

Core Rx customers have new mind-set

By Jeffrey Woldt

Numerous studies indicate that the pummeling inflicted on consumers by the economic crisis has altered their attitudes toward spending in fundamental ways, and that the new mind-set is likely to have a lasting impact on retailers of all kinds.

For drug chains and other community pharmacy operators, many of the most telling changes have occurred among senior citizens, the biggest users of prescription medications and other health care products and services. A new report by Age Wave, a market research firm specializing in that demographic, and Harris Interactive provides much food for thought about how best to relate to members of the group.

"Retirement at the Tipping Point: The Year That Changed Everything," which surveyed individuals from four generations, arrives at four major conclusions: Because of recent financial setbacks, for the first time in American history people of all ages plan to work an average of 4.2 years longer before retiring; a back-to-basics approach to personal finances, including a commitment to living within one's means, has taken hold;

family relationships are changing, with a growing interdependence among generations that, in many cases, could include financial support; and retirement is now viewed as a beginning and not as an end point.

The changing views of their core customers will alter the playing field for community pharmacies.

"Older adults are seeking health care organizations that offer products, services and brand messages that resonate

Changes in seniors' attitudes create a paradox for community pharmacies.

with new aspirations and images of aging," says Ken Dychtwald, president and chief executive officer of Age Wave. "Our survey shows Americans are increasingly likely to envision retirement as a time of activity, vitality and productivity."

All that doesn't alter the fact that older people are more reliant on health care than any other consumer segment.

Dychtwald cites figures showing that while individuals over age 65 comprise just 13% of the population in the United States, they consume 34% of

prescription drugs and 50% of over-the-counter health care products.

"Older adults take an average of four medications a day," says Dychtwald, a noted gerontologist and author, whose 16th book, *With Purpose: Going From Success to Significance in Work and Life*, written with Daniel Kadlec, has just been published. "Yet, according to a recent survey conducted by the American Association of Colleges of Pharmacy, less than

half of pharmacy students say their professional education adequately prepared them to address the health care needs of older adults."

Clearly pharmacies have a lot of work to do to improve geriatric care. The challenge takes on added importance in light of the medication therapy management provisions under Medicare Part D, which promise to provide payment for cognitive services offered to beneficiaries by members of the profession.

"In order to help the next gen-

erations of retirees — including the massive baby boom generation — achieve health and vitality, health care organizations must become expert in the promotion and delivery of health and wellness in later life," says Dychtwald.

"For retail pharmacies, this means there will be growing opportunities in the following areas: creating powerful expertise and know-how regarding the needs and purchasing behaviors of older adults; improved capabilities in helping customers track and manage multiple medications; products and services that enable older adults to maintain their independence at home; and branding and marketing campaigns that emphasize continued vitality, activity and productivity in later life."

That situation creates something of a paradox for pharmacies. Although older consumers will be much more active than their predecessors and, therefore, remain more engaged in the marketplace, they will at the same time require a heightened degree of individualized attention from health care providers. The sheer size of that segment of the population and its buying power make the challenge one well worth mastering.

Chain Drug Review

David Pinto, Editor
 Jeffrey Woldt, Vice President/
 Editorial Director
 Phone: 212-699-2326
 Fax: 212-725-3961
 jwoldt@racherpress.com

Geoff Walden, Executive Editor
 212-699-2313
 gwalden@racherpress.com

Peter Homans, Copy Editor
 212-699-2334
 phomans@racherpress.com

Russell Redman, Desk Editor
 212-699-2323
 redman@racherpress.com

Richard Monks, Senior Editor
 212-699-2357
 rmonks@racherpress.com

Mika Vogel, Senior Editor
 212-699-2397
 mvogel@racherpress.com

John Schultz, Pharmacy Editor
 212-699-2307
 jschultz@racherpress.com

Susan Schinitzky, Publisher
 Kevin Burke, Vice President/
 Group Advertising Director
 Phone: 212-699-2335
 Fax: 212-725-4594
 kburke@racherpress.com

Rick Kolinsky, Southeast
 Director, Sales
 212-699-2316
 rkolinsky@racherpress.com

Christopher Stanton,
 Midwest/West Director, Sales
 Phone: 312-961-6180
 Fax: 312-398-4127
 cstanton@racherpress.com

David Zucker, Northeast
 Regional Sales Manager
 212-699-2321
 dzucker@racherpress.com

Peggy Navarre,
 Production Manager
 Phone: 212-699-2371
 Fax: 212-213-6106
 pnavarre@racherpress.com

Pam Vandemoh,
 Circulation Manager
 Phone: 212-699-2362
 Fax: 212-213-6106
 pvandemoh@racherpress.com

Clare Green, Art Director
 212-213-6000

Bill Buckley, Art Director
 212-699-2331
 bbuckley@racherpress.com

JP Endress, Art Director
 212-699-2367
 jpendress@racherpress.com

Published by Racher Press Inc.
 220 Fifth Ave.
 New York, N.Y. 10001
 212-213-6000

David Pinto, President
 Susan Schinitzky,
 Secretary/Treasurer