In continuing our coverage on [Retail Chains](http://relianceretail.blogspot.com/search/label/India-Retail-Chains-1), we are today covering the **Pharmacy / Medical Store Chain** vertical.

The current pharmacy retail market size is estimated to be of US$ 4.5 billion and it is expected to grow to US$ 8.7 billion by 2010. Pharmacy retail is growing at the rate of 20-25 per cent annually. The organized pharmacy retail chain is dominated by 12-15 big players. There are more than 3500 organized retail pharmacy outlets in India and it is expected to grow to10,000 by the end of 2010.

The organized pharmacy retail market is dominated by big industrial houses like Ranbaxy’s (**Fortis**), Pantaloon (**Tulsi**), Reliance Retail’s (**Reliance Health and Pharma**) and Subhiksha as well as health care players like Apollo Hospitals Group’s (**Apollo Pharmacy**) , **Medicine Shoppe** , Zydus Cadilla’s (**Dial for Health**), Sagar Drugs & Pharmaceuticals’ (**Planet Health**), Morepan’s (**Life Spring**), Lifetime Healthcare’s (LifeKen), Global Healthline (**98.4**), Guardian Lifecare’s (**Guardian Pharmacy**), **MedPlus** to name a few.

**Modes of Operation**:

* Company Managed Stores – Company owned pharmacy outlets are owned and manage by company itself. Major pharmacy chains in India like Fortis, Apollo, Alchemist, Subhiksha and Dial for Health have their own pharmacy chains
* Franchisee – Medicine Shoppe, MedPlus, Medicine Shoppe operates through the model of franchisee stores in India.

**Pharmacy Chain Formats:**

* **Hospital Pharmacies** – They catered mainly to the requirements of patients admitted in the hospital. They were housed in the hospital building and dispense a limited number of medicines. The average size of such stores is 150-200 sq. ft
* **Retail Stores/Standalone stores** – The second category of stores, near the residential areas, provide the benefits of proximity to consumers. Some of these stores offered home delivery. The target customers of the store were the educated middle and upper class households
* **Malls/Shop-in-shops** – The biggest advantage, most retailers say, of having in-store outlets at supermarkets or departmental stores is the fact that popularity of either brand rubs off on the other. **Guardian pharmacy** recently signed an agreement to open outlets at **Spencer’s stores in east India and is negotiating rights for northern India** too. Spencer’s has tie-up with **LifeKen** Medicines for store-in-stores at its Daily stores in the South. **New-u**, retail outlet of H&B Stores Ltd. are located in Malls.
* **Townships** – Many pharmacy chains are planning to set up their pharmacy chain in townships. Apollo is planning to set up Medicity near Pune. Apollo has signed an agreement with Hindustan Construction Co (HCC) to set up the medicity inside the upcoming project named Lavasa near Pune.

**Operational Pharmacy Chains in the Indian Market:**

**Apollo Pharmacy**: A division of Apollo Hospitals Enterprises Ltd., is India’s first and largest branded pharmacy network, with over 720 outlets in 17 states. Apollo pharmacy is accredited with – International Quality Certification and is open for 24 hours. Apollo will have 1000 pharmacies by the end of financial year 2008-09. It is giving free health insurance on purchase of above Rs. 6000 in a year.

**Fortis Healthworld**: Pharmacy chain promoted by the Singh family of Ranbaxy. It operates under two models – Company owned and operated stores and Franchisee owned stores. Currently Fortis has around 40 stores and planning to expand its presence to over 100 cities.

**MedPlus Health Services**: Hyderabad based pharmacy chain, MedPlus was launched in 2006 currently operates more than 500 stores in Andhra Pradesh, Maharashtra, Karnataka, Tamil Nadu, Gujarat and Rajasthan and plans to increase it to 1000 by March 2009. Mauritius based iLabs Management LLC has invested $5.2 mn in MedPlus.

**Tulsi**: Tulsi is a pharmacy retail chain of Future Group. Most of the Tulsi outlets are located in Big Bazar. Future Group currently has over 35 Tulsi outlets across the country.

**LifeKen**: promoted by Lifetime Healthcare Pvt Ltd is a leading Pharmacy Retail chain in Bangalore and Chennai. LifeKen operates in total 82 Stores in Bangalore, Chennai and Mumbai. The list comprises 37 LifeKen Stores, 11 Pill and Powder Stores and 7 stores in Spencer’s Stores in Bangalore. LifeKen is planning to open new retail pharmaceutical chain in the cities of Mumbai, Pune, Hyderabad and Kochi and is also set to expand to other cities in the South and West and then to North and East.

**Guardian Lifecare Pvt. Ltd**is North India’s largest retail chain of Pharmacy, Wellness, Health and Beauty Retail outlets. The company has 149 outlets in 16 cities. Guardian Lifecare plans to open another 150 new stores across India by March 2009 and Guardian chain will grow to 400 stores by March 2010 and will be investing Rs.100 crore to fund our expansion.

**98.4**: a pharmacy chain operating in Delhi and NCR is a brand of Global Healthline. Parent company has presence in Europe and the Middle East. 98.4 has 27 stores in India and is expected to ramp up the count to 300 by 2011.

SAK CRS: SAK Consumer Retail Services Ltd is a subsidiary of Delhi based business group, SAK Industries. Its store brand,

**CRS Health- The Wellbeing Place**, is one of India’s premier Retail Pharmacy brands. The CRS Health stores have representation in all major centres in India to include Delhi, Noida, Gurgaon, Pune and Chennai. There are more than 30 CRS Health stores in India.

**Foreign Player:**  
Medicine Shoppe, the Indian arm of global chain Medicine Shoppe International started its operations in India in February 1999. Medicine Shoppe follows the model of franchisee stores in India.

Should you be interested in reading the Logistics, Regulatory needs and Backend operations of Pharmacy Chains, do let us know by means of comment and we will be happy to write about it.