

Case Study: Market analysis, brand strategy & brand creation for Healthguard Pharmacy

Sri Lanka's first branded retail pharmacy chain expands

Looking around Colombo, you would notice significant differences to the landscape due to new apartment complexes, office blocks and retail stores which have sprung up and continue to emerge changing the landscape that we live in. In the retail environment there is the emergence of new multiplex shopping malls, clothing outlets and mega consumer durable stores. The launch of Sri Lanka's first branded pharmacy retail chain is yet another milestone in this changing environment.

The Healthguard Pharmacy Retail Chain which was launched at Dharmapala Mawatha just over one year ago is proving to be a major success. Being the first branded pharmacy customers expectations are raised in terms of service standards and product availability.

The inspiration behind the project is Mr. Vish Govindasamy, Managing Director of Healthguard Pharmacy Ltd. Explains Mr. Govindasamy "we realized that the pharmacy retail stores were independent and individual units which had various service standards. The opportunity therefore was to have a branded pharmacy which offered a consistent and reliable service".

In order to develop this concept STING Consultants were hired by the company to implement the project from scratch. "We were given a blank sheet and asked to develop a pharmacy brand" said Mr. Ruchi Gunewardene, CEO of STING Consultants. "So the first thing we did was to understand the consumer insights involved in the purchase of drugs in a pharmacy. There were some really interesting findings, and we developed our concept for a retail pharmacy store from these insights. The challenge we had was to create a unique and differentiated brand which would be relevant to our target audiences" he added.

Says Mr. Govindasamy "we were looking at this project as a long term investment and we wanted to make sure that we really understood the issues so that we build our brand based on what the customer was looking for. So, we spent a considerable amount of investment in finding this out".

Apart from Osu Sala which was the only branded retail pharmacy chain, who were offering a totally different service based on ensuring quality drugs at affordable prices, customers found that there were huge disparities in service standards in the individual pharmacies.

"Understanding the purchase drivers related to pharmacy products and then developing a new brand to fit into that was a very exciting project" says Gunewardene.

"Healthguard stands for efficiency and reliability. And in order to deliver this we had to invest in an IT system and in training our staff to deliver on the brand promise" says Mr. Govindasamy. "Of course initially there were lots of teething problems which we had to overcome. We had to significantly change the way pharmacist dispense medicine to ensure that we were able to deliver a more efficient service. And as our people got more confident we were able to improve."

"STING Consultants also helped us to strike an alliance with Keells supermarket and we will be expanding along with their retail store expansion. We now have a total of 10 stores, which includes stores in Colombo, Kadawatha, Panadura, Pelawatta Kandy and Kurunegala. We will continue our aggressive expansion in order to build up the critical volume required" said Mr. Govindasamy. "We are also experimenting with different store formats, with full service stores that offer a range of health, beauty and personal care products in addition to pharmaceuticals and medical aids. We then have the stand alone pharmacy, which carries the entire pharmaceutical range and medical aids only. The shop in shop format that we use for Keells, has a limited range of pharmaceuticals and medical aids, but our information systems help us tailor the product range to meet the needs of customers in the area. Being a chain we can also source and supply product from another store, if the need arises."

"Meanwhile our flagship store at Dharmapala Mawatha is doing very well. And we have been able to build a regular customer base from the neighborhood. All of them have now come to expect the customer service which can be expected from any Healthguard store throughout the country. What we strive to provide is the prescription without the pain!" concluded Mr. Govindasamy.



Vish Govindasamy Managing Director of Healthguard Pharmacy Ltd. On the right and Ruchi Gunewardene CEO of STING Consultants on the left inside the flagship store at Dharmapala Mawatha.