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In sweeping overhaul of its retail mission, Rexall unveils 'Healthy Living' prototype

By Jim Frederick

MISSISSAUGA, Ontario (Oct. 20) Katz Group Canada's flagship Rexall drug store chain has unveiled a new retail format aimed at making its stores "an innovative health destination" that will provide customers with preventive-health products and solutions, information to lead healthier lives and an integrated approach that weds such clinical capabilities as disease state management with wellness counseling.

([Click here](#) to view photos of the new prototype.)

Company planners have opened the new format, called Rexall Healthy Living Pharmacy, at six Rexall locations across Canada. The stores offer "more than 200 health information touch points, new team members, new tools and services and one of the broadest assortments of [dermatologic] brands in the Canadian market," according to Katz Group.

The change in both the design and merchandising strategy at the Healthy Living stores is apparent even before customers enter the store, with new, earth-toned exteriors designed to blend more easily with their surroundings and convey a healthier, more natural image. Upon entering the store, customers can get help at the "Healthy Living Station" from a specially trained "health and customer experience ambassador." Dubbed the store's healthy living adviser, he or she can provide consumers with guidance on products and introductions to pharmacy and skin care services, as well as other help.

Among the health-and-wellness services available to customers is a simple-stick "hemocode" blood test to help patients identify foods that may be creating digestive or other health issues. The test "screens against 250 common foods and additives," according to the chain, and provides patients with a personalized guide for more problem-free nutrition, including a food chart, customized recipe book and ongoing support from a team of medical professionals allied with Rexall via its association with doctors' clinics in many of its stores. The service, said a company representative, is covered by most private health plans in Canada.

Another first for the chain: a Rexall Healthy Living Patient Interactive Terminal in prototype stores, with touch-screen capabilities to allow patients to research health information and learn more about disease, prevention, over-the-counter remedies and other topics.

The store's sweeping redesign allows for "a pure sightline to the pharmacy," noted COO Warren Jeffery. The pharmacy itself has been expanded to roughly 900 sq. ft., and 5-of-the-6 pilot stores also feature a 190-sq.-ft. Rexall Resource Room adjacent to the pharmacy waiting lounge, which can host health seminars, small-scale community events and other functions.

The new format, said Rexall CEO Andy Giancamilli, is "a full-line drug store, with full coverage of everything you would expect to find in a drug store, but it's very focused on healthy living. Our goal here is to improve the health care for Canadians," he told Drug Store News during an exclusive interview with company leaders. "That's what we're here for, and to help our patients and customers live a much healthier lifestyle."

That effort is playing out in several ways in the new Healthy Living prototype, Giancamilli went on. "One is through focusing on adherence," he said. "Fifty percent of the prescriptions that are written are either not filled, not taken properly or are not refilled, and we feel that if we can improve the compliance and adherence of prescription medication in Canada, we can improve outcomes of some very serious disease states." Rexall also is focusing on medication therapy management.

"But more importantly, when you walk into this store, you get an environment that will lend itself to informing you about a healthy lifestyle," Giancamilli said. That means, among other things, a storewide repositioning of virtually every department to "bridge the gap in patient care by providing greater support and accessibility to disease state management and disease prevention," he added. "We not only have the ability to help our patients with valuable pharmacy programs and primary care, but also help them make healthy product and lifestyle choices."

One striking example: the stores' huge, combined skin care and beauty care department. The section, called the Derm Centre

and staffed by an expert skin care adviser called a derm consultant, features a huge assortment of high-end and mid-priced brands for healthier skin, along with a “Dermo Analyzer” that provides interactive skin analysis to help customers identify such potential skin issues as hydration and sun sensitivity. The tool helps derm consultants work with individual customers to create a customized skin care regime.

The section also offers a “wet play station” to allow customers to sample products. “Instead of being focused on just cosmetics like our competitors, we’re focused on derm,” Giancamilli asserted.

In addition, there are perimeter and in-aisle departments aimed at different disease states and therapies, including oral care, diabetes, women’s health, bone density, etc. Each department features “information touch points” — signage cueing customers about health benefits and other helpful information.

The project, two years in the making, has yielded a dramatically different store design that Rexall officials said shifts the emphasis from commodity and mass merchandising to preventive health and engagement with customers, both as patients in need of wellness and disease management solutions, and as consumers looking for healthy alternatives in such areas as skin care, beauty and even snack foods.

“We wanted to change from a product-centric focus in the store to a patient-centric focus,” explained chief merchandising officer Ron Lalla. One major goal, he told Drug Store News, is to “inspire” Rexall’s customers “to take charge of their health.”

Despite the change in focus, the new prototype features between 3,500 and 5,000 new SKUs to accommodate the added focus on healthier products, new skin care lines, etc. Stores range in size from 11,000 to 17,000 sq. ft.

To better organize the Healthy Living prototype, Rexall has divided the store into four core shopping zones, color-coded for easy navigation. The Healthy Living section is coded green, while the Derm Centre is set off by light blue coloring. Cosmetics is highlighted with pink undertones, while the front-end convenience section is denoted with an orange background. In general, both the pharmacy and the overall store layout has been opened up to encourage what Rexall officials said is “an increased level of interactivity between the store staff and the customer.”

Company merchants and design teams also took a hard look at Rexall’s core consumer base, said Denise Darragh, VP marketing and advertising. “We segmented the customer into three groupings,” she explained, each with a name. Among them:

- “Marge” is a “senior mom” who is “likely on multiple medications and expects high service levels at the pharmacy,” said Darragh;
- “Betty” is a baby boomer in the “sandwich” generation, often caring for elderly parents, who is “the most time-stressed” of Rexall’s customers and the most likely to seek the products and services offered in the Derm Centre; and
- “Alexa” is a “hockey mom” caring “not only for her own health, but also for her immediate and extended family,” according to Darragh.

Rexall is the flagship pharmacy brand for Katz Group Canada, the 1,800-store retail pharmacy network that operates throughout the country’s provinces under a variety of banners, including Rexall, Pharma Plus, The Medicine Shoppe, Guardian and I.D.A.