brand equivalent or better in quality but are sold at a value price. This strategy reflects what Pharmasave's independent owners expressed to the retailer: They feel it is "very important" for the corporate brand and the banner name to be the same.

"In fact, this was so important to many of our owners that our private label department name was changed from 'Private Label' to 'Pharmasave Brand,'" she adds.

And the brand's treatment has not gone unnoticed.

"I think that Pharmasave has done an admirable job with their current private label programs," says Scott Lindsay, president of Toronto-based Product Development Plus, a private brand development expert who has worked on brands such as President's Choice, Duane Reade and Walgreens.

Simple, direct design

While independent owners had their say when it came to brand naming, customer feedback has been a major driving force when it comes to Pharmasave's own-brand packaging design.

"We've learned that our customers are looking for packaging with clear, easy-to-read information," Langlands says. "This feedback was instrumental in developing our packaging style guide. We also look at trends and, where applicable, key our color choices from the national brand equivalents."

According to Lindsay, the retailer's current own-brand packaging's design is "consistently executed and does a nice job using color cues to help consumers understand the key-off to drive value recognition."

Additionally, the process for developing packaging varies based on the category. For instance, OTC medicine and vitamin manufacturers have to establish stability and



expiration dates based on criteria that include packaging type, she adds. As Canada is a relatively small market, it's cost-effective, therefore, for many retailers to use the same packaging formats here.

However, Pharmasave has more opportunity to differentiate itself from the market in the health and beauty aid categories.

Besides its Pharmasave brand, the retailer does offer customers a sub-brand within its vitamins, herbals and supplements: WellQuest by Pharmasave. Having just recently undergone a redesign, the WellQuest by Pharmasave brand now offers customers more information about the ingredients, as well as about the intended use of the product. For instance, it offers ingredient bullets such as "gluten-free" or "no artificial colors." Plus, the approved product uses are always found in prominent locations on the label, Langlands states.

"I like the approach Pharmasave has taken with their WellQuest vitamin sub-brand, [most of which] are naturally sourced and have a distinct brand identity," Lindsay adds. "If positioned properly, WellQuest could have potential for expansion into other healthful categories."

One reason for the potential for expansion is that the brand name, WellQuest, is able to appropriately deliver against Pharmasave's overall brand positioning as a center for health and wellness, which is best summed up by the retailer's tagline: "Live well with Pharmasave." Therefore, it would be reasonable to assume that Pharmasave could use the WellQuest brand to appeal to consumers in other health and



wellness categories such as food and beverage or non-toxic household cleaners, Lindsay adds.

The brand name and the packaging design of WellQuest is so well done and of such high quality that Lindsay even thinks it could stand on its own, without the Pharmasave logo.

Trusted by many

For their part, Pharmasave store owners are "heavily invested" in the Pharmasave brand and the retailer's line of private label products, Langlands says.

"It's truly 'their brand,'" she notes. "They understand the value of the brand to their customers, as well as the contribution to their stores, both in profitability and brand loyalty."

And Pharmasave heavily encourages its pharmacists and store owners to offer feedback on store brand products.

"We know that if Pharmasave pharmacists recommend a product, our customers will likely purchase it," Langlands states.

Customers likely trust their Pharmasave pharmacist because each Pharmasave store is independently owned and operated. Therefore, each store is deeply rooted in the community it serves, with pharmacists and store owners often knowing their customers by name and having a reputation as trusted professionals, she adds.

And this commitment to the community is one way that Pharmasave has been able to differentiate itself from other Canadian drugstore chains.

The current trend in healthcare is for consumers to go to their pharmacy for services for which they used to go to their doctor, says Sally Seston, director, Retail Category Consultants, Toronto. Drugstore chains such as



Pharmasave are well positioned on that trend to build trust and loyalty while also providing customers with customized services that are tailored to the unique needs of the individual community.

Lindsay agrees. Every drug retail chain is trying to offer more personalized services and to connect with consumers, he says. But Pharmasave is at an advantage because it can offer its customers pharmacists who are very involved in day-to-day operations and who often provide personalized, neighborly service. Such community building and personalization rings truer when it comes from somebody who is known within the community.

Knowing the community's trust in their Pharmasave pharmacists, the drugstore retailer offers a unique approach for its OTC store brand products, as well as its vitamins and supplements.

"Each OTC product carries the 'Pharmasave Approved by Your Community Pharmacist seal,'" Langlands says. "This means that, prior to launch, a Pharmasave pharmacist reviews each OTC product monograph, as well as the label text. This detailed review is also completed for our vitamins, herbals and supplements. It is an extra step we take to ensure our customers trust the quality of our products."

This seal, along with the retailer's vendor partnerships and strict adherence to the guidelines issued by Health Canada and the Natural Health Product Directorate, are just two ways Pharmasave uses to engender consumer trust in the safety and efficacy of its products.

Pharmasave also works very closely with its manufacturers on quality assurance, Langlands notes.

"We ensure they provide the appropriate documentation, and we visit their facilities regularly," she says. "If there is a consumer concern, we have a comprehensive reporting process that is employed, ensuring that any potential anomalies are reported, tested and corrected."



Well promoted

Word of mouth from store pharmacists is not the only way Pharmasave promotes its own-brand products. It also uses traditional methods such as flyers, coupons, the website, digital marketing and its Pharmasave Brand Loyalty program. Additionally, the retailer issues standalone Pharmasave brand flyer inserts, Langlands says.

During a visit to the company's website in March, *Store Brands* found that the retailer was prominently featuring a private label promotion: Buy 10 Pharmasave brand products and get one free. We also found the promotion detailed in the digital edition of the retailer's store flyer.

And the retailer isn't shy when it comes to drawing attention to store brands within the store. For instance, it uses specific Pharmasave brand shelf talkers to call attention to its products, as well as a yellow "Compare and Save" arrow that's placed between the national brand and private label products. Plus, the retailer uses various point-of-purchase kits and shelf-talker campaigns to promote its brand, Langlands says.

In fact, Pharmasave brand products are well represented on shelf, Thompson says. And the retailer targets higher-volume core items as it seeks to continue to develop the Pharmasave brand.

Of course, Pharmasave does stock and sell national brands. And when it comes to front-of-store merchandising, the retailer offers items such as cosmetics and giftware, he adds. It also encourages its member owners to differentiate their stores from other Pharmasave stores by tailoring their assortment to meet the needs of their individual community. **SB**

