

Is Your Digestive Health Section Upsetting Profits?

The digestive health category continues to show growth in sales, mostly fueled by Rx-to-OTC transitions. This is a destination category where customers are looking for relief, so ensuring that you never run out of the popular brands and their private label equivalents is imperative. Customers finding out-of-stocks in this category have little to no tolerance for the phrase “it will be in tomorrow.”

Stock the Right Products

Run reports on your store’s best-sellers in this category and ask your wholesaler for its best-seller list (reports should reflect most popular items by unit sales, not dollar sales). Compare the two reports – they should have much in common. Look for missing items that appear on the wholesaler’s report and investigate why sales for those items are down or nonexistent at your store. Two reasons you may have missing top-sellers: noncompetitive retails on your brand products and underpriced private label.



At the time of this tip’s publication, Prilosec, private label omeprazole, Pepto-Bismol, Tums E-X, MiraLAX, and private label laxatives are the undisputed top-sellers in this category. Mark shelf tags for these items and **commit to never running out of them**. This is important.

Warning: It is tempting to purchase more than one private label of products such as omeprazole and docusate; keep in mind that your primary wholesaler will only provide you with zone pricing for that wholesaler’s private label brand and all others will be well underpriced.

Boost Your Profit Margins

For the most part, this category offers a respectable profit margin; however, it is not without its price-sensitive products. Generally, the big names in antacids have a customer retail awareness factor, so watch your retails. Laxatives, hemorrhoid treatment, nausea relief, enemas, and anti-diarrhea medications are not nearly as price-sensitive and are known as “blind items” that can offer profit margins reaching in the 40+ percent range, especially in private label lines. It’s worth repeating that the taste of liquid private label products in this category plays an important role in the success of sales. It’s called “the gross factor.” Don’t sell gross-tasting products! It’s that simple.

Smaller stores with limited space require a minimum 4-foot digestive health section. Medium to larger-sized stores can capture sales with an 8-foot section. Anything larger than 8 feet will offer a staggering amount of line extensions. (Remember, line extensions are more products within the same brand offered in different sizes, flavors, and sometimes strengths/doses.) The most line extensions of Pepto-Bismol I have ever seen was 23! That is too many. Most customers will simply be thrilled you have an 8-ounce bottle of regular Pepto-Bismol for them to purchase. Choose wisely.

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Merchandising Tips

- Clearly mark all sugar-free and/or gluten-free remedies in this section.
- Digestive health is a destination category that sells well near the vitamin/supplement section and/or the pain relief department.
- Consider moving your vitamins from the front of the pharmacy counter bench area to near the cough & cold department and replace with digestive health.
- Cross merchandising opportunity: Some customers may be looking for more natural remedies for heartburn and upset stomach relief. Cut a few line extensions to make room for enzymes and probiotics.

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NCPA's Front-End Overhaul

