



The Baby Market within Pharmacy

The baby market in general is dynamic with many contributing factors. Influences on the market are diverse and range from a global and local reduction in birth rate, education levels within society (as many working mothers will choose to remain longer in the workforce prior to expanding their families), contraception availability, fertility rates and obviously now the Covid 19 Pandemic.

Many of these factors overlap, with education linking to contraception awareness, and choice linking to the impacts of secular behaviour. If you keep looking widely it is clear that environmental considerations also play a factor with parents favouring sustainable, natural, organic and ethical products.

Birth rate has been declining in both the USA and China for years, and Ireland is no different with the average number of births per 1000 people dropping from 12.69 in 2019 to 12.352 in 2020 and 12.013 in 2021.

It was widely reported at the start of the Covid 19 Pandemic that a 'baby boom' might occur as is tradition in times of 'holiday' type periods like Christmas, New Years and St Patricks Day. The reality has actually been quite different, whilst there was some panic buying and stockpiling initially for baby essentials, the growth of the overall market has reduced. This is likely due to the financial instability of families with people surviving and living with lower incomes and with less certainty about their future job stability.

Weaker job prospects generally equate to fewer births, with some families postponing pregnancy and some choosing not to increase their family size at all. A report from America defined the decline in the baby market, in relation to Covid 19 alone as an excess decline of 8.6%. The Brookings Institution expected potentially 14% few births in the USA and the up-to-date data suggests their predictions were near accurate.

Challenges and Opportunities

So, after that grim summary of the Irish and global baby market it is time to look at it from the context of our own pharmacies! The news is not all bad! I will shortly discuss the biggest opportunities for Irish Pharmacy in the baby market, but first I would

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just like to highlight a couple of challenges and potential solutions!

The Biggest Challenges:

- Nappies, formula, wipes, baby food and essential hygiene products. Margins in these areas have never been remarkable and the access to the consumer to these lines in Supermarkets, convenience stores etc has led us to compete with retailers in a larger more price sensitive industry. The challenge is that while many pharmacies have traditionally stocked these lines, it might be worth asking yourself if it's worth it. By stepping back from these low margin lines we can allow ourselves to step up in other ways which I'll discuss later when highlighting opportunities.
- The decline in birth rate – I'm not suggesting we can do

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anything about that. However, it is important that we recognise it and realise that while there is psychological economic malaise and instability we should focus our attention on areas where we can prevail. Not all birth rate decline is due to covid as mentioned above, personal choice to remain in the workplace, or not to have a family at all contribute, but so also does the knock on effect of an older generation of potential new mums This can be seen in Ireland with the high uptake of fertility treatments. We are specialists in health, and we should ensure we are offering fertility dispensing services, supplements and guidance to parents trying to conceive.

- Streamlining of purchasing habits. With travel restrictions, restrictions to the number of customers we can have in store and general lack of ease with browsing, consumers have sped up the trend to do their research on what products they would like online and have not always been engaging with pharmacy teams for advice. A lot of the products which we sell to parents are OTC meds – they don't tend to buy these online as the need is generally instant and

a delay in waiting for delivery is not an option. I will speak about this more later as an opportunity. Whilst online is suitable for many lines and many industries, for the baby health market the value of in-store purchasing should not be underestimated.

Now that we have considered the biggest challenges facing us in Pharmacy in relation to the baby market, we can realign our strategy to seek opportunity. Evolving with the market is essential and we are ideally placed as healthcare professionals within our communities to engage with our customers and provide them with a high standard of customer experience in a way that worried parents not only need, but will actively seek out.

The Opportunities

- There is one category which has not shown overall decline in the wider market and thus should be constantly reviewed and considered by pharmacy purchasing teams. Parents have become more inclined to purchase more niche brands which include natural or organic products and eco-ethicals. Consider swapping out some of your bulky low margin supermarket lines to refined



transactions are easy, smooth and quick. The marketing advice is that retail spaces should aim to become experience centres, not just places to purchase! Signage, technology, and mobile payment options all help with a good experience.

- Training – Team members need to be at the top of their game. They need to know their products well and to recommend them appropriately. Team members set the emotional tone for the consumer once they enter the store, and their attitude and engagement can be critical to the consumers journey within your pharmacy. I recommend pharmacy teams to use www.wonderbaba.ie as a training resource to assist with understanding the needs of parents and what the treatment guidelines are.
- Click and collect – this is a strong option and for young millennials, it's a winning facility to gain footfall yet also a customer contact opportunity.

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Pharmacy Growth

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Hopefully, services like children's flu vaccinations etc will continue to grow and we can allow ourselves to take the professional platform we deserve. From a retail perspective it is important to understand and know your customer type, I hope I have highlighted their main characteristics and ideals here and you can consider how best to implement the recommendations in your store. Baby is a section which can open opportunities for us to get to know young families and couples in our areas, it is often the first introduction to regular pharmacy visits that families will experience. Providing convenience, an enjoyable experience and a high level of product knowledge can create a loyal customer who will remain a valued part of your growing demographic ongoing.

choices within these niches. The key here is the consumer experience – these are feel good purchases and so need to be merchandised in an inviting and higher end manner.

- Fertility assistance. Products like pre-seed, Proceive, ovulation detection tests can be items required by parents trying to conceive. Having a section dedicated to family planning can be useful in some areas. It's worth testing your market. It is essential to ensure your pharmacy team are well briefed on how to support fertility patients in store with the Pharmacist ensuring a high level of counselling has been provided where required on fertility based prescriptions. Having empathy for this patient cohort can nurture relationships and create a loyal consumer going forward. This particular patient group truly need to have

a professional and warm patient journey through our pharmacies.

- The online consumer – There is a tendency for parents to research products before visiting the store to purchase, or for certain lines they will purchase online. The area that we need to focus on is the area that sets us apart! We are healthcare specialists – healthcare is what we do. We are extremely capable and well trained to deliver a valuable service. Engaging with customers is key here to build relationships and create sales opportunities. New parents love nothing more than to have an accessible healthcare professional that they trust to rely on. We serve to allay their fears and identify symptoms. They trust us to respond appropriately by suggesting treatment or referring when needed. We are best served by evolving and innovating

without losing our core values or sacrificing standards. It is important to remember that both online and offline interaction are key to a positive customer experience. In-store shopping experience will remain strong even in the digital era. We are lucky to have the opportunity to engage on a personal level with our customers in a way which would not be invited in other retail settings.

- Merchandising – Parents need buggy accessible stores with easy and clear merchandising. They want to be able to navigate the store quickly and efficiently with a tantruming toddler in tow. We can make the customer journey positive by assisting, smiling and engaging with both the customer and their family! Everyone (big and small!) needs to love visiting their local pharmacy! Pharmacy teams need to ensure that payment