



Using Niche Services to Create a Blue Ocean

by Liz Tiefenthaler

In 2005 a revolutionary book came out: *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*. Eleven years later, the message is still just as powerful, if not more powerful, particularly for independent pharmacy. The book encourages companies to break out of the “red ocean” of bloody competition and create their own market space, or blue ocean, out of untapped market space. In a blue ocean, the competition is irrelevant and there is a potentially untapped market of new customers with better opportunity for profit and growth.

As competition gets increasingly heated in pharmacy, with chains, mail order, and the cost of doing business being out of the average store owner’s control, the successful pharmacies of the future will find new market niches that don’t have to play by the same set of rules. I talk to entrepreneurial independents across the country daily who have discovered their own blue oceans and are growing because of it.

When creating your own blue ocean, ask this question: what is the best value proposition I could develop that will appeal to the greatest number of people? Those pharmacies that have learned how to market wellness are discovering that their age demo-

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graphic just got younger. Now, there is an opportunity to provide a younger customer base with clinical grade vitamins and supplements while expanding sales to prescription patients by helping them with nutrient depletion. Not having to deal with insurance companies while helping patients get healthier is rewarding on both fronts.

Transition of care is another blue ocean opportunity. Physicians and hospitals alike are looking for ways to keep their patients from being readmitted, and you can help them. Pharmacies with a robust transition of care program that includes a clinical pharmacist who works with the patients and communicates directly with the physician offer a service that is nearly impossible for a chain or mail order to replicate. Some of the most innovative independents offer patient home visits along with organizing and coordinating all of the medications patients take with whatever they were sent home with from the hospital. Readmissions drop dramatically and these pharmacies are able to prove their value with real data.

It is important to remember that any blue ocean can become a red ocean. Innovators need to constantly be aware of new markets. They also need to be honest about the dedication it takes to launch a new product or service and the possibility of over-saturation in any marketplace. Compounding has certainly seen that in the last few years as big players entering the arena have resulted in a tightening of regulations and greater competition. Many compounders I speak with have shifted their practice emphasis to veterinary and dental, where the competition is much less and insurance less important.

Everyone has blue ocean opportunities. Listen to your customers’ needs, look at your own niche offerings, and get ready to innovate. ■

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