## Niches help independent pharmacies amid growing chain competition

As big drugstore chains like Walgreens and CVS have flocked to Florida, many independent pharmacies have been forced to ramp up service and discounts, or offer specialized services to survive.

Small stores have few of the chain advantages: multiple locations, brand name, pricing power and advanced computerized technology. So they have to find niches and develop one-on-one relationships and customized services.

Patrons say they value independents because they're easier to shop, have knowledgeable staff and carry specialized products not often found at chains.

At Arthur's Original Pharmacy and Medical Supply in Tamarac, personal service, niche marketing and industry expertise have been key to the 28-year-old pharmacy's success, owner Arthur Goldglantz said.

On any given day, Goldglantz, 58, can be found in the pharmacy's aisles fielding questions or demonstrating products for shoppers.

"Rarely do we say, 'It's over there,'" Goldglantz said

Arthur's hands-on approach is part of the personal attention customers enjoy.

"I find them [staff] very accommodating," said repeat customer Florence Jurgrau, 86, of Sunrise on a recent visit to replace worn wheels on her walker.

Last year, independents made up about 30 percent of the 4,253 pharmacies in Florida. Nationwide, their ranks grew 1.7 percent to 23,117 according to the National Community Pharmacists Association in Virginia.

While several have shuttered in the recession or were gobbled up by mega-chains, many continue to thrive, by focusing on specially tailored drugs, home delivery, medication counseling and immunization.

Independent pharmacies also tend to be in underserved communities and fill voids that chains don't.

"Independents that survive today find a niche," said Nicholas M. Saraniti, chief executive

officer of Commcare Pharmacy, with locations in Fort Lauderdale, West Palm Beach and Miami.

Commcare specializes in prescription drugs. It doesn't sell novelties or over-the-counter drugs. Its niche also includes dialysis, hepatitis and organ transplant management programs and other services for high-risk patients.

While business is up, profits remain the same. "We're having to do more to make the same money," Saraniti said.

At gay-friendly Pride Pharmacy in Oakland Park, the staff is attuned to customers' specialized needs.

They're sensitive and discreet, which often isn't the case at chain pharmacies, co-owner Gregg West said.

"When you go to a larger pharmacy chain they treat people like a number, not a person," he said.

Pride's environment offers a homey feel with wood floors, a couch and relaxing sea-themed mural. The neighborhood pharmacy also offers free home delivery and has a patient confidentiality room.

At Arthur's, Goldglantz has built a niche in medical supplies, selling braces, walkers, wheelchairs, recliners and other products for customers with special needs. He also sells diabetes shoes and is a certified fitter.

That's on top of selling prescription drugs, vitamins and health care and skin care products.

For 75-year-old Tamarac resident Margie Salant, having a specialist pharmacy nearby is a plus.

"It's [Arthur's] very convenient and I always find what I need," said Salant recently after buying a support belt for her back.

Florida, with its sizeable aging population, is a magnet for pharmacy mega-chains.

CVS entered Florida in 1999 and has 708 pharmacies today, making it the chain's No. 2 market nationwide based on store count.

For rival Walgreens, Florida is No.1, with 831 drugstores, according to data on its website.

"As the population ages, it fuels demand for additional pharmacy services," CVS spokesman Mike DeAngelis said. "The older you get the more prescriptions you need." At Tru-Valu Drugs in Lake Worth, owner-pharmacist Ken Jerkins keeps a tight lid on expenses to survive.

When Jerkins bought Tru-Valu in 1976, there were three or four independents in the area. Now he's the last one. Today there are CVS and Walgreens stores just blocks away.

"We were here long before they came," Jerkins said.

In recent years, CVS has been purchasing the pharmacy business of 100 to 200 independent drugstores annually to expand its footprint, DeAngelis said.

A new CVS will open next month on Sheridan Street in Cooper City. Others are planned for Hollywood, Miami and Hialeah later this year or by early 2012.

Meanwhile, mass merchants such as Target and Wal-Mart have become big players in prescription drug sales in recent years in an effort to become one-stop shopping destinations for customers.

The encroaching competition has some crying foul as the low-cost generic drug programs and other discounts they offer are often hard to match.

"They're squeezing the independents," said John DeMartino, co-owner of Ira's Discount Pharmacy in <u>Delray Beach</u>.

To compete with Wal-Mart's \$4 deal for a 30-day supply of generic prescription drugs, DeMartino said he's offering his own \$2.99 special. Providing a free cup of coffee or ice cream to customers waiting for their prescriptions is another way to stand out.

To boost business DeMartino distributes about 80,000 mailers every six weeks with special promotions and coupons to residents within a 10-mile radius of <u>Delray Beach</u> and another recently opened Lake Worth store.

Among the promotions are a 25 percent discount on any single item, buy-one-get-one free deals on vitamins and a \$20 cash incentive for new prescription accounts, DeMartino said.

For some independents, to survive through challenging times also means staying current on industry trends, products and treatments.

"You've got to see what the need out there is and try to satisfy that need," Goldglantz said. "Knowledge and having access [to products] is the key thing."

Arlene Satchell can be reached at <u>asatchell@SunSentinel.com</u> or 954-356-4209. Follow her on Twitter.com @The Satchreport.