

Marketing Niches Case Studies

Application Activity A Cholla Pharmacy Marketing

Attached is a one-page description of the trials and tribulations of Charlie and Charlene Cholla (pronounced “choy-ah”). Review the facts of the case, then answer the following questions:

1. From a marketing perspective, what mistakes did Charlie and Charlene make in implementing their vision of community pharmacy practice?
2. If you had been consulting with them, what suggestions would you have made that might have prevented or minimized the problems they encountered?
3. At this point, how would you suggest they proceed in implementing their vision of specialized services in community pharmacy practice?

Cholla Pharmacy: Case Facts

Charlie and Charlene Cholla were two young pharmacists. Marrying shortly after they graduated from pharmacy school, both had emphasized clinical pharmacy and management coursework during their professional training. They also shared a mutual interest in sports and fitness, and were particularly interested in applying their new knowledge, skills, and interests to serve patient needs in the community practice setting in their home town, Phoenix, Arizona.

Over their first three years of practice, the couple had been able to save a substantial amount of money working in local chain pharmacies. Using these savings and a loan from Charlene's parents, the pair purchased a community pharmacy in Sun City from the family of the former owner who had died suddenly in an automobile accident.

Although the pharmacy was small, it was profitable. Moreover, it was an important fixture in the lives of the elderly population that lived around it. Immediately after they purchased the pharmacy the couple changed the name of the store from Sun City Drug to Cholla Pharmacy. They then began to implement their shared vision of community pharmacy practice.

As a first order of business, they eliminated all tobacco and alcohol products from the store, and revamped the candy and sweets sections to include only low calorie and/or nutritional snack foods. They then downsized the popular gift and greeting card sections to make room for a semi-private counseling area for their patients. Although the previous owner had not regularly performed patient counseling, the Cholla's believed that all of their patients needed this service.

Next, they eliminated a number of product lines that store records indicated were not in high demand. Among the merchandise that was discontinued was the store's small line of durable medical equipment. In its place, a sports medicine department was created, complete with braces, hot and cold compresses, nutritional products and OTC drugs - all used to prevent or treat sport-related injuries. Their goal was to create a new and dynamic image for the pharmacy as THE place to go for sport-related pharmaceutical and health needs. The couple then hired a creative advertising firm in Tempe, Arizona, to communicate their new image to the market, and waited for the people to pour in.

The next six months were disappointing. Although their expensive advertising campaign did bring in some new customers, it seemed that the total number of customers decreased. Some of the regular customers actually seemed to resent the patient counseling that the Cholla's performed for every prescription they dispensed, and many patients were reluctant to share information about themselves that Charlie and Charlene believed was vital in order to properly monitor their drug therapy. Charlie and Charlene were bummed!

Application Activity B Osteoporosis Screening

After carefully reviewing the needs of their patient population and reflecting on their own goals and objectives, Charlie and Charlene Cholla decided to add osteoporosis screening as a specialized service offering in the pharmacy. They will perform screenings Monday through Friday from 8:00 am to 6:00 pm on both an appointment and drop-in basis. They will charge \$45.00 cash for this service. In addition to the screening service, the pharmacy will provide educational materials about osteoporosis prevention and treatment.

1. Using the appropriate guidelines, determine which market segments Charlie and Charlene should target.
2. For each market segment, list the benefits that their new screening program offers.