

Regional drug chains a source of innovation

by Jeffrey Woldt

Caught in the middle of a market dominated, on the one hand, by such companies as Walgreens, CVS/pharmacy and Walmart, and, on the other, by independent drug stores, which together operate almost as many outlets as the nation's drug chains, regional players and their contributions don't always receive their due.

Those companies comprise a vibrant segment of the industry whose top-performing members manage to combine some of the strengths of retailers at both ends of the spectrum to develop offerings that meet the specific needs of their customers.

Navarro Discount Pharmacy is a case in point. Founded by Cuban immigrants, the retailer, which recently opened its 30th store, has built its business by catering to the Hispanic population in South Florida. Now the company is moving to reinforce that positioning and extend its reach with the rollout of the Vida Mia private label line. Translated as "My Life," the brand, which has bilingual packaging, is said to be the first in this country aimed at Latinos that includes offerings that stretch across a broad spectrum of consumer products categories.

Executives say some retailers in the United States with large numbers of Hispanic customers and others in Latin America have expressed interest in carrying Vida Mia, with Navarro acting as a wholesaler. The initiative shows how regional chains can leverage their experience in local markets to create opportunities.

Patient care is another area that is being positively affected by regional operators. Lewis Drugs' Synchronized MedFill program is in the vanguard of a movement to simplify and improve service for pharmacy customers. Added to the retailer's 32 stores in South Dakota, Iowa and Minnesota this fall, the initiative calls for Lewis pharmacists to work with patients and their doctors to select one day a month when all of the prescriptions used by a person are refilled. MedFill is convenient for the customer and, more important, enables the pharmacist to maximize his or her impact on such things as medication compliance and determining how well a drug regimen is working.

Navarro and Lewis exemplify the dynamism that continues to characterize the best regional drug chains. That quality will enable those companies and similar retailers to ensure that the segment of the market they occupy remains a fertile source of innovation.