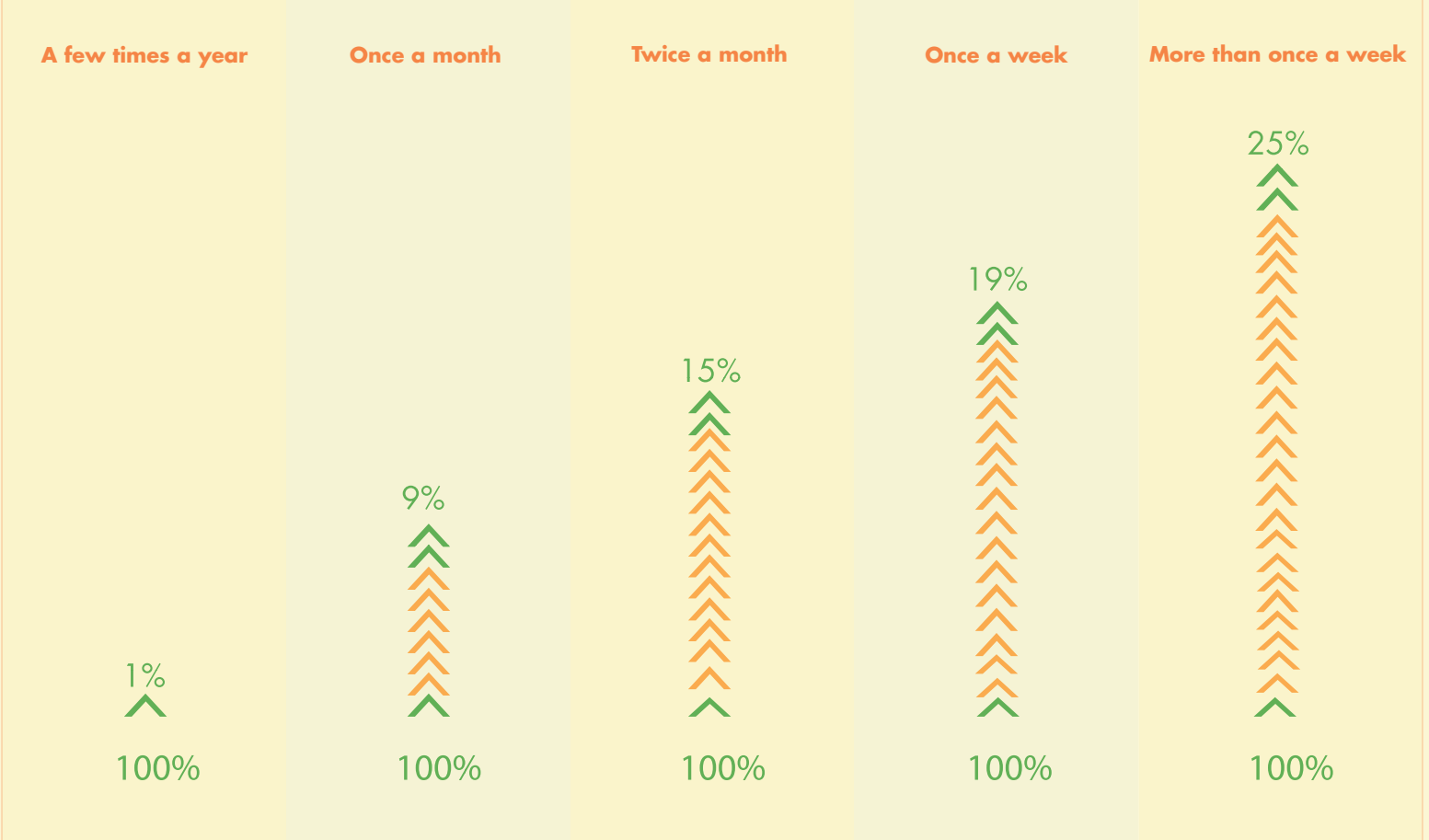


Supply Chain Action

Actions the Supply Chain can take to improve **Collaboration and Success** at Independent Pharmacy

Creating more occasions for shoppers to visit the store will increase likelihood for health, beauty and wellness purchases.

Shopper Frequency Impact on OTC Purchase Behavior at Independent Pharmacy



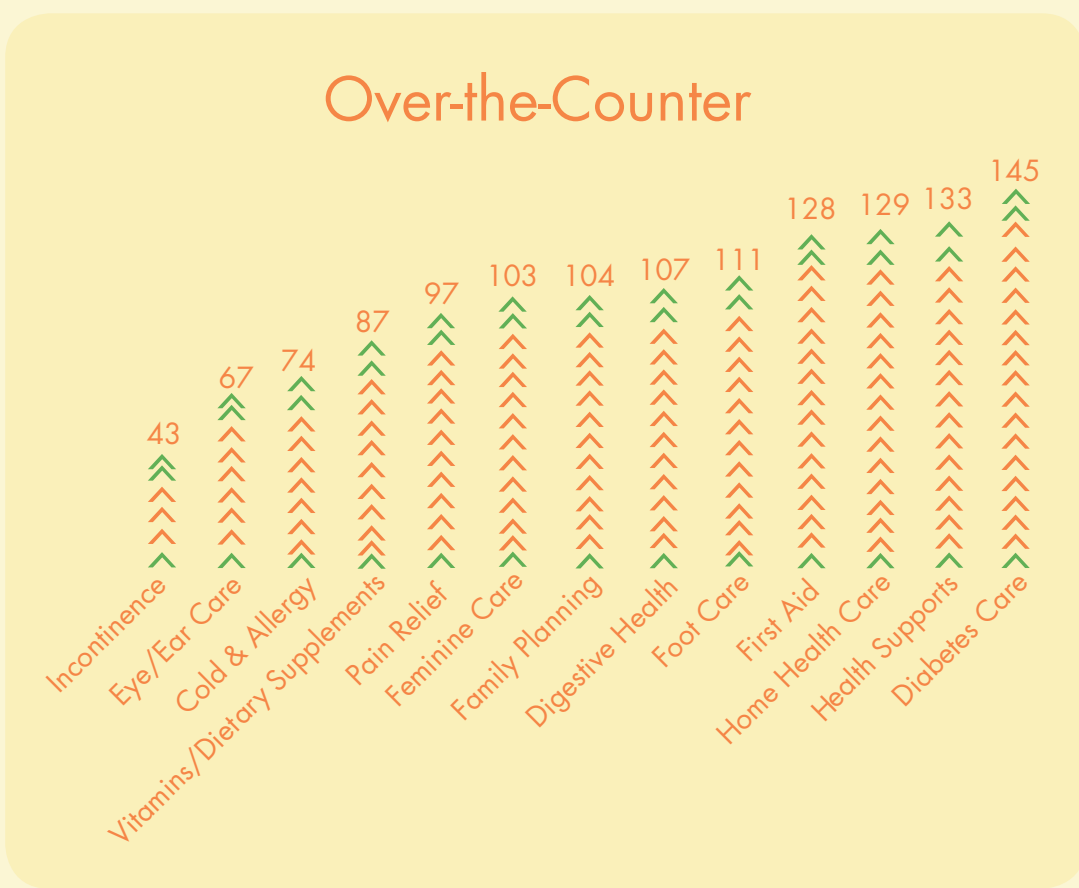
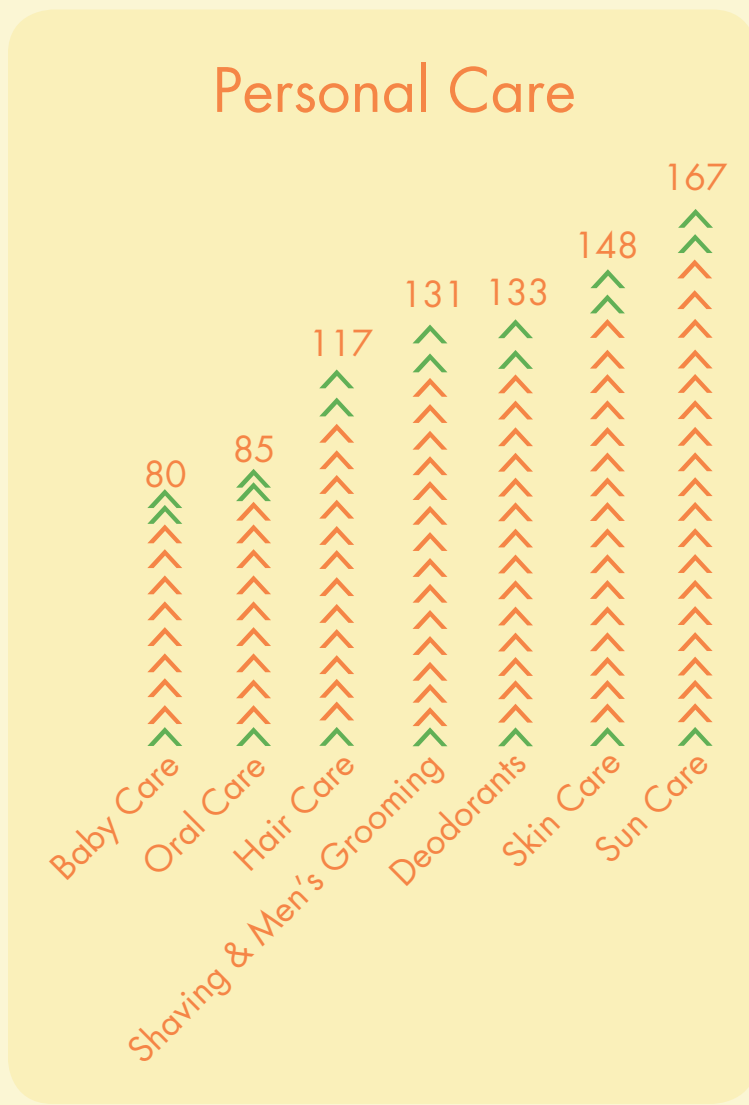
The more shoppers frequent independent pharmacies the more likely they are to purchase 100% of their OTCs at the store.

What's working in the front-end **Planograms & In-store Merchandisers**

Suppliers need to work with distributors to:

- Identify profitable and/or slow-moving items.
- Determine which products and product formats are best suited for various types of retailers.
- Establish order minimums that suit the size of the store purchasing the product.
- Offer more tools to support retail pharmacy customers, including merchandising guidance, marketing support for new items and profitability projections.
- Notify them of new item introductions at least six weeks in advance.

Average Days to First Scan of New Items by Category (Total Average for All Products = 113)



Distributor programs **Distributors need to work with suppliers to:**

- Provide more market intelligence that would help determine which products are most appropriate for which retail customer.
- Deliver more information on the success rate of purchase incentives.
- Improve on-shelf visibility.

Supply chain logistics **The entire supply chain needs to collaborate on:**

- Executing inventory management tools. SKU rationalization would be better facilitated if distributor and manufacturer trading partners shared more data.
- Adjusting category sizes as appropriate to meet the needs of shoppers.
- Strengthening merchandising, marketing, and pricing strategies.
- Sharing information about new item launches further in advance.