**Recommendations**

1. Original Test Store for 1st PharmaBooth - Matt

Position “Pharma-Booth” in the Target store located in Minneapolis, MN. This store is at 900 Nicollet Mall, Minneapolis, MN. The reason for choosing this site is because Target’s headquarters are in Minneapolis, which means that there is a strong customer base in the region.

* Why in Minneapolis?
  + demographics
  + support from executives (Q&A session answers)/article quotes
* Counterargument= Would this be too strong of a client base that would skew the results/ Will people be biased because Target is headquarters are located there?
* add Minneapolis map
* graph of Minneapolis demographics

2. In-Store Location - Matt

Have the Pharma-Booth located outside of the Pharmacy towards the main entrance of the store or another highly trafficked area. Placing the Pharma-Booth in an area with a lot of foot traffic will not only make it easy for guests who use to Pharma-Booth to locate, it will also serve as a way to advertise the idea.

* Easy to find
* People will see it and know where it is
* marketing strategy
* counter = increase traffic, get in peoples way? Not close enough to pharmacy
* picture of layout of Target store
* statistics on foot traffic in Target departments

3. Face-to-face Customer Service - Evan

Hire a pharmacy technician to run the Pharma-Booth and answer questions about medical and pharmaceutical issues that the guests may have. This pharmacy technician will be paid with an hourly wage and will be the main customer service link to Target pharmacy guests.

* What they’d be doing while working the PharmaBooth
  + can they take prescriptions?
  + can they hand out prescriptions?
  + answer questions for over-the-counter medicines
  + hand out buzzers
* Payment for technician
  + salary
  + job requirements
  + # of technicians needed per pharma booth
* Counterargument= Why do you need a person and tablets?

4. Tablets and the New Pharmacy Guest Database - Claire

Pharma-Booth will give guests access to tablets that will allow them to log into Target’s pharmaceutical system or research facts and information about their prescriptions and medications. These tablets will be set up on a new system that will notify the pharmacist on duty that the guest is ready to pick up their prescription.

* 4 tablets and prices
* Why 4 tablets?
  + good amount to cut down wait time for the pharmacy line
  + research how it works for verizon/AT&T
* New software/database that will have all information for what they can look up on the tablets
  + research mobile pharmacy and see whether it can be put on ipad
* Counterargument- why not use it on your smartphone instead of instore?
  + new less affluent demographic with the ACA
  + marketing strategy

Notification Nation (Buzzers for the Win) - Claire

5. The guest will be given a handheld pager that will notify them when the pharmacist has prepared their prescription. This will give the guest time to complete any other shopping they may need at the Target location.

* Find amount of pagers and prices
  + 20 pages total and pager service
  + clips that attach to carts and baskets
* counter = could break, people lose them
* durability research on buzzers
* warranty research on buzzers
* life-time expectancy of buzzers
* range of buzzers compared to Target store sizes (does it work everywhere)

**Introducing Pharma-Booth**

To fit in with Target’s “Expect More. Pay Less” mantra, outstanding guest services must set Target Pharmacy apart from other pharmacies. Pharma-booth will be the guest-friendly pharmaceutical information kiosk designed to speed up the prescription process and provide the guest with a pleasant trip to the pharmacy. Traditional guests will have a choice of speaking with a pharmacy technician or pharmacist at the counter, while technology-savvy guests have the option to use a tablet to answer any medical questions they may have. Guests will sign in and receive a buzzer that will go off when their prescription is ready. The buzzer allows guests to spend time shopping around the store and make other possible purchases. This shortens the line and length of time at the actual prescription counter and increases sales within other departments. With the addition of the Pharma-booth, the prescription counter can be reserved specifically for pick-up of prescriptions.

After analyzing Target’s history and current position in pharmacy, Pharma-booth will revolutionize the Target Pharmacy environment and give Target a competitive advantage in the market.

**Sparking change: Targeting the Times**

The pharmacy industry has sparked Target’s interest with a great deal of growth potential for the future. Now Target wishes to expand into the retail pharmacy market as a quality service provider.

Target promises visitors to “Expect More. Pay Less” (“Capturing the Growing Pharmacy Market”). Target Pharmacy values guests, with programs tailored to provide for their every need. Target Pharmacy now sees new opportunity in regards to the Baby Boomer generation. Implementation of the Affordable Care Act and growing number of citizens approaching the retirement age will cause an influx of consumers in the pharmacy market. While the population ages and requires more medication, Target Pharmacy must continue to differentiate itself and increase its market share by focusing on modern technology and guest convenience. Time is essential. This will convert current guests to pharmacy guests as well as attract new Target shoppers. Thus, Target must adapt new strategies to satisfy these new guests.

**Target Pharmacy’s Past**

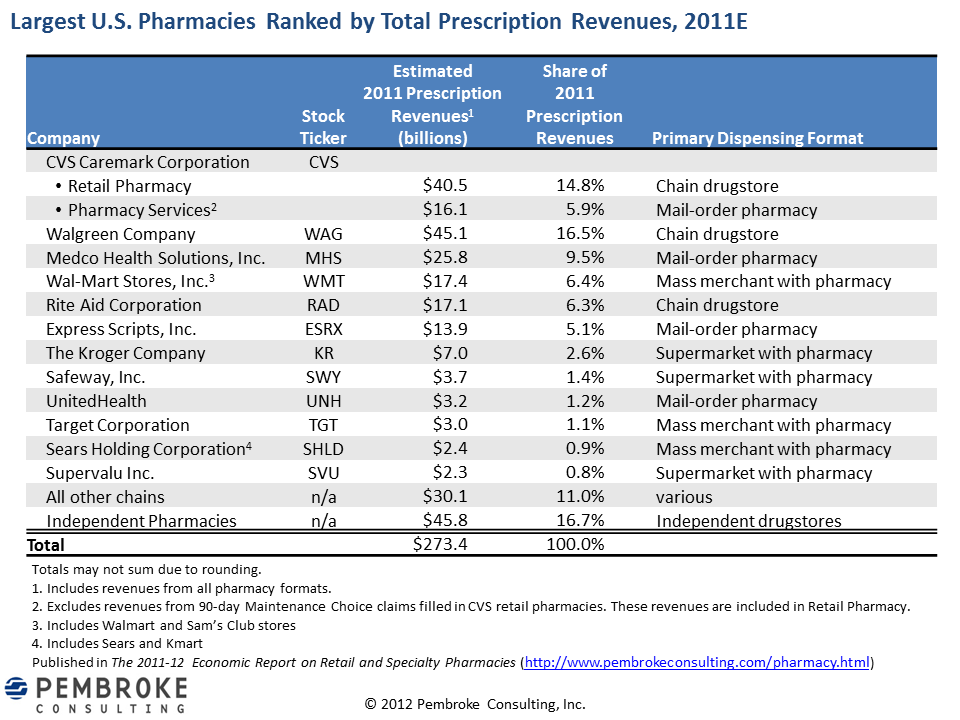
Target has already expanded its operations as a retail pharmacy in the past years. In 2005, Target created 150 pharmacies to add to its existing 

1,000 in-store locations. Today, Target operates over 1,683 stores in 48 states, including 1,519 pharmacies and 28 health clinics (“Fast Facts”). All Target pharmacies generate value through its programs. The $4 generic drug program highlights innovation through technology. The ClearRx system addresses prescription distribution for guests, offering easy-to-use bottles and easy-to-read labels to limit mistakes in drug usage for consumers. Target’s Mobile Pharmacy is another leading technology that allows users to adjust their insurance claims and manage their automatic prescription refills simultaneously through a smartphone. Yet one of the most successful pharmacy platforms Target established is its rewards card. Guests receive a 5% discount on a day of shopping at Target after filling 5 prescriptions through its pharmacy (“Pharmacy”). In 2010, the year Target implemented the rewards program, executives reported that

“pharmacy company sales grew at seven times the company rate for the year, while the number of guests enrolled in the program grew by 70% percent and those enrolled shopped an additional five times and spent an extra $90 million in stores” (“Pharmacy Moves into the Spotlight at Target”).

Such pharmacy programs affect guests’ in-store experience, increasing traffic for Target Pharmacy and other departments simultaneously. As Target focuses on acquiring new guests, it is critical that its new strategy produces similar successful results.

**Target Matches Up**

United States consumers spent over $259 billion on prescription drugs in 2010 alone. In a 2011 study, Target Pharmacy currently ranks 10th against fierce competitors such as Walgreens and Wal-mart. Target controls a miniscule 1.1% market share of this rapidly emerging market within the United States (Adam). Walgreens and CVS set the bar for stand-alone pharmacies controlling 8% of shares of prescription medicine revenue ("2012 Market Share of Top Pharmacies"). Kroger and Wal-mart dominate as retail pharmacies (“Drug Store News”). The amount of retail prescription growth in America jumped $3.20 billion in 2001 to over $4 billion now (Zhang). Target’s average guest is 41 years old with 63% having graduated college, making her a young, educated guest in the retail market. A typical Target guest has a 43% chance of having children and makes on average $63,000 a year. Additionally, about 60% of Target’s guests are women, while about 45% of guests are between 25 and 44 years old (Carmichael). While Target currently markets towards middle-aged married women, Target Pharmacy has the possibility to serve all demographics and should adapt new campaigns to reflect this. In order for Target Pharmacy to establish a competitive advantage, it should consider every type of consumer.

**Baby Boomers And New Consumers**

Approximately 13% of the United States population is 65+ years of age ("Online Statistical Data on the Aging"), but they consume about 30% of prescription medications and 40% of over-the-counter medications (Wellein). The Baby Boomer generation has 5,000 people turn 65 years old every day (“Capturing the Growing Pharmacy Market”). Incorporating this demographic into Target’s business plan will be the key to unlocking success in the pharmaceutical industry. Currently, 13% of the United States population is 65+ and an expected 88.5 million americans will be 65+ in 2050. 90% of people 65+ fill at least 1 prescription a month and 65% take 3 per month ("Baby Boomers Control 70% Of US Disposable Income”). While Target’s typical guest is the educated, 40-something, family woman, the growing need for pharmacy services has created a new Target Pharmacy consumer. To capture this potential audience, Target must focus on understanding her needs and wants.

**ACA**

According to the *New York Times*, 48 million people will now receive health care due to the Affordable Care Act (Obamacare). Pharmacies are expected to receive an influx of new young shoppers.



**What She Values**

It is important for Target to understand these new types of guest and develop features to provide for their specific wants. Therefore, Target must assess what she values.

Baby Boomers account for the second largest amount of television watched per month ("Baby Boomers Control 70% Of US Disposable Income”). In fact, those 65+ years old, are the only group of people that watch more TV than Baby Boomers. While TV seems to be an obvious necessity, the Internet proves to be a more commanding part of life for people in this age group. 82% of adults that are 50+ years old use the Internet to research health and wellness information (“Resources - 50 Facts & Fiction”). Although research is not their only reason for using a computer. Social media is another widely used outlet for Baby Boomers. In a survey by Social Media Today, 50% of social media users said they “follow product and service recommendations from their online friends,” and 50% of Twitter users specifically said they “are more likely to purchase brands they follow” than brands they do not follow (Pick). The same study also revealed that 47% of Americans say “Facebook has a greater affect on their purchase habits than any other social media” (Pick). To this point, Target does have both a Facebook and Twitter page, but has not developed any pharmacy specific accounts. Target should utilize these channels of communication in marketing its pharmacy because it is both efficient and effective. Connecting with future guests through modern technology will only add to Target Pharmacy’s unique brand.

**Pharmacy Woes**

Target Pharmacy can capitalize from standard pharmacy system flaws with its new strategy. A survey commissioned several years ago by Target and conducted by Harris Interactive revealed that nearly six out of 10 adults in this country have taken prescription medication incorrectly. The same survey found a number of reasons why adults rarely or never read their prescription information sheets. The study concluded that prescription language is usually standard and does not vary from prescription to prescription, this makes medication information wordy, overwhelming, complex and incomprehensible (“Pharmacy Moves into the Spotlight at Target”). Addressing this issue, as well as others, would boost guest satisfaction and Target Pharmacy’s reputation.

**Flaws in the system: The long line**

Another prevalent problem is long waiting lines at pharmacy counters. Whether picking up a prescription refill or asking about a specific mediation, all pharmacy guests dread wasting time in lines. However, this situation happens numerous times to many pharmacy users. It is estimated that Americans wait in line for 37 billion hours per year (Albright and Wayne). Personal, quality service requires a short wait for guests. Target aspires to be seen as a high-quality service provider. Target Pharmacy shares this same value; therefore, Target Pharmacy should concentrate on shortening guests’ waiting time to differentiate itself from rivals.

**Meet Pharma-Booth**

Pharma-booth solves the infrastructure flaws in the traditional pharmacy model. The information kiosk will give a friendly question answering service for guest with prescription questions. Pharma-booth creates a shorter line, as it’s quick and easy to sign-in, drop-off, or pay at the booth to fill your prescription. shorter lines at the prescription counter and new services provided by the “Pharma-booth” will quickly label Target as the premier timesaving pharmacy.As a further convenience, guest will get bepers to let them shop around the store instead of being forced to waited at the counter. With Pharma-booth, guest experience a timesaving, efficient pharmacy. 

**The First Pharma-Booth**

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| **Will Minneapolis skew results?**    While Target is a very popular brand in Minneapolis, it is possible this can have a negative effect. Target’s strong guest base in this area may lead to skewed results of Pharma-Booth’s success. It is possible that residents of the area may be biased and favor Pharma-Booth more than the average Target location. Even though this is possible, this beta test location will still give a good read on how successful Pharma-Booth can become. |

In the beginning, Pharma-Booth will be an experiment. To start out, Pharma-Booth will be a beta test in one store. The first Pharma-Booth will be placed in Minneapolis. The Target store located on 900 Nicollet Mall Road is the specific store chosen to test Pharma-Booth.

**The People of Minneapolis**

The demographics of Minneapolis will help contribute to the success of Pharma-Booth. The population of the greater Minneapolis area is 3.28 million according to the US census. 63.8% of the population is white, 18.6% is African American and 10.5% is Hispanic. The median age of Minneapolis is 31 and 11.7% of its residents are between the ages of 25 and 29. 6.5% of the Minneapolis population is between 40 and 44 years old (U.S. Census). The median age of a Target guest is 41. Therefore, many of Minneapolis’s residents are or soon will be of typical Target guest age. The median household income of Minneapolis is around $45,000. However, 9.9% of resident make between $60,000 and $75,000 annually. There are many residents in Minneapolis similar to the typical Target guest median income of $63,000(City-Data).

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| **2010 Minneapolis Population** |

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| Figure 6: 2010 Minneapolis Population Source: Google Images |

Target is headquartered in Minneapolis, which makes it easy for executives to monitor Pharma-Booth’s progress. *Target’s strong presence and customer base in Minneapolis will help Pharma-Booth’s initial success*.

**Target’s Role in the City**

Minneapolis is a good starting area for Target to launch Pharma-Booth. With Target’s first store opened in Roseville, just outside Minneapolis, and its headquarters in the Twin City, Target has a strong presence in this area. The Minnesota Twins’ stadium is sponsored and named after Target. As a result of its presence in the city, Target has a strong following from residents in the twin cities. These factors went into our consideration for placement of the Pharma-Booth. We feel that Pharma-Booth will succeed in this particular Target store. After Pharma-Booth is tested in Minneapolis, we plan to expand it through the Great Lakes region, and then into every major Target in the United States.

**Finding Pharma-Booth**

Pharma-Booth will be placed near the healthcare and beauty section of Target. Target’s healthcare and beauty section accounted for 25% of its 2012 total sales (2012 annual report). Many Target guests are already drawn to this section of the store, *so they can easily find Pharma-Booth*. Having Pharma-Booth in this section will have several benefits.

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| Figure 7: Target Layout Source: Google Images |

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| **Will Pharma-Booth get in the way?**  Pharma-Booth will be a great center for the healthcare and beauty section. While it will add many benefits to Target’s pharmacy and store as a whole it may have some complications. A possible side effect could be increased guest traffic in that area. More guests with shopping carts in the aisles could make it harder for guests to navigate. However, the shorter lines at the pharmacy will balance out with increased traffic. |

**Selling Pharma-Booth**

The section’s close proximity to the pharmacy makes it an obvious spot for Pharma-Booth. Figure 7 shows a map of the above-mentioned store on Nicollet Mall Road. The location of the Pharma-Booth is also relatively close to elevator and escalators on the second floor. This helps attract attention to it in its beginning stages. Being close to the entrance of the floor will help advertise Pharma-Booth. Having Pharma-Booth near the entrance will make it easily visible to guests. Pharma-Booth’s presence may lead to word of mouth promotions between guests. In the middle of the healthcare section, Pharma-Booth could serve as a directory or center for the over the counter products.

**Face-to-Face Guest Service**

In order to give Target’s guests a full range of service for when they use the pharmacy, an employee will work the Pharma-Booth full-time. This employee will be a certified pharmacy technician who can perform a wide variety of duties for the guests.

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| Figure 8: Pharmacist Source: Google Images |

**Working at Pharma-Booth**

These pharmacy technicians will be the first form of service that pharmacy guests encounter when coming to Target pharmacy. The technician will be able to answer most of the questions that customers have about their prescriptions or about over-the-counter medications (American Journal of Health-System Pharmacy). The person working in the booth will also be able to check the guest in to the pharmacy database to notify the pharmacist or assistants in the actual pharmacy that the guest’s prescription needs to be prepared. With a pharmacy technician working in the Pharma-Booth, the pharmacist should only have to answer prescription-specific questions. This will decrease the amount of time it takes for a guest to get in and out of the pharmacy.

**Assisting Guests**

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| **Why a pharmacy technician and tablets?**    Having a human work the Pharma-Booth will strengthen Target’s ability to offer superior customer service, and will further differentiate itself from its competitors in this category. Also, allowing guests to simply sign-in using the tablets will serve people who do not need to ask questions or who need to get in and out in a hurry. Yes, the Pharma-Booth could be just the pharmacy technician or the tablets. However, using both of these options will provide the best guest experience that will cover the entire demographic of Target’s pharmacy. |

Having a pharmacy technician working the Pharma-Booth will cater to a wide range of guests. The main demographic for any pharmacy is elderly people over the age of 65 (Online Statistical Data on the Aging). These elderly guests will be able to talk face-to-face with the pharmacy technician who can walk them through the process of signing in and tell them how they will be notified that their prescription has been prepared. On the other hand, more technology-savvy guests will have the opportunity to sign in by themselves without the help of the pharmacy technician. This opposite end of the demographic will most likely include younger guests who may still need the help of the technician because they may not have experience with going to the pharmacy.

**Timesaving Tablets**

In addition to a pharmacy technician, Pharma-Booth will have four iPads available for guest use. The main objectives behind the iPads are allowing guests to quickly sign in to the pharmacy, look up medication information, and use the Target mobile pharmacy site. The iPads are available to be another source of quick information for any pharmacy guest.

**Sign In**

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| Figure 9: Tablet Table Source: Google Images |

The main uses of the iPads serve different purposes for both guest and pharmacist. For the benefit of both, the iPads will be equipped with a sign-in service that will notify the pharmacist when the guest has signed in. With the sign-in feature, pharmacists will know when a guest has arrived and when she is ready to pick up her prescription.

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| **How will Pharma-Booth prevent theft?**  With the Pharma-Booth relying on the use of technology, there can be some risks. The iPad is a valuable tablet in high demand. With such a high demand comes the risk for theft. Pharma-Booth is going to prevent the threat of theft using a special lock system on the booth. The lock will be similar to the locks used at cell phone stores and the Apple store. This specific lock makes the device easy to use, but always remains on the Pharma-Booth. |

**Drug Database**

For the full benefit of the pharmacy guest, all the Pharma-Booth iPads will be equipped with a new pharmacy database that has a large range of information about different drugs sold at Target. Guests can use this database to look up possible side effects, costs, and any alternative medicines. Databases like this already exist, but the database at Pharma-Booth will be specific to the products sold at Target Pharmacy. *Having its own database will differentiate Target as a tech-savvy pharmacy dedicated to educating its guests.*

**Target Mobile Pharmacy**

In keeping with its image as a timesaving pharmacy, the iPads will have a direct link to the Target mobile pharmacy site. The mobile pharmacy gives guests access to information about the $4 generics and offers guests an opportunity to learn about the pharmacy services. The mobile site also gives guests the ability to manage prescriptions. Guests using the iPads, allows the pharmacist and pharmacy technician to spend more time helping guests with more complicated questions.

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| Figure 10: Tablet Market Share Source: The Mac Observer |

**Why iPads?**

The tablet market is growing at a rapid pace. With a wide range of brands, sizes, and prices, why choose the iPad as the Pharma-Booth tablet? Apple is the most widely known brand when it comes to technology. With Apple dominating the tablet market, the iPad would be the most familiar tablet for the average Target guest. Apple holds the majority of the tablet market share, making the iPad the tablet that most guests would feel comfortable using. Target also sells the iPad within its stores, which makes it simple for Target to acquire the needed iPads for Pharma-Booth. Because Target already sells iPads in stores, it presents an opportunity for guests to purchase an iPad as well. If a guest uses an iPad for the first time at the Pharma-Booth, she may discover that she has an interest in buying one.

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| **How will the pagers stay clean?**  A concern regarding the pagers would be the spread of germs. Guests may be concerned that sick guests visiting the pharmacy will compromise the cleanliness of the actual pager. This concern can be solved with the Aqua Pager. The specific reason for choosing the Aqua pager is for its germ-free qualities. The Aqua pager allows the pharmacy to efficiently communicate with guests while keeping everyone healthy. |

Pharma-Booth will have four iPads instead of just one to maintain Target’s new image as the timesaving pharmacy. With four tablets available, more guests can be helped simultaneously so they can get on with the rest of their shopping.

**In-Store Notification**

For guests choosing to wait in-store while their prescription is prepared, Pharma-Booth will hand out pagers. Like a restaurant, a guest will receive a pager when she drops off her prescription, and it will go off when her prescription is ready for pick-up. *The goal behind the pager system is to encourage shopping around the store while the guest waits for her prescription.*

**Aqua Pager**

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| Figure 11: Aqua Pager Source: LRS |

The specific type of pager used at the Pharma-Booth will be the Aqua Pager by Long Range Systems Inc. This specific pager is perfect for Pharma-Booth because the Aqua pager is both waterproof and antibacterial. As a pharmacy, it is important to promote cleanliness and preventing the spread of germs. Both Pharma-Booth and LRS have a common goal regarding service, “LRS invented the waterproof, antimicrobial wireless pagers to help streamline operations and optimize the guest experience, without the fear of unsanitary or damaged equipment” (Long Range Systems). To keep matters simple for the guest, there is a clip attached to each pager so she can clip her pager to her cart or basket as she shops. Having a clip for the pager prevents opportunity for loss or excess damage. For Target, the Aqua pager is another way to differentiate itself from competing pharmacies. The Aqua pager shows that *Target is focused on keeping every guest clean and healthy* as well as saving the guest as much wait time possible. The Aqua pager is another step towards making Target the timesaving pharmacy.

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To Gregg W Steinhafel CEO:

Target pharmacy prides itself on service, so it makes most sense to heavily market the idea of excellent guest service within the Target pharmacy. Although Target is interested in attracting new guests, the main goal of this campaign is to convert current guests into pharmacy guests.

With 5,000 people turning 65 every day, it is imperative to reach this expanding audience. Currently, there is no particular marketing campaign targeted towards this unique range of guests. While this demographic is a key part of success in the pharmaceutical industry, Target is still interested in attracting every audience possible. When analyzing Target’s pharmacy, the biggest problem was the guest’s lack of knowledge.

1. **SITUATION:** Background of the problem (Target’s history and current position in retail pharmacy)
   1. Pharmacy History
      1. May 1, 1962: First Target opens in Roseville, Minnesota
      2. 1969: first distribution center opens - stores and ships products
      3. 1988: first store in Pacific Northwest opens
      4. 1999: Target moves online and launches target.com
      5. 2005: Target introduces an innovative form of prescription bottles called the “ClearRx system” featuring an easy to read bottle with color coded rings - minimize chance of confusing with other medication or taking wrong dose
      6. As of 2009, Target operates 1,683 stores in 48 states, including 1,519 pharmacies and 28 health clinics.
      7. 2011: Target announces expansion into canada, with first stores opening in 2013

<https://corporate.target.com/about/history>

<http://pressroom.target.com/news/fastfacts>

* 1. Service
     1. Current/programs
        1. $4 generic prescriptions
        2. Walk in medical clinics
        3. Mobile Pharmacy
        4. Rewards Card
        5. In 2010, Target’s president Gregg Steinhafel stated Target’s pharmacy comp sales grew at seven times the company rate for the year, while the number of guests enrolled in the program grew by 70% percent and those enrolled shopped an additional five times and spent an extra $90 million in stores.4
  2. Comparisons to competitors
     1. Rankings and Market Share
        1. 1.1% of Market share in 2012
        2. Ranked 10th
           1. Fein, Adam. "Drug Channels: 2012 Market Share of Top Pharmacies." *Drug Channels: 2012 Market Share of Top Pharmacies*. N.p., 15 Jan. 2013. Web. 24 Sept. 2013. <<http://www.drugchannels.net/2013/01/2012-market-share-of-top-pharmacies.html>>.
  3. US Pharmacies on the rise
     1. ACA grows those taking medication
     2. Baby Boomers
     3. Americans suffering from obesity and unhealthy eating
        1. *Time* Magazine said Blood-pressure, thyroid, high-cholesterol, pain, diabetes are most typical ailments of pharmacy users in the US.
  4. Demographics
     1. Typical Target Guest
        1. Relatively young 41 years old
        2. Median annual income 63,000
        3. 63% completed college
        4. 43% have children at home
        5. Target guests are mostly typical family women. She is young and educated with an active lifestyle

1. **COMPLICATION:** What the problem is and how you will solve it (how Target can improve in the pharmacy sector
   1. New demographic/increase pharmacy users (Boomer Consumers)
      1. The 50+ segment of Boomers accounts for 100 million consumers (Marketing Charts)
      2. Obamacare and Growing senior citizen population
         1. 90% of people 65+ use at least 1 prescription a month
         2. 65% take 3 per month
         3. 13% of US population is 65+, 88.5 Million expected by 2050
   2. What they value
      1. Target Promises guest to “Expect more. Pay Less.”(case brief)
      2. social media/technology
         1. half of social media users under 35 follow their online friends product and service recommendations (social media today)
         2. 47% of Americans say Facebook has a greater affect on their purchase habits than any other social media (social media today)
         3. 50% of Twitter users are more likely to purchase brands they follow (social media today)
      3. Baby Boomers watch the Second largest amount of TV per month, only behind traditionalists (65+) (Marketing Charts)
      4. 82% of adults aged 50+ who use the Internet research health and wellness information online (Resources - 50 facts and fiction)
      5. face-to-face/experience
      6. convenience above all Marketing
      7. Target everyone
      8. focused, update, and convenient
   3. Pharma Booth
      1. pagers-convenience
      2. shorter lines for pharmacist counter
      3. More shopping at Target

"Baby Boomers Control 70% Of US Disposable Income." *MarketingCharts*. N.p., 7 Aug. 2012. Web. 25 Oct. 2013. <<http://www.marketingcharts.com/wp/television/baby-boomers-control-70-of-us-disposable-income-22891/>>.

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DEMOGRAPHICS=

The main demographic of any pharmacy is people over the age of 65. Approximately 13% of the U.S. population is 65+ years of age ("Online Statistical Data on the Aging"), but they consume about 30% of prescription medications and 40% of over-the-counter medications (Wellein). Differentiating itself for this demographic will be key to Target’s success in the pharmaceutical industry. Additionally, about 60% of Target’s guests are women, while about 45% of guests are between 25 and 44 years old (Carmichael). Target Corporation currently focuses its products and marketing towards middle-aged married women.

MARKET SHARE=

The pharmacy market is dominated by the traditional drugstores, CVS and Walgreens. Those two chain drugstores control more than 38% of the share of prescription medicine revenue, while Target only has a 1.1% share. Target’s closest competitor, Walmart, controls 6.5% ("2012 Market Share of Top Pharmacies"). Target needs to develop a way to increase revenue to compete with Walmart and other competitors. Revenue can go up by increasing the amount of guests at the pharmacy; especially since the frequency of customer visits cannot be increased. This is due to prescriptions usually lasting a certain amount of time before the guest needs a refill. Also, price matching takes away the possibility of differentiating costs. Some pharmacies differentiate by providing faster service or adding convenient drive-throughs. However, Target upgraded the design of their pill bottles and labels to make them user-friendly to acquire more of the market share ("Target Turns Old Pill Bottle Design on Its Head").

Currently, there is no particular marketing campaign targeted towards this unique range of guests. When analyzing Target’s pharmacy, the biggest problem was the guest’s lack of knowledge. The simplest and most affordable way to increase guest awareness would be to create a marketing campaign specifically for the Target pharmacy.

With 5,000 people turning 65 every day, it is imperative to reach this expanding audience. Currently, there is no particular marketing campaign targeted towards this unique range of guests. While this demographic is a key part of success in the pharmaceutical industry, Target is still interested in attracting every audience possible. When analyzing Target’s pharmacy, the biggest problem was the guest’s lack of knowledge. The simplest and most affordable way to increase guest awareness would be to create a marketing campaign specifically for the Target pharmacy. Target pharmacy prides itself on service, so it makes most sense to heavily market the idea of excellent guest service within the Target pharmacy. Although Target is interested in attracting new guests, the main goal of this campaign is to convert current guests into pharmacy guests. The main objective of our campaign is to bridge the gap between different generations through Target’s “Pharma-booth”. Pharma-booth will be the guest-friendly pharmaceut information kiosk designed to speed up the prescription process and provide superior guest service. Traditional guests will have a choice of speaking with a pharmacy technician while technology-savvy guests have the option to use a computer to answer any medical questions they may have. This shortens the line and length of time at the actual prescription counter. With the addition of the “Pharma-booth”, the prescription counter can be reserved specifically for pick-up. Shorter lines at the prescription counter and new services provided by the “Pharma-booth” will quickly label Target as the premier timesaving pharmacy.



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**“TARGET’S TIMESAVING PHARMACY”---- BOOM!!! Marketing campaign title**

**PowerPoint Outline:**

**Target the Times:**

**• Takes up too much time (convenience)**

**• Outdated, unfocused for current times (generations, guests)**

**Service:**

**• Executives say “service” differentiates Target from competitors**

**• “Pharmacists lack time to engage guests”**

**• Programs are “simple and easy for guests to understand compared to competitors”**

**Previous Attempts:**

**• Attempted to serve guests through Mobile Pharmacy site, Clinic, REDCard, and $4 generics**

**• Add statistics on usage of pharmacy (lack of improvements)**

**• guests lack of knowledge**

**• Rather than focus on a specific audience, (ALL guest acquisition)**

**• Bridging the gap of technology between people of different ages**

**THIS IS IMPORTANT BECAUSE:**

**- NYtimes article: 48 mil will get health care due to affordale care act - this will provide an influx of younger shoppers**

**• Target research report packet: 5,000 people turn 65 every day - this will account for a growth in older shoppers**

**• Want to convert all existing guests to pharmacy guests, and introduce new shoppers to Target through pharmacy**

**We have come up with a way to implement these changes, which Evan will now discuss**

**(Target isn't sure how they will react or what this will mean for their own pharmacy)**

**Pharma-booth:**

**• health kiosk ran by a pharmacy technician**

**• Traditional guests will have a choice of speaking with a health consultant while technology-savvy guests have the option to use a computer to answer any medical questions they may have. This shortens the line and length of time at the actual prescription counter. With the addition of the “Pharma-booth”, the prescription counter can be reserved specifically for pick-up. Shorter lines at the prescription counter and new services provided by the “Pharma-booth” will quickly label Target as the premier timesaving pharmacy.**

**-Now to talk about how Target will market this new plan, here is Bobby!**

**Pharmacy Technician**

**Advertising:**

**Past successes bringing in new customers?**

**• general marketing campaigns but none stick out**

**– marketing campaigns are usually broad on a corporate level with no internal specifics; local competition strategies that reflect guests in the area are used**

**– Currently use normal mediums (TV, web, social media)**

**» None pharmacy based s**

**– No current demographically centered ads for 65+**

**• Want to develop Target’s brand in their own way**

**– Not interested in adopting competitor systems/techniques**

**Powerpoint Q&A**

**-Any specific City?**

**Minneapolis - its the Target HQ and a trusted brand**

**-“Our products and services help differentiate Target, engage our guests and make both their online and in-store shopping experiences more enjoyable and convenient” -Molly Koenst, a spokeswoman at Target, Minneapolis, MN.**

**Questions to ask at Target Q&A**

* **Who does Target market to most?**
  + Current pharmacy demographic mirrors typical Target demographic but there are pockets of younger/older customers for Targets pharmacy
  + Want to reach baby boomers aka matures/empty nesters
    - 5,000 people turn 65 every day
    - Currently no marketing strategy focused on this specific group
  + BUT STILL OPEN TO ALL DEMOGRAPHICS
  + Currently have balanced approach in marketing to current Target customers and new customers
* **Is the target audience for pharmacy the same at the target audience for the store as a whole?**
  + focus on general guest acquisition
  + want a broad range, want to reach ALL guests
* **What do executives consider the strongest aspect of Target’s pharmacy?**
  + “service”
* **What do executives think the biggest complaint and/or weakness of Target’s pharmacy?**
  + Convenience: pharmacy hours shorter than competitors (some different store types have different hours), no drive thru (NOT interested, too large of an investment), Target pharmacy located in middle of the store
  + Pharmacists lack time to engage customers
* **What current form of advertising do executives consider the best for Target?**
  + Current forms of advertising: media, TV, social media (focus on awareness and converting current shoppers to pharmacy guests)
  + Social media: 2 twitter accounts and a facebook but not pharmacy specific
    - Executive suggests pharmacy specific accounts but none have been implemented
  + Past successes bringing in new customers?
    - general marketing campaigns but none stick out
      * marketing campaigns are usually broad on a corporate level with no internal specifics; local competition strategies that reflect guests in the area are used
* **How do executives want to differentiate between Target’s pharmacy and competitors?**
  + Target’s competitors have a larger # of locations, some are specifically drug stores as compared to an entire retail store
  + want to develop Target’s brand name as a pharmacy
    - stick to Target’s own ways
    - not interested in adopting competitors systems or techniques
  + Target uses local competition strategies
  + Pharmacy programs are simple and easy for guests to understand compared to competitors
  + Currently differentiate themselves based on service
  + Want to make sure customers have all the services they need at a good/reasonable price
  + Won JD power in pharmacy service 5 out of last 6 years
* **Targets Best current way to inform current customers about pharmacy**
  + Not doing anything
  + using normal mediums to market (TV,web,Social media)
* **Specific Marketing to Senior Citizens (>65)**
  + Don’t have exact campaigns directed to anyone
  + some ads are more focused on seniors, but don’t have a specific set of ads just for them
* Give 5% of pre tax earnings to charity
* People who use Target and their pharmacy is “Not as high as you think” (He wasn’t sure if he could give specific number)
* **Main goal of marketing strategy is to create awareness to customers about it’s pharmacy and it’s services**

New Ways to Advertise

* (<http://www.mplans.com/pharmacy_marketing_plan/marketing_strategy_fc.php>)
  + Walk-in customers will be targeted through advertisements in the local paper; the advertisements will raise visibility for the pharmacy and their discounted prices. As the price of medication continues to skyrocket, these lower prices will appeal to local people as a way to try to contain these rising costs (Current customers)
  + Mail order customers targeted through an advertising campaign in magazines and newsletters that have an older (over 55) crowd that regularly needs medication and knows in advance what their needs are (New customers)
  + Approaches to consider during marketing campaign
    - pricing, distribution, advertising/promotion, and customer service
* (<http://smallbusiness.chron.com/marketing-ideas-bring-new-customers-pharmacy-3569.html>)
  + Consider placing advertising in nursing homes, doctors’ offices, human resources departments for large companies and neighboring businesses and health-related organizations
  + “Proven and Powerful Marketing for Your Independent Community Pharmacy,” recommends incorporating a private “consultation room” for discussing sensitive pharmaceutical concerns with patients and then advertising this offering via newspaper, radio or other advertising platform.
  + Create promotional activity calendars for pharmacy events that may attract new customers. Ideas include an “allergy season” presentation in the spring and information about diabetes before the winter holiday season, when patients may want information about enjoying the season’s delicacies without putting their health at risk. Alert the media to these events for free publicity and possible coverage
  + Merchandising and displays can effective market to new customers, particularly in situations when the pharmacy is located within another retail store, such as a drugstore or grocery store. Merchandising displays can attract new customers to the pharmacy to browse rather than just walking by. Display products related to the theme being promoted, and include “shelf talkers” that activate to present health information when customers walk by
  + Attract new customers to the pharmacy with an offer of something special, including free health information, a free useful item, such as a paper fan during the summertime or reusable shopping bag, or discounts on health-related pharmacy items such as over-the-counter pain relievers, sunscreen or vitamins.
  + Another marketing idea to bring in new customers is to offer health care promotions where people can receive free health care screenings for blood pressure and cholesterol. Gift cards for services, such as flu shots, can also be used to attract new customers, according to Samantha Timmerman at the Pharmacy Development Blog

How Target Currently Advertises

* “Weekly Ad” on company website offers deals/discounts (*weeklyad.****target****.com/*)
* “Target Uses Guest Intelligence to Drive Market Strategies” (<http://www.retailtouchpoints.com/retail-store-ops/402-target-uses-guest-intelligence-to-drive-marketing-strategies.html>)
  + primary component: “ implementing optimization technology”
    - focused its efforts on Planogram Optimization and Space Optimization provided by SAS
    - “We plan from the top down, using both macro and micro views of the store" to enable space management by sales patterns, categories and individual products
    - Examines “adjacencies” (categories that are merchandised near each other within the store)
      * “by looking at sales patterns, we can create cluster-specific planograms.”
  + Optimization constraints:
    - **Presentation.** One of Target’s goals is to hone in on minimum and maximum product facings using a block layout
    - **Assortment.** At Target, the most effective assortments feature complementary items merchandised near each other.
    - **Inventory control.** The primary constraint in managing inventory throughout more than 1,700 stores is the expense associated with supply chain and store operations.
    - **Fixture constraints.** The physical limitations of store fixtures come into play as issues such as product weight must be considered.
  + 9 Challenges/Learnings:
    - **Analytics.** Respect the data and appreciate the resulting analytics.
    - **Data Quality & Standards.** For quality control, implement standards associated with how data is handled.
    - **Financial Resources.** Create a budget and follow it.
    - **Clearly Defined Roles.** Each member of the team should understand his role in order to effectively communicate and deliver on goals.
    - **Training.** Be sure team members, from the top down, understand how to use the optimization applications.
    - **Hire Analytical, Reporting and Data Analysis Talent.** Build a team that knows what to do with the data once it’s collected.
    - **Prototype, Learn then Develop.** You will save valuable time and money if you first prototype an implementation, learn from the prototype, then develop the final product.
    - **Test, Learn then Scale.** Take the time to test the implementation on a small scale, learn from any mistakes then scale up to a full chain rollout.
    - **Balance the Art and Science of Retail.** Technology helps today’s retailers create more effective, efficient and customer-centric stores but don’t ignore the art of using experience and instinct to enhance the process.

What Target Pharmacy Already Offers: (<http://www.target.com/pharmacy/main>)

* Cheap generic prescriptions—just $4 for a 30-day supply, or $10 for 90 days
* The Target Pharmacy® Rewards program

Receive 5% off a day of Target shopping after filling five eligible prescriptions

Access online tools to track your progress and keep your information up to date

View your rewards transaction history and when your 5%-off certificates are issued

Pay for your prescriptions with a REDcard®, credit or debit card, cash or check

Add other people to your account to accrue rewards faster

* Target Specialty Pharmacy

works directly with customers with complex and chronic conditions

#### Prescription Drop-Off

* + - Immediately begin the process by communicating with customer insurance plan and prescribing doctor to ensure they have the required authorizations to dispense prescription; specialty prescriptions take extra steps.

#### Benefits Investigation

* + - Often, filling specialty prescriptions takes additional steps and they need additional information; they work diligently to understand customers benefits and work with their insurance plan and doctor to get therapy as soon as possible.

#### Prescription Pickup

* + - If you're waiting for your prescription to be authorized, they'll call you to schedule a pickup at your Target that is convenient for you.
* Pickup and Consultation

#### Introduction: After picking up a prescription guests often have additional questions. A Target Specialty Pharmacy team member call soon after pickup to introduce the program

#### Prescription Education: Taking specialty medication can be complicated; introduction call discusses prescription and ensure customers aware of proper use, possible side effects and additional resource (clinically trained pharmacists are also available to answer questions)

#### Co-Pay Assistance: Target team members discuss specific customer situation and determine if eligible for co-pay assistance programs offered through various sources; help find the appropriate program(s) and help enrol

* Ongoing Services

#### Support Services: Depending upon customers therapy, they reach out on a periodic basis to check in and see how they’re doing, also provide as-needed access to clinically trained medical professionals who can provide support, answer questions and offer clinical advice

#### Refill Reminder:call to schedule a convenient pickup at customers local Target when ready for refill. Also work with guests and their doctor to renew prescriptions if needed. As always, also check in to see how customer is feeling and if they can offer any support

* Target Clinic

flu shots, minor illnesses, skin treatments, minor injuries, vaccinations, cosmetic prescriptions consultation, and wellness & other services

* Target Mobile Pharmacy Site (<http://www.mobilemarketer.com/cms/news/commerce/9990.html>)

lets shoppers refill prescriptions from any smartphone; joins mobile pharmacy solutions from Walmart, CVS, Rite-Aid and Walgreens

customers can search for the closest Target pharmacies, transfer prescriptions from their current pharmacy to Target, and schedule auto refills via the mobile pharmacy

**being promoted via mobile banners**

**The mobile pharmacy presence also helps Target support its brand.**

**“Our products and services help differentiate Target, engage our guests and make both their online and in-store shopping experiences more enjoyable and convenient” -Molly Koenst, a spokeswoman at Target, Minneapolis, MN.**

Other Support:

* Barely any complaints/bad press about Targets pharmacy currently and relatively positive feedback from customers
  + <http://www.dailyfinance.com/2010/07/27/your-most-and-least-favorite-drug-stores-or-pharmacies/>
* “Target seems to keep customers coming back more than its retail competitor Walmart, in part, because it's so darn likable”
  + Strong customer base
  + More likeable company than competitors
  + <http://management.fortune.cnn.com/2011/08/19/personality-counts-walmart-is-frugal-but-target-charms/>

<http://www.immersionactive.com/resources/50-plus-facts-and-fiction/>

* This has some stats on baby boomers
* How they shop, how much they spend etc.







Purpose:

The goal of this document is to create a vision for the future of Target Pharmacy.

Financials:

(maybe provide a discount card or something to segment costs, people stop buy and get a card)

Target Pharmacy is in the Household Essentials category that makes up the largest percentage (25% of store sales) of Target's sales. The Household Essentials category includes pharmacy, beauty, personal care, baby care, cleaning and paper products. This category will not feel cyclical business cycles due to the inelastic demand. Something key to note when complaining about costs or saying too high of a demand, as this will always have a good inflow(and inflow is increasing with ACA/Baby Boomers)

(Could use the timeline to create a costs breakdown further...more work though)

Maybe Target can see this as a way to lower customer acquisition costs or as an acquisition cost itself.

What we need to prove:

-Our idea will increase customers

-The new customers will offset the costs of getting these new customers

-low costs to keep the customers returning and keep Target profiting

[Target Annual Report](https://corporate.target.com/_media/TargetCorp/annualreports/content/download/pdf/Annual-Report.pdf)

Revenue:

Expected increase in customers flow (average revenue per pharmacy customer? \* additional guest)

^ this will be because convenience went up; Adding more customers will be \*12 and thus valuable over a long-term period if additional customers can be acquired (customer acquisition costs) Really want to explain how it captures new influx of potential customers from aca/baby boomers

Additional Shopping in the other departments (find some stats or make up some estimated crap

Costs:

**Variable**

Health Consultant: If salaried send to fixed costs

Power costs (Will have to estimate standby & on power; average energy costs in US)

Maintenance costs (This will be tough to measure, possibly just say replacement every x years and use product life in high-use; Additionally, there will be an IT unit to fix these)

**Fixed**

Buying computer screens (right now I say $230 per store)

Development of software for retail (~150,000; probably a database and User interface for the computer screen and an app for phones that allows buzzer and medicine alerts...ect capabilities.)

|||||||||||||||||||Does Target offer WiFi btw? might help for application addition to the idea||||||||||||||||||||||||