

## Pharmacies lure customers with discounts, freebies

Increased competition forces retailers to innovate to push sales

G NAGA SRIDHAR

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If you are buying your regular dose of medicines, you can now look for innovative discounts in cash as well as kind.

Driven by increased competition, pharmacy chains and retail chemists and druggists are luring customers with a variety of offers. While discounts are not a new phenomenon, they are back now after most of the drug-sellers withdrew them for the last one year citing the regulation of essential drug prices by the National Pharmaceutical Pricing Authority (NPPA).

Our enquires with the corporate pharmacies and retailers reveal that the reason are that there has been excess number of drug outlets which are eating into the margins even as the healthcare market remains ever green irrespective of the

state of the economy. This is precisely driving the fresh wave of discounts.

Corporate pharmacy chain, MedPlus has gone a step ahead is offering a rewards programme for customers under the name of FlexiRewards.

"We are offering three categories of rewards in the form of cash discount, household items and value plus items. All these options will provide a savings ranging from 10 to 35 per cent on medical purchases for our customers," Madhukar Gangadi, CEO MedPlus, told *Business-Line*.

While cash discounts are offered to the tune of 10 per cent, they can also choose household items like a dish washer, soaps or shampoo or high value household items depending on their reward points. "We are seeing the positive impact of this



scheme on our drug sales over last two months," he adds. MedPlus has about two lakh customers visiting its 1,250 outlets across the country everyday.

Apollo Pharmacy, which has over 2,200 stores, also put in place a loyalty rewards programme to offer 7 to 10 per cent, according to its Chief Operating Officer PB Ramamoorthy. The retailers are also following the suit. "If I don't offer about 10 per cent discount, customers are not willing to buy. We have no

choice but to offer even for those drugs which have very smaller margins," says P Hari, who runs Harish Medicals in Amberpet here.

From a customer point of view, this is apparently a welcome development. "Whatever may be the reasons, I am happy that we get these discounts again. Last year, most pharmacists had either declined or made them very nominal," says M. Shanta Devi, a retired Govt employee.

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