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Graduation Assignment Report

Situation analysis of the Markt-Apotheke Emden to determine the satisfaction level of current customers in relation to the pharmacy’s offers and services

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Executive Summary

This graduation assignment is focused on a situation analysis of the Markt-Apotheke Emden, Germany.

Due to the ever increasing competition in the workspace of pharmacies, not least because of new established laws and the increasing usage of internet pharmacies, pharmacists nowadays have to face several issues. As customers play the most important role in this relation and the fear of losing them is an important factor, the owner of the Markt-Apotheke Emden, Dr. Annette Ites, is highly interested in her customers’ welfare. She wants her customers to be satisfied and happy with her services and offers. Therefore, a situation analysis has been carried out in order to define the perceptions and satisfaction levels of current customers. Emphasis was put on knowledge gathering in the fields of Customer Characteristics, Customers’ Buying Behavior, Customers’ Satisfaction and Wishes/Suggestion for the future of customers. These four areas have been defined as objects for this research. In relation to the buying behavior of current customers, especially the cosmetic branch of the pharmacy was focused on. The reason therefore lies in Dr. Ites’ vision of establishing the Markt-Apotheke Emden in the long run as a shop for beauty, healthcare and wellbeing. Hence, it has been crucial to know how the actual establishment of this sector is determined.

Before being able to analyze these objects secondary, data in shape of theories and concepts has been collected. Here, the focused was put on theories in the areas of Customer Characteristics, in order to define the market of the pharmacy; Buying Behavior, for determining several factors of how, why, what and where customers of the pharmacy do their purchases in relation to cosmetic products; and Customer Relationship Management, to analyze current customers’ satisfaction among the pharmacy. The gained information was later conjoined with the establishment of the research method and further it was combined with the research results.

As this research project is of practice-oriented nature, the objective was to make recommendations to the owner of the Markt-Apotheke Emden, if certain areas of the pharmacy need developments or improvements in order to strengthen customers’ satisfaction. Since this objective is based on the above mentioned analysis of the introduced
research objects, the project has been categorized in the stage of diagnosis, in relation to the intervention cycle.

For the reason that this graduation assignment was focused on opinion research, as customers’ perceptions and expectations have been the most relevant data to gain, this research opted for breadth. This implied the collection of quantitative data through a questionnaire, classified as survey research. Within an implementation period of eleven days, 223 samples have been received, which needed to serve as a first insight into the current situation of the pharmacy.

After the analysis of the gained information, results (related to the research objects) have shown that the market of the pharmacy mainly consists of female steady customers, from whom the majority belongs to the elderly generation of 56-75.

In relation to current customers buying behavior it was interesting to see that a great number of respondents entered the pharmacy for the purpose of buying products from the area of healthcare and wellbeing. Furthermore, the majority of participants indicated that they purchase their cosmetic products in the pharmacy, whereas a clear difference between male and female respondents became visible. While female customers in all age groups purchase cosmetics in the pharmacy, men before the age of 26 do not. Nevertheless, all this information led to the conclusion that the cosmetic sector is a well established and adopted fundament of the pharmacy.

Concerning the satisfaction level of current customers, results have indicated that customers are very content with the overall performance of the pharmacy. Nevertheless, the general satisfaction average of 6.3 leaves still some room for improvements to reach the best score possible, which would have been 7. Fluctuations among steady- and non-steady customers occurred, which entailed a lower contentment rate on non-steady customers’ side. Among others, lacks towards the information accessibility the pharmacy provides have been expressed. Also, in relation to wishes and suggestions of customers, the main domains which have been referred to are the non-visibility of certain information followed by some logistical incitements.

The general conclusion that could be drawn from the detected results is that the current situation of the Markt-Apotheke Emden looks very positive. The customer base consists mostly of steady customers, which shows a high loyalty rate. Furthermore, the buying
behavior of current customers indicates that the pharmacy not only serves for medical concerns, but that the cosmetic sector is also a well established fundament.

As there have been some discrepancies among customer segments, the diagnosis and the therewith embedded advice which is given to the owner of the pharmacy, is that there are indeed certain areas of the pharmacy which can be improved. These realms include the information supply towards customers, where it is recommendable to create a more visible and all-embracing provision of relevant information concerning the pharmacy's offers and services; the awareness of different perceptions among customer groups, which recommends a specific customer-segment-targeting focused on the different needs and wants of certain groups. Finally, the logistic domain needs some improvements concerning the equipment of the pharmacy as especially for the older generation obstacles with entering or making their way through the pharmacy occurred.
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Introduction

Looking at today's workspace of pharmacies, innovations, new business forms and laws of recent introduction let pharmacists struggle. Especially, the new concept of internet pharmacies makes it difficult for the classic pharmacies to resist competition. Remarkable price differences, a relaxed way of ordering from home or workplace, fast and easy to order as no registration is needed and the possibility to order products after work are just a few advantages, internet pharmacies offer. How should a classic pharmacy located in a small city keep up with this? This question has also been asked by Dr. Annette Ites, owner of the Markt-Apotheke Emden, a small pharmacy in a small town called Emden, Germany. As this city counts already twelve pharmacies only in the city center, the competition is enormous. For being able to keep up with this, Dr. Ites is always up-to-date concerning innovations on the pharmaceutical market with the focus to offer her customers the best as possible. As her customer base is the most important engine of her pharmacy she is highly interested in their welfare and satisfaction, trusting that she won't lose them towards internet pharmacies.

In order to determine this satisfaction of current customers and to find out how the general performance of the pharmacy can be regarded at the moment, a situation analysis has been the focus point of this graduation assignment. Examining the current customer segments, their buying behavior as well as their current level of satisfaction and wishes for the future, has served as a basis for giving recommendations if certain areas of the pharmacy need improvement.
Project Context

The graduation assignment at hand is focused on a communication issue which concerns the Markt-Apotheke Emden (Germany).

The pharmacy is located in a small town called Emden which belongs to Lower Saxony, Germany. To demonstrate the size of this city, one can draw a comparison to for instance, Groningen (The Netherlands). Whereas Groningen counts 193,250 inhabitants (Hanze University of Applied Sciences, 2013), Emden’s population consists of only 51,362 inhabitants (as of 30.09.2012) (Stadt Emden, 2013). Nevertheless, this little town counts a remarkable number of twelve pharmacies only in the city centre (MedKolleg, 2013). This amount is relatively high for such a small city and automatically leads to an ever existing competition among the pharmacies (A. Ites, Personal Communication, 2013, March, 25). Owners count themselves as “lucky”, when they found a location close to medical practices, where the visit rate of pharmacy customers after a treatment is very common (A. Ites, Personal Communication, 2013, March, 25). Based on this “tactic”, Dr. Annette Ites, the owner of the Markt-Apotheke Emden, belongs already to the “lucky ones” as she allocated her pharmacy in a building with several medical practices. To remain successful in the ever increasing competition in the workspace of pharmacies, Dr. Ites is highly interested in the welfare of her customers as they are the – metaphorically speaking – engine of the pharmacy, which would not operate well without them.

In order to offer her customers good quality of services and a comfortable atmosphere, since the foundation of her pharmacy Dr. Ites has developed her concept in terms of innovations. In this respect, an own cosmetic studio – integrated in the pharmacy – and technological innovations, such as an automation system for a self-acting pharmaceutical transport, have been established in 2004. This automation system offers the chance to invest more time for customer pitches, which is appreciated on customers’ side (A. Ites, Personal Communication, 2013, March, 25). With regard to the cosmetic studio and her range of cosmetic products, Dr. Ites is not as satisfied as with the automation system. The number of customers who make use of cosmetic cares or who buy cosmetic products is relatively low in comparison to customers who buy medication, for instance (A. Ites, Personal Communication, 2013, January, 21).
In order to improve the current situation, the owner considers a deeper integration and extension of the beauty/cosmetic branch in order to change the “classic” pharmacy into a shop for healthcare, beauty and wellbeing. This would give her a unique advantage in Emden’s pharmaceutical environment (A. Ites, Personal Communication, 2013, March, 25). Nevertheless, before taking any measures, Dr. Ites wants to know how the current situation of her pharmacy looks like:

- How do current customers perceive her pharmacy?
- Are they satisfied with the shop equipment?
- Are they satisfied with the services, employees and the product range?
- How do her customers differentiate from each other and for what purpose do they enter?
- How is the customers’ loyalty represented, thus, how many of them are steady customers and is there a difference in buying behavior and satisfaction between steady and non steady customers?

Among others, these are the questions that one needs to ask in order to examine the pharmacy’s current situation. Without the answers to these questions, the idea of the above mentioned shop extension cannot be further developed as it is of crucial importance to identify the actual situation of the pharmacy, first. This includes the conduct of research by looking at current customers’ demographics, buying behavior, level of satisfaction as well as wishes/suggestions for the future. By gathering quantitative primary data through a questionnaire focused on these areas, one will be able to determine if customers may currently be unsatisfied with aspects related to the pharmacy, or if they expect/wish something else. Furthermore, this will help to assess if changes or developments within certain areas of the pharmacy are preferred on customers’ side.

To round it up, and take all the above mentioned information into account, the welfare of customers is the focus point for this pharmacy. Without their loyalty the Markt-Apotheke Emden would struggle strongly in the workspace of Emden’s pharmacies. To offer her customers the best service as possible, Dr. Ites needs to know the current relation of her customers towards the pharmacy in order to figure out if improvements or developments in certain areas are desired on customers’ side. Therefore, the implementation of a situation analysis based on the current customers’ demographics, buying behavior as well as
satisfaction and wishes/suggestions for the future, may indicate a about current customers’ interest in a new shop concept.
Organizational Context

In 1985, Dr. Annette Ites established the Markt-Apotheke Emden which at the time consisted of a three-headed team (A. Ites, Personal Communication, 2013, January, 21). By now, the pharmacy is made up of twelve working members including pharmacists, pharmacy technicians, delivery men and cleaning personnel. Stakeholders in terms of pharmaceutical suppliers are two big wholesales: GEHE Pharma Handel GmbH which belongs to the Celesio AG, an international trading company which provides logistics and services in the pharmaceutical- and healthcare sector (Celesio, 2013); and Alliance Healthcare Deutschland AG which is part of the Alliance Boost GmbH, located in Switzerland and one of the international leading companies in the fields of pharmaceutical health and beauty (Alliance Boost, 2013). Direct suppliers of the pharmacy are, amongst others, Bayer AG, Novartis Consumer Health GmbH and Beiersdorf AG (A. Ites, Personal Communication, 2013, January, 21). Besides pharmaceuticals, the pharmacy offers a wide range of cosmetic products reaching from Vichy, La Roche Posay and Skinceuticals which all belong to L’OREAL further to Avéne, Lierac and Caudalie (A. Ites, Personal Communication, 2013, January, 21).

Looking at customer dates, the pharmacy counted 77000 customers in 2012. This number has been determined by examining the whole amount of sales, therefore one cannot say how many of these customers have been steady clients, people who only came once and customers who came on a regular basis to the pharmacy (A. Ites, Personal Communication, 2013, March, 27). Nevertheless, from the information gained through the pharmacy’s data base, the owner knows that from October 2012 until now, the pharmacy counted 800 steady customers (A. Ites, Personal Communication, 2013, March, 27).

Per day, the pharmacy approximately counts 200-300 clients who visit the Markt-Apotheke Emden for different purposes – either for buying nonprescription pharmaceuticals, submitting prescriptions, getting cosmetic cares or buying cosmetic products (A. Ites, Personal Communication, 2013, January, 21). In total one can say, that this pharmacy is a well-attended business, especially also due to its location directly in the city centre.

When looking at current trends in the area of pharmacies, huge changes have taken place in the past decade. Since 2004 internet pharmacies are officially permitted (Frankfurter Allgemeine, 2004). This is an enormous competition factor for all “normal” pharmacies, as it influences the customers in two important ways. First of all, the comfortable way of ordering
medication from home or workspaces without having to walk or drive to the next pharmacy attracts many people. Secondly, the price differences of products make internet pharmacies more attractive to many people which lead to negative side effects for the classic pharmacies as they lose their customers (Bloodcells.de, 2011).

Also the Markt-Apotheke Emden suffers from this trend, as many customers already asked why the products in the pharmacy are almost 50% more expensive than in the internet pharmacy (A.Ites, Personal Communication, 2013, March, 25). It already appeared that customers of the Markt-Apotheke Emden switched to internet pharmacies because many people don’t understand the calculation of the individual prices. Products in pharmacies cost more because all employees, electricity and other rental costs have to be covered. This is not the case for internet pharmacies, at least not to such an extent (A.Ites, Personal Communication, 2013, March, 25).

Another topic which is up-to-date for pharmacies in Lower Saxony is the coming into force of the Law on Reorganization of the Pharmaceutical Market (AMNOG) since January 1st, 2011. This law implies new rules for the introduction of medication on the German market and leads to declines of pharmacies’ economical situations (SAMPACK, 2012). Since 2011, wholesalers dramatically deducted discounts for pharmacies and at the same time pharmacies have been forced to pay a higher surcharge to health insurances. This led to a respectively drop in the revenue of pharmacies within the last year (SAMPACK, 2012). From this negative economic situation the Markt-Apotheke Emden is affected, too. Dr. Ites mentioned, that through the enforcement of this law, the financial situation of her pharmacy has worsened as more money goes out than in (A.Ites, Personal Communication, 2013, March, 25). Setting up higher prices for the non-prescriptive products in her pharmacy would discourage her customers to buy these products. Therefore, another solution of remaining the competition among other pharmacies as well as keeping old customers and attracting new ones must be found (A.Ites, Personal Communication, 2013, March, 25).

Wrapping it up, there are of course a lot of issues that affect the running of a pharmacy, but not all of these can be considered in this research project. To recap the actual perspective, the topic that will be further examined in this work is the analysis of the current satisfaction level of the customers of the Markt-Apotheke Emden. In this respect, an insight into current customer characteristics, their buying behavior as well as satisfaction level and wishes/suggestions for the future should be gained in order to recognize possible requests for developments or improvements of certain areas in the pharmacy.
Theoretical Framework

This section briefly outlines the theoretical fundament of the research project. Herein, the focus lies on secondary data collection in shape of theories and theoretical concepts which have been used in order to contribute to the research process. This includes, among others, the answering of the research questions but was also important for the choice of an appropriate research strategy. Especially by developing the data collection technique, which was a questionnaire and which will be introduced in the later chapters of this report, the chosen theories and concepts have helped to develop the different categories of this data capturing method.

Preliminary research was conducted for gaining fundamental knowledge about the pharmacy and current economical trends in the pharmaceutical industry. This was mainly done by desk research on secondary literature, but also through primary data collection in shape of personal communication with the owner of the pharmacy.

In the following, the theories and concepts that have been used will be outlined and in how far these have contributed to the research process will be explained.

To begin with, it is important to mention that the used theories/concepts have been chosen according to the defined research fields, which will be introduced in the following section of Research Design-Conceptual Design.

Theories in the areas of Customer Characteristics, Buying Behavior as well as theories on Customer Relationship Management have been studied.

Knowledge gaining in the first research field of Customer Characteristics was of crucial importance for the planned situation analysis of the Markt-Apotheke Emden, as it is one of the main criteria to get to know whom the target market consists of. Even more important, it had to be figured out if and in how far different customer groups may differ in relation to buying behavior, satisfaction with the pharmacy’s offers and services and furthermore, if different customer groups have different wishes and expectations about the pharmacy. As Kotler (2010) formulated in his oeuvre Principles of Marketing, 13th Edition:

“Markets consist of buyers and buyers differ in one or more respects. They may differ in their wants, resources, geographical locations, buying attitudes and buying practices. Any of these variables can be used to segment a market.” (p.185).
With this in mind, the strategy of Market Segmentation, introduced by Kotler and Armstrong (2010) helped as a suitable instrument to better understand the current customers’ behaviors and to explore the different needs and wants of customer groups. With the gained information the foundation for the development of the demographic section of the questionnaire was set up. Furthermore, this technique suggests that after the segmentation of the market has taken place and the different target groups have been defined, marketers have the opportunity to tailor each segment according to the specific needs and wants of these groups when it comes to marketing mix measurements (Kotler & Armstrong, 2010). With this information the concept has helped to segment the market of the pharmacy into specific groups reaching from gender, age groups and visit frequencies to the kind of customer (steady/non steady customer) and geographical positions. By having divided the current customers of the pharmacy into different groups, conclusions about tendencies of differences among the buying behavior and preferences could be drawn. This strategy has thereby helped to contribute to the answering of the first central research question (“What criteria are relevant for assessing the current situation of the Markt-Apotheke Emden with regard to current customer characteristics, buying behavior of current customers and the actual satisfaction level of current customers?”) by answering the first sub question of “What are the current customer segments of the pharmacy?” (See section Research Design-Conceptual Design).

The next research field that had to be examined was Buying Behavior. Related to this area, it has been analyzed how the buying behavior of current customers of the Markt-Apotheke Emden can be distinguished (See section Research Design-Conceptual Design, sub-question 2 of central question 1). In specific, the author wanted to know for what purpose current customers visit the pharmacy, if they only come for the desired product or if they like to look around the assortment as well. Further, it was of great interest to gain knowledge on the kind of products current customers buy, especially with a focus on the cosmetic branch of the pharmacy and why they buy it. Therefore, the Consumer Buying Behavior Theory, which was also introduced by Kotler and Armstrong (2010), was taken into consideration. This theory implies the clarification of what, where, when and how the customers buy a product or make use of a pharmacy’s service and what factors influence these purchases (Kotler & Armstrong, 2010). Such influencing factors can, for instance, be time, money and the effort to make one’s way to the pharmacy (Kotler & Armstrong, 2010). In order to gain this information, the Consumer Buying Behavior Theory contributed to establish the
questionnaire and also to the answering of the second sub question, named above, by focusing on the indicated categories which are inquired through this theory.

Concerning the last research field of this project, the area of Customer Relationship Management was dealt with. Here, the focus lay especially on the rationale of customer satisfaction. In order to retain positive relations to current customers, it is of crucial importance to know the actual satisfaction level related to the pharmacy’s offers and services. The higher the satisfaction of customers, the better is the business performance of the pharmacy (Buttle, 2009). This principle is called the Satisfaction-Profit-Chain. Customers are satisfied if their requirements are understood and when their expectations of the company are met. When a company additionally delivers customer values, the satisfaction rate of customers will be high. If these conditions are met, customer loyalty increases which leads to the end goal of improving one’s business performance. This might include revenue growth, share of customers and customer tenure (Buttle, 2009). Hence, it is of great importance for the pharmacy to understand its customers better and create customer value in order to guarantee satisfied and bonded customers. To determine the satisfaction level of current customers and to answer the last research sub question (“What is the level of current customers’ satisfaction related to the pharmacy’s offers and services?”) with the help of this gained information, detailed questions have been developed which will be presented in a later stage of this report (See section Research Design-Technical Design).
Research Design - Conceptual Design

Research Objective

In relation to the theoretical framework and the fact that the goal of this research is to give advice on a practical problem within the Markt-Apotheke Emden, the project at hand can be categorized as practice-oriented (Verschuren & Doorewaard, 2010). This type of research is described as making knowledge and information available which can concur to a successful interference in order to change a present situation (p. 45). In accordance to this, the present project is placed in the second stage of the intervention cycle - the stage of Diagnosis. In this phase, the background and reasons for the identified issue can be examined. Related to the Markt-Apotheke Emden, this happened through a situation analysis which examined the current customers’ perceptions of the pharmacy by looking at current customers’ characteristics, buying behavior, level of satisfaction as well as their wishes/suggestions for the future. This leads to the course of action, to give recommendations to the owner of the pharmacy based on the results of the analysis. As in this case the opinions and perceptions shared by the current customers of the pharmacy are the most valid data to gain in order to figure out if certain areas in the pharmacy need improvement or development, this project is focused on opinion research (Verschuren & Doorewaard, 2010, p.53).

Based on the foregoing information, the following research objective can be derived:

(a) The research objective is to make recommendations to the owner of the Markt-Apotheke Emden if certain areas of the pharmacy need developments or improvements in order to strengthen customers’ satisfaction (b) by making a situation analysis of the current customers’ characteristics, their buying behavior and actual satisfaction level as well as their wishes/suggestions for the future.
Research Framework

In order to achieve and understand the research objective in its complexity and to formulate an appropriate set of research questions, Verschuren and Doorewaard (2010) recommend drawing up a so-called Research Framework. The purpose of this framework is to illustrate the research objective in a schematical way, and further includes suitable steps that need to be undertaken in order to achieve this objective. This visualization serves to comprehend the interconnection between the different research steps but also how interdependent they are.

Therefore, a relevant step is the development of certain research objects. These have been defined as follows:

**Research Object 1: Current Customer Characteristics** - in order to determine in what ways customers from e.g. different age groups differ in their buying behavior and product interest, demographic data about the current customer base is gathered.

**Research Object 2: Buying Behavior** - to determine and measure the regularity of customers buying products in the pharmacy and further to gain information about the kind of products and services they purchase, behavioral data of the customers is gathered.

**Research Object 3: Current Customer Satisfaction** - in order to gain insight into the perceptions of current customers related to the pharmacy's offers and services, their satisfaction about the overall performance of the pharmacy is measured.

**Research Object 4: Customer wishes/suggestions for the future** - to explore the needs and wants of current customers related to possible developments or improvements of certain areas in the pharmacy, opinions about possible changes and improvements are requested from the customers.
On the basis of the above mentioned information and taking the theoretical framework into account, the following research framework can be outlined.

(a) Preliminary Research
(b) Theory on Customer Characteristics
(c) Theory on Buying Behavior
(d) Theory on Customer Relationship Management

- Current Customer Characteristics
- Buying Behavior
- Assessment Criteria
- Current Customers’ Satisfaction
- Current Customers’ wishes/suggestions for the future
- Results of analysis
- Results of analysis
- Results of analysis
- Results of analysis
- Recommendations on need for improvements or developments of certain areas of the pharmacy

In specific this means:

(a) An investigation of recent theories in the fields of customer characteristics, buying behavior, customer relationship management and additional preliminary research provides a number of criteria, (b) by means of which the current situation of the pharmacy related to the four research objects of current customer characteristics, buying behavior, current customers’ satisfaction as well as current customers’ wishes/suggestions for the future is assessed. (c) A confrontation of this assessment (d) yields recommendations to the owner of the Markt-Apotheke Emden if there is a need for developments or improvements of certain areas of the pharmacy in order to strengthen customer satisfaction.
Research Questions

After the research objective had been established and after the construction of a clear research framework which provides a general idea of the steps that have been taken in the process of this research project, it was necessary to gain further information on how to achieve the research objective. Therefore, an efficient method was the development of research questions which have been answered during the research process. In this research project, the method of subdividing the research framework into particular components in order to formulate the research questions has been intended as most adequate (Verschuren & Doorewaard, 2010, p.93).

Hence, the following set of research questions was established:

Central Question 1: What criteria are relevant for assessing the current situation of the Markt-Apotheke Emden with regard to current customer characteristics, buying behavior, the actual satisfaction level as well as wishes/suggestions for the future of current customers?

Sub-question 1: What are the current customer segments of the pharmacy?

Sub-question 2: What can be distinguished about the buying behavior of current customers?

Sub-question 3: What is the level of current customers’ satisfaction related to the pharmacy’s offers and services?

Central Question 2: What can be concluded about the need for improvements or developments of certain areas of the pharmacy, by comparing the four research objects in order to give recommendations based on the situation analysis?
Research Design - Technical Research Design

Research Strategy and Methodology

To put the above introduced concept into practice and to gather the needed primary data for answering the research questions, a research strategy has been conceptualized, which entailed a number of key decisions. Those decisions have been relevant for depicting the nature and the scope of the research strategy and will be outlined in the following (Verschuren & Doorewaard, 2010).

In this research project, the number of research units was relatively large, as the addressed target group entailed the current customers of the pharmacy. An overall picture of their characteristics, buying behaviors, satisfaction level and wishes/suggestions for the future was required. Consequently, this research followed a large-scale approach opting for breadth, as the required information has been used for the generalization of the results (Verschuren & Doorewaard, 2012, p. 156). In this relation, it has been decided to use the quantification processing of data which has been gathered through empirical research. This implied the independent conduct of research by the researcher herself, related to the defined objects, gathering the data and making judgments based on the examination of these findings. Hence, after these key decisions have been made, the research strategy at hand can be identified as survey research (Verschuren & Doorewaard, 2010, p.157).

As already mentioned, the type of information needed was extensive; therefore breadth was the most essential component of this research. For being able to develop tendencies and making judgments about a possible need for improvements or developments of certain areas in the pharmacy on customers’ side, data about how the different customer segments differ in their buying behavior and further what their perceptions towards the pharmacy in terms of their satisfaction level are was required. Based on this range of information that needed to be gathered, a written survey was conducted among 223 current customers who can be defined as ‘respondents’, since they supplied information about themselves (Verschuren & Doorewaard, 2010, p.209). The time frame of the implementation took eleven days and within this span, the pharmacy counted 2249 customers in total (A. Ites, Personal Communication, 2013, April, 23) which leads to a current representation of respondents of almost 10% (9.92%). Staying in the pharmacy for half a month during the whole opening
hours (8am-6:30pm) was considered as most suitable to address an as diverse customer base as possible.

The advantage of implementing such a questionnaire implies the generation of data in a relative less time-consuming manner especially with regard to the large number of research units which needed to be approached. Furthermore, this data collection technique ensured a large sample size, the assurance of confidentiality and especially the sampling of many topics in one document (Downs & Adrian, 2004). The pre-testing of this survey among five customers, who were willing to participate, did not have any relevant changes as consequence. Thereafter, the researcher conducted the questionnaire personally. The reason for this personal implementation on spot was decided between the researcher and the owner of the pharmacy. As many customers of the Markt-Apotheke Emden are people in their 60s, it has been found suitable to support those respondents, if there would be a need for help or clarification. Furthermore, the direct contact between researcher and customer was considered as important in order to offer a friendly atmosphere where people had the chance to start conversations and not only filling out a document and leave. Additionally, it was agreed upon, that the researcher first stays on the sideline and waits until the employees have asked the customers after their purchase, if they have the time and willingness to participate on this survey. This implies that the researcher had no influence on the choice of a sample and thus, self-selection sampling was applied (Saunders, Lewis & Thornhill, 2009, p.241). Only then, the researcher took over with the introduction of the reason for this questionnaire. To thank the participants, the pharmacy sponsored candies as little gifts, which were delivered after the questionnaire was filled out. Due to the fact that the distributed questionnaire was not a digital exemplar but a hard copy version, the researcher further had the advantage of having a permanent original copy of the responses.

**Questionnaire Set-Up**

For setting up the questionnaire, the main focus was put on the covering of the research objects within the survey in order to gain the necessary information that contribute to the answering of the research questions. Therefore, the first step included the division of the questionnaire into four topic areas, each related to one of the research objects. Consequently, different kinds of questions, which have been introduced by Downs and Adrian (2004), have been formulated for each section. How the survey was set up in specific will be outlined in the following, by explaining each topic area. A complete sample survey can be found in the Appendix (see Supplement 1).
Current Customer Characteristics

The first section of the survey was focused on the different customer demographics to figure out whom the target market of the pharmacy consists of. Therefore, closed questions which restricted the answers to a specific variety of choices and which could easily be answered were chosen (Downs & Adrian, 2004). What the researcher wanted to know from the participants in this section were the following areas:

<table>
<thead>
<tr>
<th>1) Steady customer/no steady customer</th>
<th>2) Residence in the locality of the pharmacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>3) Gender</td>
<td>4) Age group</td>
</tr>
<tr>
<td>5) Occupation rate</td>
<td>6) Visit frequency</td>
</tr>
</tbody>
</table>

Buying Behavior

In this section, the questions have been generated from taking first a brought perspective and consequently narrowing it down. It was of importance to first analyze the overall buying behavior including the visit purpose on that day and the general behavior that fits to customers’ visit. Then, more detailed questions, related to product purchases in the cosmetic branch were posed. For this topic, multiple-choice questions were primarily used in order to offer the customers as much pre-knowledge about the specific questions as possible. Also this was done to make the completion of this section as easy as possible so that respondents did not waste too much time with thinking. Here, information for the following areas was gained:

<table>
<thead>
<tr>
<th>1) Purpose for today’s visit</th>
<th>2) How do they define their behavior during their visit?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3) Where do they buy cosmetic products</td>
<td>4) In case they purchase cosmetics somewhere else, why don’t they buy these products in the pharmacy?</td>
</tr>
<tr>
<td>5) Products of which cosmetic brand have customers already purchased and why did they buy them in the pharmacy?</td>
<td></td>
</tr>
</tbody>
</table>
Current Customers' Satisfaction

The part of the questionnaire about customer satisfaction was the most intensive one, as it is of prime importance for the owner of the pharmacy to know if and how satisfied her current customers are. In order to gain as much insight into the satisfaction level and perceptions of current customers, a table with 32 statements was established. These statements were based on the likert-scale principle, where respondents could assess each statement on a range from 7 (totally agree) to 1 (totally disagree) (Downs & Adrian, 2004). In case a statement could not be answered because the certain participants did not make experiences in this field, the researcher also offered the choice of selecting 'not applicable'.

The statement-table was divided into five parts which all focused on a certain area of the pharmacy. The researcher covered all pharmacy-related aspects reaching from the furnishing and opening hours of the pharmacy to the different offers and services right up to the competence of employees, only to name a few of the categories. With the help of assessing each statement, current customers gave a detailed insight into their level of satisfaction and how positive or negative they perceive the entire pharmacy.

The following graphic is the first page of this statement-table which serves as an example to illustrate the buildup of this method.

<table>
<thead>
<tr>
<th>Nr.</th>
<th>Statement</th>
<th>Q5</th>
<th>Q4</th>
<th>Q3</th>
<th>Q2</th>
<th>Q1</th>
<th>n/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The pharmacy's furnishing appeals nice and friendly</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>The illumination is sufficiently bright</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>The seating room is calm and comfortable</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>The folded articles are good reachable</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>The assortment is presented attractively</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>I can find my way along the assortment very well</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>The assortment of cosmetics is substantial</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>There are clear visual hints on special actions</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>9</td>
<td>The window display is interesting and informative</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>10</td>
<td>There is sufficient information about cosmetic care which are carried out in the In-house cosmetic studio</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>11</td>
<td>The offer of services of the Markt Apotheke Sinden is good. E.g., blood pressure measurement, skin tests, weight control, measure of bandages, checking of first aid kit and &quot;home pharmacy kit&quot;, loyalty card, hiring of baby wages and baby pumps, telephone advice service/consultation, delivery service, pharmaceutical consultation</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>12</td>
<td>Give aways such as candy, creams, tissues etc. and pharmaceutical information material (&quot;Apotheker-Umschau&quot;) are sufficient</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>
Wishes/suggestions for the Future of Current Customers

The last section of the questionnaire was kept very short and was the only one in which qualitative data was gained. A final statement from respondents in relation to wishes and suggestions, compliments or criticism was desired. The reason for formulating this open statement at the end was the fact that through all other questions and statements before, the respondents had a clear overview of what the pharmacy offers. They gathered information which they maybe did not know earlier. Therefore, the request for the respondent's opinion in terms of wishes and suggestions, compliments or criticism was placed at the very end of the conducted questionnaire to ensure that respondents see the big picture of the Markt-Apotheke Emden, which was transmitted to participants during the other three stages of the survey.

Data Analysis

The examination of the raw data received through the participants was done by processing the quantitative data by means of analyzing them according to various criteria. Dependent on the information that should be gained through the several data, correlations between questions or statements have been developed. Also, comparisons among demographic groups have been made in order to indentify whether answers to certain questions differed between steady- and non-steady customers. As Downs and Adrian (2004) point out, this method of comparing certain demographic groups is helpful to make data more meaningful (p.118). Furthermore, the quantitative data has been processed by determining averages and establishing percentages in order to be able to draw up tendencies. All the examined data was visualized in shape of graphs to give a better overview of the results. In relation to the qualitative data, the raw material has been categorized into 'compliments', 'criticism' and 'wishes/suggestions' as this method helped to see a trend in a certain direction, either positive or negative. Terminating with short explanations of each chart which was drawn, the final step of analyzing the data has been made. The complete evaluation can be found in the Appendix (see Supplement 2).
Limitations

Regarding the respondents of the survey, the researcher had no influence on the choice of customers who were asked to participate. Thus, the upcoming results of the analysis show an uneven distribution among certain demographical aspects like the kind of customer or age groups. Also, the number of participants was not predictable as the researcher was dependent on the willingness and time of people. Therefore, the present number of 223 respondents has to be sufficient as a first glance of the current situation of the Markt-Apotheke Emden in relation to customer characteristics, buying behavior, satisfaction level and wishes/suggestions for the future.
Research Results

The following presentation of the survey results is based on the primary data gathered through the participation of 223 respondents. As mentioned in the previous section, the representation rate of the population of current customers counts 9.92%. The total number of customers who have visited the pharmacy during the implementation period of eleven days counted 2249. With regard to this population and the final number of respondents the margin of error is higher than 5% (Saunders, Lewis & Thornhill, 2009, p.219). This means that the validity of the following results is limited. Also, the diversity of those respondents willing to participate was not very high, which implies further restrictions to a meaningful representation of the opinions of the whole customers base. To reduce the margin of error and to guarantee a higher validity of these results, further researcher needs to be carried out and an additional implementation of the questionnaire would also be advisable. Nevertheless, for an exact transparency and understanding of the following findings, all results in shape of graphs and charts can be found in the Appendix (see Supplement 2).

Research Results - Current Customer Characteristics

Beginning with the first research object of current customer characteristics, the following results in relation to demographic segments have emerged:

Type of customer

The allocation of the kind of customers was relatively uneven. The majority of respondents, namely 78.48% are steady customers and 21.52% of participants are non steady customers (see Appendix, Supplement 2, Figure 1).

Residence of customers in the locality of the pharmacy

The distribution of the distance of the commuter area of the pharmacy is allocated in the following way:

- 26.46% live 2km near to the pharmacy
- 23.32% live 5-10 km near to the pharmacy
- 21.97% live 1km near to the pharmacy
- 17.94% live 500m near to the pharmacy
- 10.31% live more than 10 km near to the pharmacy
  (Appendix, Supplement 2, Figure 2)

In this respect, the majority of steady customers (27.43%) live apart from the pharmacy in a locality of 2 km whereas the residences of the majority of non-steady customers (33.33%) are located 5-10km apart from the pharmacy (Appendix, Supplement 2, Figure 3 & 4).

**Gender**

In relation to gender, the distribution among the participants counted 75.78% female respondents and 24.22% were male respondents (Appendix, Supplement 2, Figure 5).

**Age group distribution**

The age group distribution which turned out showed that the majority of the total respondents (27.35%) are between the ages of 56-65 followed by 20.63% of 66-75 year olds. The additional age distributions are visualized in the following graphic.

(Appendix, Supplement 2, Figure 6)

**Occupation rate**

In relation to the occupation rate, the majority of respondents (60.54%) is not employed and 39.46% do have an occupation (Appendix, Supplement 2, Figure 7). Since a high number of
customers is aged 65 and beyond, the high rate of unemployment can be explained by the fact that many of customers have already retired from work.

**Visit Frequency**

Furthermore, what was interesting to see was the difference in the visit frequency of steady and non steady customers. The average of all steady customers visits the pharmacy approximately all 4-5 weeks whereas the average of all non steady customers comes to the pharmacy in a time frequency of 3 months (Appendix, Supplement 2, Figure 8). Through individual consideration of both types of customers it was conspicuous that the results deviated from the average values of the general juxtaposition. Here, it became evident that the majority of steady customers (31.43%) do visit the pharmacy, as mentioned before, all 4-5 weeks but that most non-steady customers (33.33%) came on a frequency of all 6-8 weeks. Another remarkable result is that 1.14% of steady customers do visit the pharmacy only every half year while 4.44% of non-steady customers do visit all 2-3 weeks. Although these numbers are relatively low, it is noteworthy to see that people who come every 2-3 weeks describe themselves as “non-steady customers” and that people who only come every half year consider themselves as “steady customers”. The detailed distribution of visit frequencies among both types of customers can be seen in the graph below.

![Visit frequency of steady and non-steady customers](Appendix, Supplement 2, Figure 9)
Recapitulating, the above mention results are especially useful in terms of market segmentation as they point out the different customer segments the market of the pharmacy consists of.

**Research Results - Buying Behavior of Current Customers**

Coming to the second research object, the respondents offered the following insights into their buying behaviour:

**Reasons for visiting the pharmacy**

The most significant reason of the respondents to visit the pharmacy was to submit a prescription (53.36%). 26.01% came for the purpose to buy something from the area of healthcare and wellbeing, followed by 18.83% who bought something for prevention. 8.52% of participants felt sick that day and wanted to buy medication whereas 2.24% came for cosmetic cares. Last but not least, 0.45% of respondents visited the pharmacy to gain information on a certain product (Appendix, Supplement 2, Figure 10).

In order to figure out why current customers visit this specific pharmacy, the question of how respondents became aware of the Markt-Apotheke Emden has been asked. Results have shown that respondents became aware of the pharmacy through:

- 65.2% passed by coincidentally
- 16.12% through recommendations of friends
- 5.38% due to central location
- 4.04% due to closeness to doctors named
- 3.14% through recommendations of doctors
- 2.69% due to closeness to the residence

Below 1% of customers became aware of the pharmacy through several other reasons, namely long lasting good experiences, the internet, the closeness to the workplace, good experiences in comparison to other pharmacies as well as recommendations of a closing pharmacy (Appendix, Supplement 2, Figure 11).
Customers’ behaviours in the pharmacy

Characterizing the behaviour of current customers during their visit in the pharmacy, and differentiating between men and women, 66.67% of male respondents only come for the desired product to the pharmacy, whereas 33.33% also like to look around the assortment (Appendix, Supplement 2, Figure 12). On the other hand, 37.28% of women only come for the desired product and 62.72% like to look the assortment (Appendix, Supplement 2, Figure 13). This information is crucial as it gives insights into which groups of visitors could be potential customers with a big focus on the beauty and wellbeing branch of the pharmacy.

Purchasing of cosmetic products

Distributing the places where the total number of respondents buy their cosmetic products, divided into male and female, it was figured out that 66.27% of women and 20.78% of men buy their cosmetic products in the pharmacy.

Furthermore, 44.97% of women and 40.74% of men buy their cosmetics at Rossmann (German drugstore). These two results have been the most outstanding numbers. For a detailed overview of the distribution of other shops where respondents buy their cosmetic products, the following chart provides a clear insight.

![Pie chart showing the distribution of places where respondents buy cosmetic products](image_url)
In relation to this question it was desired to know not only the difference between men and women but also differences among the age groups of each gender. Therefore, the most significant differences that turned out among male age groups have been between the 36-45, 46-55 and 56-65 year old ones. Whereas the majority of the 36-45 year old men (9.26%) purchase their cosmetics at Rossmann, the 46-55 year old ones prefer Supermarkets and Rossmann with each 9.26% as the place to buy cosmetics. On the other hand there is the next age group of 56-65 where there is an evenly distribution of 9.26% who buy their cosmetic products at the pharmacy, Rossmann and Supermarkets. What has been interesting to see in this relation is that none of male customers from the age group of 46-55 do purchase their cosmetics in the pharmacy at all (Appendix, Supplement 2, Figure 15).

Looking at the female population of respondents, the most remarkable distinction could be drawn among the age groups of 46-55, 56-65 and 66-75. Here, the top two stores to buy cosmetics are the pharmacy and Rossmann. The majority of women in all three age groups do buy their cosmetics in the pharmacy followed by the second choice, Rossmann. In comparison to the male respondents it is interesting to see that participants from all female age groups which are represented do purchase to some extend in the pharmacy, whereas men in the ages between 26 and 35 make up the first group of customers who buy their cosmetics in the pharmacy. Men below this age do purchase cosmetics somewhere else (Appendix, Supplement 2, Figure 16).

In the case that respondents gave the answer that they do not buy cosmetic products in the pharmacy, it was of importance to figure out why. The following results are especially useful as they clearly point out the reasons for male and female respondents not to buy cosmetic products at the Markt-Apotheke Emden. This is crucial as it gives an insight into whether the reason for not buying lies in the pharmacy itself which may imply organizational consequences or whether the reasons can be found in another aspect which is not directly influenced by the pharmacy. It has turned out that the majority of female customers, namely 18.34%, perceive the prices of cosmetic products as too expensive. In each case 20.37% of male respondents firstly indicated the too expensive prices and secondly their too rare attendance in the pharmacy as the reason for not buying their cosmetic products there. Further 25.93% stated that they are generally not interested in cosmetics and a relatively
A high number of male as well as female respondents also stated that they are not informed enough about the offer (Appendix, Supplement 2, Figure 17).

As the too expensive prices turned out to be the most decisive reason for current customers not to buy their products in the pharmacy, it was of great importance to divide this population according to their employment rate. Here, it was revealed that 13.00% of unemployed respondents and 5.83% of employed respondents perceive the products as too expensive. This information is of crucial importance. The question emerges whether these results are a hint for a general problem of society (unemployment rate and less money at disposal) or if these findings are a signal for the attitude of non-willingness to buy qualitative cosmetic products, although the money might be sufficient. (Appendix, Supplement 2, Figure 18).

Additional information that needed to be gained in relation to current customers buying behaviour was which products of certain cosmetic brands are purchased in the pharmacy. The results to this question have been distinguished among male and female customer groups. Furthermore, it was interesting to detect whether the most bought products belong to the more expensive or the cheaper brands. Therefore, the following results will be categorized descending from expensive to cheap product brands.

The most cosmetic products which are purchased by female respondents belong to the brands of:

- Vichy (28.40%)
- Avène (19.53%)
- La Roche-Posay (16.57%)

These three are the most expensive brands the pharmacy offers. In comparison to this, only a small number of male respondents buy the brands Vichy (5.56%) and La Roche-Posay (3.70%) whereas Avène is not bought at all from this customer segment. With regard to the cheaper brands, the most bought product lines with respect to female customers are Eucerin (28.59%) and Bepanthol (19.53%) while male respondents do purchase both brands equally with 14.81%. For a detailed overview, the precise distributions of product lines that are bought in the pharmacy are visualized in the following graphic:
Based on this, it has been found out that the majority of female respondents (44.38%) and the majority of male respondents (20.37%) buy these products at the Markt-Apotheke Emden because of the good consultation they get in this pharmacy. (Appendix, Supplement 2, Figure 20).

All the above introduced results are useful when it comes to the determination of current customers’ buying behaviour towards the pharmacy’s cosmetic sector. The gained information served to analyse the aspects of how, where, what and why do customers buy their cosmetics as introduced by Kotler (2010) in his Consumer Buying Behavior Theory. With the gathered data a clear insight into customers’ preferences and perceptions of the pharmacy’s product lines was given.
Research Results - Satisfaction Level of Current Customers

The results introduced in this section are focused on the satisfaction level of current customers towards the overall performance of the pharmacy. The information was gathered through likert-scale statements with the assessment options reaching from 7 (totally agree) to 1 (totally disagree).

As can be seen in the Methodology section of this report, the questionnaire was subdivided in five thematic areas, namely equipment, services and offers, performance of employees, performance of consultation and empathy of employees. The average satisfaction level towards the overall performance of the pharmacy, including all five areas, was very positive, namely 6.3 (out of 7=best score).

The single thematic areas have been valued with the following averages:

- Equipment of the pharmacy: 6.27
- Services and offers: 6.15
- Performance of employees: 6.64
- Performance of consultation: 6.6
- Empathy of employees: 6.05

(Appendix, Supplement 2, Figures 22, 33, 42, 46, 52).

Now, coming to the individual statements, the following results have emerged:

**Thematic area 1: Equipment of the pharmacy**

For providing a better overview, grouped graphs indicating the assessment of the individual statements on average, per gender and type of customer will follow:
(Total average of this thematic area: 6.27)
Statement 1: “The pharmacy’s furnishing appeals nice and friendly”
Statement 2: “The illumination is sufficiently bright”
Statement 3: “The selling room is calm and comfortable”
Statement 4: “The flared articles are good reachable”
Statement 5: “The assortment is attractively presented”
Statement 6: “I can find my way through the assortment very well”
Statement 7: “The assortment of cosmetics is substantial”
Statement 8: “There are clear visual hints on special actions”
Statement 9: “The window display is interesting”
Statement 10: “There is sufficient information about cosmetic cares which are carried out in the in-house cosmetic studio”

As can be seen in this group chart, the individual statements about the pharmacy’s equipment have been assessed very positive. Fluctuations can be detected at statements 8 and 10. In relation to clear visual hints on special actions (Statement 8), one can recognize that the averages of male and female non-steady customers of the pharmacy assessed this statement relatively low in comparison to steady customers. The averages for this statement amount each 4.95 valued from male and female non-steady customers, which lies below the general average for this statement, namely 5.82 (Appendix, Supplement 2, Figure 30).

Regarding statement 10, which deals with the sufficiency of information about cosmetic cares which are offered in the in-house cosmetic studio, the fluctuations vary among all customer groups that have assessed this statement. While female and male steady customers are the most satisfied respondent groups towards the information provision of cosmetic cares (5.27; 4.82), the averages of non-steady customers are in both cases, male and female, below the
average of 5.05. Female non-steady customers ranked this statement with an average of 4.52 and male non-steady customers with 4.57 (Appendix, Supplement 2, Figure 32).

As these two statements are the most fluctuating ones and all other propositions in this thematic area have been assessed very positive, it can be said that the overall satisfaction with the pharmacy’s equipment is very high (6.27). With respect to statements 8 and 10 it turns out that there is a clear difference between steady and non-steady customers towards the information provision of certain services of the pharmacy.

Thematic area 2: Services and offers

(Total average of this thematic area: 6.15)
Statement 11: “The offer of services of the Markt-Apotheke Emden is good. E.g. blood pressure measurements, skin tests, weight control, loyalty card etc.”
Statement 12: “Giveaways such as candy, creams, tissues etc. and pharmaceutical information material are sufficient”
Statement 13: “The staff members do inform me about promotion offers”
Statement 14: “The trustworthiness of the consultation is guaranteed”
Statement 15: “The requested articles are mostly available”
Statement 16: “The pharmacy has the offer I ask/look for”
Statement 17: “The staff members always recommend the desired product/information related to my concern”
Statement 18: “The staff members do inform me when an ordered product/information has arrived”

Looking into the second thematic area, dealing with the services and offers of the pharmacy, it can be recognized that the most outstanding differences emerge among statements 12 and 13. While on the one hand, male and female steady customers are very satisfied with the allocation of giveaways (candy, creams, tissues etc.) and assessed this statement (12) with scores above the general average of 5.76, female and male non-steady customers are not that satisfied with this service. They scored this proposition with averages of 4.19 and 5.39
which are both below the general average of satisfaction (Appendix, Supplement 2, Figure 35).

Also with regard to statement 13, there are clear fluctuations between steady and non-steady customers. Both genders from the category of steady customers are relatively satisfied with the information provision of employees about promotion offers (5,86; 5,06), whereas non-steady customers from both genders are rather neutral towards this statement. Their assessment amounts averages of 4,61 and 4,35 which are both lower than the general satisfaction average of 5,06 (Appendix, Supplement 2, Figure 36).

Terminating this thematic area, it is conspicuous that again there is a recognizable difference between the perceptions of steady and non-steady customers but the general satisfaction with the services and offers is with an average of 6,15 relatively high.

**Thematic area 3: Performance of employees**

In relation to the third thematic area, dealing with the performance of employees, there are no noticeable differences among the respondent groups. The overall satisfaction with this area counts an average of 6,64 which is a very high value. The only fluctuations that are
visible in all statements belong to male non-steady customers. However, these differences are very minimal and do not include a tendency in a negative direction.

**Thematic area 4: Performance of consultation**

(Total average of this thematic area: 6,6)

Statement 23: “The staff members do serve me in a very polite and attentive”
Statement 24: “The consultation of the Markt-Apotheke Emden is competent”
Statement 25: “The staff members are facing and helpful even when they are busy”
Statement 26: “I can count on the staff members”
Statement 27: “I made use of cosmetic cares at the Markt-Apotheke Emden and was satisfied with the outcome”

Coming to the next thematic area, the “performance of consultation”, the overall satisfaction among all respondents counts 6,6. Looking at the first statements in this category, there are no striking distinctions. Like in the foregoing thematic area, male non-steady customers are the group of respondents who differ in their assessment of these statements. Nevertheless, as already mentioned these fluctuations do not indicate a remarkable difference in comparison to the other respondent groups.

Concerning the last statement (27), however, it turned out that male non-steady customers highly fluctuate in their assessment towards the other respondents. This proposition deals with cosmetic cares, that customers have already made use of and were satisfied with the outcome. As only one man from the category of non-steady customers assessed this statement, the average score was 4 which was lower than the general average of 6,07 and also below the average values of the other respondent groups. What is interesting to see in this relation, is the fact that female non-steady customers (6,25) are more satisfied with
cosmetic cares and their outcomes than female steady customers (6.08) (Appendix, Supplement 2, Figure 51).

**Thematic area 5: Empathy of employees**

(Total average of this thematic area: 6.05)

Statement 28: “The pharmacy-team knows me by name”
Statement 29: “The staff members recommend useful supplements additionally to my wishes”
Statement 30: “I get served personally/individually”
Statement 31: “The staff members try to understand my customer wishes”
Statement 32: “The opening hours are sufficient”

Analysing the last thematic area of “empathy of employees”, the overall satisfaction average amounts 6.05. Striking are the two first statements in this category (28 and 29) where the greatest differences can be observed. The results of statement 28 are not surprising. As this proposition stated that the employees know the customers by name, it was expectable that non-steady customers from both genders assess this statement rather low. This has been the case and the averages of female and male non-steady customers amount just about 1.2 and 2.17. Therefore, it is not remarkable that the scores of steady customers with 5.04 and 5.07 lie above the general average of this statement, namely 4.5.

The satisfaction with employees’ recommending useful supplements additionally to customers’ wishes has been assessed with a general average of 5.74. This indicates a relative positive result and is also relatively evenly distributed among the respondent groups. Noticeable are again the scores of male and female non-steady customers who ranked this statement rather low (5 and 4.90) in comparison to steady customers. Nevertheless, the total satisfaction average of this proposition is 5.74 which is still a very positive score.
Recapitulating all the information above, it is really striking that the overall satisfaction with the pharmacy is very high. There is not one single thematic area which is scored below 6 which is a really positive result for the pharmacy. On the other it is conspicuous that the only big differences towards the statements’ assessment do not lay between gender respondent groups but that there is a clear distinction between steady and non-steady customers who perceive some aspects of the pharmacy’s performance to some extent different than the other.

Research Results - Wishes/Suggestions for the future of Current Customers

Coming to the last results section related to wishes/suggestions for the future of current customers, qualitative data was analyzed in relation to compliments, criticism, wishes/suggestion gained through 34 customers who participated on that question. 20 respondents have stated compliments in terms of their overall satisfaction with the pharmacy and that everything is fine. Besides, three respondents expressed complaints in shape of criticism. One person mentioned that there is information about services missing; one person complained that during a cosmetic care, rubber gloves have been used, which this respondent did not like and which was very uncomfortable. Furthermore, one person said that due to the fact that the door of the pharmacy is mostly closed, this person has problems to enter the pharmacy with the wheeled walker and therefore often passes buy to visit other pharmacies that have an automation door.

What turned out through comments during the implementation of the questionnaire was the often repeated argument of customers, that the illumination in the pharmacy is not only sufficient but even too bright. With regard to wishes or suggestions, 8 people have stated their opinion. Among these respondents, two mentioned the wish that there should be more information and offers in the area of homeopathy and also the product range in this area could be stretched. Another person said that it would be helpful to receive some information material which informs about all the services and prices of the pharmacy and also about special actions or promotions. Receiving this material at home would be perfect as people would know about this information without being forced to go to pharmacy just to gain this information. Another person suggests home visits for cosmetic cares and this with a special focus on elderly people. Furthermore, information material about the cosmetic cares could be more, was a wish of another respondent and installing an information board with all services and prices would be good, belongs also to another persons’ wish. Last but not least, one
respondent would like to gain clear explanations of the price policy in comparison to internet pharmacies.
Conclusions

The objective of this research project was to detect if certain areas of the pharmacy need developments or improvements in order to strengthen customers’ satisfaction. Reaching this objective comprised the analysis of four specific research objects. These examined objects were:

- Current customers’ characteristics
- Current customers’ buying behavior
- Current level of satisfaction among customers
- Wishes and suggestions for the future of current customers

Gathering quantitative primary data in these fields, by adopting certain theoretical concepts has helped to answer the research questions which have been asked at the beginning of the project, and further to draw up the upcoming conclusions.

Current Customer Characteristics

Beginning with the first research object, the characteristics of current customers, it was crucial to understand the different segments the market of the pharmacy consists of. Therefore, the Market Segmentation theory by Kotler was considered to be auxiliary. This theory implies the segmentation of several demographic areas which contribute to the understanding of “who” the market is and if specific segments need to be addressed differently when it comes to the implementation of developments among certain areas of the pharmacy.

Coming to the market segments of the Markt-Apotheke Emden, results have shown that the pharmacy counts more steady- than non-steady customers which proposes a good business performance of the pharmacy related to a safe customer base. This current customer base is composed of more elderly people between the ages of 56 and 75 of whom the majority is female.
A clear distinction among the visit frequencies of steady- and non-steady customers was visible. Whereas steady customers visit the pharmacy on a basis of all 4-5 weeks, non-steady customers do not visit that regularly but come approximately all 3 months. In this relation, an interesting result has emerged. During the specific examination of both types of customers it turned out that although some non-steady customers visit the pharmacy all 2-3 weeks and some steady customers do enter only all half a year, they still declared themselves to the certain type of customer. This suggests that the understanding of “from when do I count as steady/non-steady customer” does not exhibit a clear definition among the respondents.

The last segment that has been distinguished was related to the residences of customers. Here, it is striking that the majority of steady customers live in a relative small perimeter to the pharmacy. It can be divined that for this customer group, the Markt-Apotheke Emden is perceived as the best option among the nearest pharmacies which can be visited without bringing up too much effort for reaching it. On the other hand, it is noticeable that the majority of non-steady customers live apart from the pharmacy in a minimum perimeter of 5-10 kilometer. This finding suggests that those people do not specifically look for this pharmacy but got aware of it through occasions like doctor’s visits or shopping in the city centre.

**Buying Behavior of Current Customers**

While analysing the second research object, namely the buying behaviour of current customers, emphasize was put on the beauty/cosmetic branch of the pharmacy. In this relation it was crucial to understand the factors of how, where, what and why current customers do purchase their cosmetics. These factors, introduced in Kotlers’ *Consumer Buying Behavior Theory* served for the overall picture of how the buying behaviour of current customers’ in the pharmacy is characterized.

When it comes to the general behaviour of customers after entering the pharmacy, results have shown that there is a clear difference between men and women. While the majority of female customers like to combine their purchase with looking around the assortment, male customers prefer the direct purchase of the desired product and directly leaving subsequently. In this respect it was interesting to see that a relatively high number of customers entered the pharmacy with the purpose to buy something from the healthcare and wellbeing area. This indicates that, besides the medical product ranges, this domain is well
established among the customers as well. Respectively, it turned out that the majority of both, male and female customers buy their cosmetics in the pharmacy, which anticipates, that the offer of cosmetic products is an essential fundament for the branding of the pharmacy. Nevertheless, it was remarkable that by looking at the different age groups, women from all age categories do buy to some extent in the pharmacy, whereas men first start purchasing cosmetics in the pharmacy from 26 years onwards. This shows that comprehension and disposition of cosmetics’ usage vary among the genders and seem to be age-dependent related to men.

Eucerin and Vichy seem to be the best established brands of the Markt-Apotheke Emden, as these product lines have been bought by the majority of customers. Furthermore, it is conspicuous that good consultation towards the products and services is an influencing determinant for purchasing cosmetics in the pharmacy, as the majority of customers gave this as a reason for their decision to buy these products at the Markt-Apotheke Emden. This indicates that current customers specifically chose this pharmacy for buying cosmetics, as such consultations are not often guaranteed in drugstores or supermarkets.

Nevertheless, there have been also a lot of customers who do not purchase their cosmetics in the pharmacy. The reason behind this, are the too expensive prices of these products. What has not become obvious is whether people actually have the money but won’t spend it on cosmetics in the pharmacy or if people cannot afford those products. Here, it is relevant to take the bigger picture of society into account. As results have shown, the majority of unemployed respondents gave the argument of the too expensive prices. Since already known, the majority of current customers belong to the age group of 56-75. This divines that customers in their 60s from this segment do not belong to the active labor market anymore but receive their pensions which are relatively low in Germany and which may restrict the buying behavior in relation to luxury goods such as qualitative cosmetics.
Satisfaction Level of Current Customers

What can be concluded concerning the satisfaction level of current customers is that the contentment rate with the overall performance of the pharmacy is very high. Taking all criterions which have been used to determine the satisfaction level into account, the final score of all respondents amounts 6.3 which is in the upper positive range (7 was the best score possible).

Examining these results in a more detailed way, it is remarkable that a relative high number of customers (16.14%) became aware of the pharmacy through recommendations of friends. This suggests that those friends are satisfied customers of the Markt-Apotheke Emden as well, otherwise they would probably have not recommended the company.

Noticeable, in relation to the five different thematic areas, which have been developed in order to determine the satisfaction among different aspects of the pharmacy, perceptions fluctuated among steady- and non-steady customers.

Looking at the first thematic area, “Equipment of the pharmacy”, it is striking that visual hints on special actions are perceived less clear on non-steady customers’ side than from steady customers. A reason therefore can be that steady customers who do visit the pharmacy more regularly do maybe know by now where to look for this information. For non-steady customers, instead, these hints are not directly visible when they visit the pharmacy for the first time. A similar conclusion can be drawn in relation to the sufficiency of information about the offering of cosmetic cares in the in-house cosmetic studio. Non-steady customers perceive this supply as less satisfying than steady customers. This also lets suggest that customers who do not know the pharmacy that well, do not know where to find this certain information and if they are not aware of this service, they won’t ask anybody. Therefore, a consequence is that the target group of cosmetic cares is limited on almost only steady customers at the moment.

Continuing with the next thematic area (“services and offers”), differences among steady and non-steady customers have occurred in relation to the distribution of giveaways such as candies, tissues or information material. Steady customers assessed this service higher than non-steady customers. Therefore, the evidence emerges that this gesture can also be regarded as a decisive factor which influences the decision of non-steady customers to return to a specific pharmacy. Moreover, with respect to the employees and their information
supply about special offers during customer pitches, this aspect leaves room for improvement among non-steady customers. Even though they might be in the pharmacy for the first and last time, the direct approach of employees pertaining actual offers seems to be desirable.

Concluding the next two thematic areas of “performance of employees" and “performance of consultation" it is remarkable that customers, both steady and non-steady, do not have anything to complain about. The overall satisfaction level with the employees' performance and their competence of consultation was scored with an average of 6.64 which adjoins almost the best possible value of 7. This result entails that the workforce of the Markt-Apotheke Emden has a positive impact on the overall image of the pharmacy and that the employees are amongst others, a determinant for customers to visit this pharmacy.

Finally, the last area of “empathy of employees" was assessed relatively positive as well. The only fluctuations which occurred in this relation are concerning the recommending of useful supplements additionally to the customers’ wish, which was perceived as less satisfying by non-steady customers than by steady ones. Here, the question emerges if non-steady customers really require this service or if the lower assessments are based on not having experienced such a situation in the pharmacy so far. It would rather seem to be unprofessional and not very empathic if employees would always recommend something else additional to ones purchases, as this can be perceived as really persistent if a customer does not ask for supplements. It is, of course, dependent on the situation but the results let suggest that in the case of non-steady customers, this service has not been experienced during their visits yet. Another statement that has been valued relatively low in comparison to other ones is related to the employees’ knowing the customers by names. In this case, again, non-steady customers did assess this proposition lower than steady customers which, however, does not include their dissatisfaction but the fact that the employees cannot be able to know each customers’ name, especially not after the first visits.

Taking all the above information into account and looking at the principle of the Satisfaction-Profit-Chain, described by Buttle, the current customers are satisfied with the overall performance of the pharmacy. Looking at the very high averages customers have indicated in relation to their satisfaction level, it can be suggested that a majority of their requirements and expectations among a pharmacy are understood and met. Focussing on the areas customers see a need for improvement and aspects which have been perceived as not that
satisfying as other ones, can lead to the next step of creating customer value which might increase the contentment rate even more.

Wishes and Suggestions for the future of Current Customers

Through the information gained by respondents, a tendency can be recognized which indicates a lack of the general information supply about the pharmacy’s offers and services. Results have shown that the most fluctuating areas have been those dealing with a certain information provision. Wishes and suggestions from customers’ side have exposed that people would prefer a visual hint, positioned in the pharmacy, which includes all services they can make use of. While customers have read the statements in the questionnaire it sometimes became apparent that they reacted very surprised about the information they got. They simply did not know this offer of services before. Furthermore, two customers expressed their wish for gaining more knowledge and products in the area of homeopathy which also indicates their seeking for information which is not available at the moment.

Besides, there have occurred some logistical problems such as a missing automation door or the too bright illumination which could also be improved in the future.

In the end, it can be concluded that there are indeed some areas of the pharmacy that leave room for developments and improvements. Although the satisfaction level of current customers is already very high, there is a potential to strengthen this further and especially to extend the current customer base. Here, special attention should be put on non-steady customers as they have been the most criticizing ones. When taking the above mentioned information into account and implementing them in the future concept, the Markt-Apotheke Emden has a very good potential to stand out of the competing pharmacies’ market and to acquire a bonded and extended customer base. As the cosmetic range seems to be an already established and adopted fundament of the pharmacy, the future vision of becoming a shop for beauty, healthcare and wellbeing is not that unrealistic and could be studied further. This, however, is a new topic which needs new research and time in order to further develop this vision.
Advice

Avenues for further research

Recapitulating the process of the implemented research project, various results emerged, which helped to analyze the current situation of the Markt-Apotheke Emden. Prior to the upcoming recommendations it is crucial to mention that further avenues of research are advisable in order to verify the found out results. Especially due to the number of survey participants, which is not as representative as it could be, and therefore the validity of outcomes is not yet guaranteed, further research should be undertaken. A suggestion is to further conduct the questionnaire among current customers over a longer period of time in order to extend the respondents rate which offers a bigger picture and also reduces the margin of error. Special attention should here be put on the gathering of responses by those customer groups, which have not been included in the current data sample.

Final Advice

What emerged through the outcomes of the survey is a very high satisfaction level towards the Markt-Apotheke Emden on customers’ side. This is a positive and gratifying perception for the owner of the pharmacy as she can conclude for herself, that the way she runs her business is appreciated by her customers. Overall, the findings have shown an almost "perfect" end result as the overall satisfaction was rated with an average of 6.3. Nevertheless, there is still some room for expansion in specific areas that deviate from the average rating. It is crucial to take the fluctuations that have emerged between steady- and non-steady customers' perceptions of the pharmacy into consideration. Since findings indicated a lower satisfaction rate among non-steady customers, the focus on this market segment should be strengthened.

As the objective of this research project was to make recommendations if certain areas of the pharmacy need developments or improvements in order to strengthen customers’ satisfaction, the diagnosis which can be given is that only certain aspects of the Markt-Apotheke Emden are indeed improvable in order to stabilize and a enlarge a satisfied customer base. These aspects are focused on the general information supply, logistics as well as customer-segments’-specific targeting.
It was desired from client’s side to not only receive the statement if there is room for developments or not, but already obtain precise ideas of how to implement such changes. Therefore, the improvements and developments which will be recommended in this section entail suggestions of possible measures in the areas of communication and marketing that have been developed by the researcher herself and have not arisen from the conducted research.

The following ideas entail the objective of extending and consolidating the current customer base of the pharmacy and to assemble the expectations and wishes of customers in order to create customer value. If the pharmacy applies these suggestions the satisfaction level of current customers might increase and new customers could be attracted. In addition with the features that are already installed in the pharmacy, namely the in-house cosmetic studio and the self-acting pharmaceutical transport, the Markt-Apotheke Emden has potential to set itself apart from other pharmacies in the surrounding. As it turned out that the cosmetic branch is a well established and adopted fundament of the pharmacy, the tendency to develop the vision of becoming a shop for beauty, healthcare and wellbeing, which implies a competitive advantage among other pharmacies, is given. However, the first step in this direction is to improve the actual situation of the Markt-Apotheke Emden with respect to current customers’ perceptions and expectations.

As the main concern which has occurred implies the lack of information concerning the services and offers, the following recommendations are a first suggestion to reduce this gap:

Regarding the visual hints on special actions, especially non-steady customers perceive this as a rather non-given condition. Since steady customers who come on a regular basis to the pharmacy might know by now where to find this information, customers who come for the first time or not very often have problems with finding such hints. In order to change this situation, it is advisable to not only use little promotion signs in the selling room. In general, customers who are on their way to leave the pharmacy and thereby discover a promotion sign are not very likely to return to buy such a product. Therefore, one should also include the window display and the entrance area for promotion purposes. Here, big and eye catchy tools can be inserted which should attract the attention of customers before entering the pharmacy. This gives them time to think about the promotion offers and leaves spaces for the decision making process if a certain product/service is desired to buy besides the actual purchase.
Continuing, the information supply of cosmetic cares is perceived as not too satisfying by non-steady customers. It turned out that a high number of participants do not even know that this service exists, even less that the pharmacy has an own cosmetic studio. Also in this case, to drum up business, the information supply about this service needs to be extended. So far, there are little brochures at the point of sales and stand-up displays in the entrance area. This way of advertising maximal reaches the customers in and in front of the pharmacy. Here, it is recommendable to target Emdens’ population in shape of distributing flyers, newspaper ads or an information video included on the website. With those measures the tendency of attracting people who might become potential new customers of the pharmacy is relatively high.

As results have shown, the majority of steady customers live close to the pharmacy. This indicates that the Markt-Apotheke Emden is conceived as the best option among the nearest pharmacies for this customer group. On the other hand it turned out that the majority of non-steady customers live in a perimeter of 5-10 kilometers apart from the pharmacy. It can be suggested that the pharmacy is not that known among this segment and therefore not directly chosen. One can rather assume that those customers enter the pharmacy through occasions like doctor’s visits or shopping in the city center. In order to expand the radius of steady customers these far-away living non-steady customers should be informed about the pharmacy’s offers and services via, for instance, the local newspapers. Special offers such as “Buy 3-pay 2” or other promotion actions can be alluring as well. Customers are not forced to gain such information only when being in the pharmacy but if they read those offers in the newspaper, it is their choice to make their way to the pharmacy or not. This would also be of special interest for elderly people, since the outcomes have indicated that the majority of the pharmacy’s customers are between the ages of 56 and 75.

Since many customers perceive the prices of cosmetic products as too expensive a solution for reaching this segment would be to offer promotion actions.

What is advisable for the general promotion of the cosmetic area are target-group-specific advertising efforts. As has been detected, younger generations of customers do purchase cosmetics in the pharmacy rather seldom. Here, it would be recommendable to offer consultations concerning the right care, products and also additional information from the area of homeopathy and nutrition consultation with respect to different customer groups. This implies the specific targeting for young skin, adults’ skin and elderly skin so that the particular
age groups are directly caught according to their needs and wants. This offer can be visualized through flyers, brochures and information boards, for instance.

As many respondents have indicated that an overview of offers and services is missing, it is recommendable to install a big information board in the selling room. This board should include all the different services, like blood pressure measurements or weight control, combined with the respective prices.

Last but not least, some logistical problems have occurred. The illumination in the pharmacy is partly perceived as too bright which could be solved by diminishing the lighting. Furthermore, an elderly customer who is dependent on a wheeled walker often passes by the pharmacy as the door is often closed and the person has no chance to enter. As this won’t be the only customer who has this problem, the installation of an automation door would be advisable.

If implementing the above mentioned recommendations for improvements and developments of the certain areas of the pharmacy, the satisfaction level of customers will probably further increase. Additionally, new customers could be attracted and by focusing on the target-group specific needs and wants, customer value can be created.
List of Reference


