



NOVO NORDISK

diabetes treatment  
pharmacy satisfaction  
report

2002

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Novo Nordisk Pharmaceuticals, Inc.  
Princeton, New Jersey*

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Novo Nordisk Pharmaceuticals, Inc.*

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# Dear Readers:


**T**he status quo with diabetes care in the U.S. is seen by many as poor control, poor awareness and much indifference. Pharmacists are usually the members of the healthcare team that the patient sees most often. Because of this, we have an opportunity to help change this outlook and make sure that glycosylated hemoglobin status is as widely known as cholesterol readings.



The *Novo Nordisk Diabetes Treatment Pharmacy Satisfaction Report* is an outline of the important drivers of pharmacy satisfaction for those who make buying decisions in diabetes households. We take pride in presenting the results of this survey and hope you will use the information to better tailor your practices to the needs of those households with this chronic disease. We, at Novo Nordisk, are deeply committed to help you bring value and service to this important segment of the population.

Pharmacists can play a vital role in the care of their customers with diabetes. They have a great opportunity to help the patient improve glucose self-management skills, comply with overall disease management needs and gain better glycemic control. This, in turn, can lead to an overall reduction in both short- and long-term complications.

This report gives pharmacists solid information on the drivers of satisfaction with pharmacy services. It also points to potential problems that should be addressed and monitored closely. We hope that you will come away from this report with a new perspective on the needs of the diabetes household and how meeting those needs helps not only the patient, but also the pharmacy.



Martin Soeters, President  
Novo Nordisk Pharmaceuticals, Inc.

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**This report was created to help pharmacy leaders** understand the satisfaction issues that surround pharmacy use by households where at least one member is currently being treated for diabetes. How well these issues are addressed can have impact not only on the patient, but also on the pharmacy itself.

Overall, pharmacy customer satisfaction is strongly related to customer loyalty leading to increased store sales and profits.

**Higher diabetes treatment satisfaction is strongly related to higher overall pharmacy customer satisfaction.**

**Diabetes households represent nearly 17% of total pharmacy customer households** and are characterized as being slightly older and smaller in size and being less “well-off” financially. They are likely to have multiple diseases that require prescription medications, which is one reason why they **filled 25% more prescriptions** than the total sample of households surveyed.

Key drivers of pharmacy satisfaction vary by disease state and according to whether a patient is filling a new prescription or refilling an existing one. The drivers of diabetes household pharmacy satisfaction include the availability of professional services, courteousness of pharmacist, and perception of convenience.

Despite their loyalty to the pharmacy where they have their prescriptions filled, **37% of households purchase over-the-counter (OTC) products at a store other than where they filled their prescriptions.** Pharmacists play an important role in influencing consumer purchasing decisions regarding OTC products. Diabetes households have different medical needs and consequently purchase a different mix of OTC products. Pharmacists are well positioned to address these unique needs.

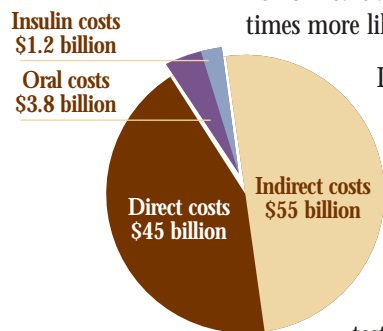
**Overall, Independent pharmacies were ranked highest in addressing the needs of diabetes households,** followed by Food Store pharmacies. However, significant variations in diabetes treatment satisfaction scores were found between stores within a given store type and chain. Safeway, Medicine Shoppe and Brooks had the highest diabetes satisfaction ratings among the chain pharmacies evaluated.



# Introduction

**D**iabetes mellitus is one of the largest and fastest growing diseases in the U.S. Statistics from the Centers for Disease Control and Prevention (CDC) indicate that 16 million people in this country have diabetes and roughly one in three has not yet been diagnosed. The CDC estimates U.S. diabetes rates have increased 6% in 1999 alone. This follows a 33% increase between 1990 and 1998. If these trends continue, the number of people with diabetes is expected to double within the next 20 years.<sup>1</sup>

This disease has a high impact on health. It is the seventh leading cause of death and is associated with multiple co-morbidities such as blindness, cardiovascular disease, nerve and kidney disease, and foot problems possibly leading to amputation. It increases the risk of heart attack or stroke by two to four times and persons with diabetes are three times more likely to die from flu or pneumonia complications.



Diabetes is also an expensive disease state. It is estimated that \$100 billion is spent annually on direct and indirect costs, with about \$1.2 billion paying for insulin and \$3.8 billion paying for oral pharmaceuticals.

The amount of money spent for insulin therapy alone is expected to have a compounded annual growth rate of 11% through 2005. The growing population and increasing compliance will fuel similar rates of growth in many of the other business segments of the pharmacy such as blood glucose test strips (up 27% by 2005), lancets (10%) and glucose tabs (22%). Even the growth of the lowly alcohol swab is projected at a 7% annual rate during the next 3 years.

## Pharmacy's critical role

There is an important role for the pharmacy in treating diabetes. Pharmacists are in frequent contact with diabetes households as they refill their medications. Thus, they can serve as resource centers to help impart and reinforce information, work on proper choice and use of glucose monitoring supplies and act as a community resource for groups in the store's service area. Pharmacists can stress the importance of glycemic control, medication compliance, glucose testing, proper foot, wound and infection care as well as advise patients about new products. > > >

<sup>1</sup>Rubin, RJ, Dietrich KA, Hawk AD, Clinical and economic impact of implementing a comprehensive diabetes management program in managed care. *J Clin Endocrinol Metab.*, 1998;83(8):2635-2642 & Internal data on file.

> While there may be an important role for the pharmacist, the question becomes where will I find the time? The modern pharmacy is a busy place, often with little time to do more than fill prescriptions and get them out the door. Successful pharmacies are allocating their time effectively and focusing on the areas that matter most.



### The Report

The results of the *Novo Nordisk Diabetes Treatment Pharmacy Satisfaction Report* indicate that working to maintain customer satisfaction with your store in the diabetes household is one way to do well by doing good. As we will see during the course of this report, the diabetes household tends to be a heavy consumer of pharmacy services and, if satisfied, is loyal to the pharmacy it patronizes.

However, we will also see that not all pharmacies are satisfying their diabetes household customers equally. **There are very real and significant differences in satisfaction levels between different kinds of stores (for instance Chain versus Independent pharmacies) and between different groups of stores within each store type (such as CVS versus Walgreens).** We will also see that some stores targeting diabetes households with specific programs are doing much better in this area than they do in the total market.

This report contains an analysis of a sub-set of respondents to the WilsonRx Pharmacy Survey who had indicated that either they, or someone in their household, had sought treatment for diabetes. Out of 18,209 households who responded to the WilsonRx survey, 2,846 were identified as diabetes households.

Major topics covered included survey respondent demographics such as household size, income, marital status, employment status, respondent age, race, gender and geographic location. Responders were asked to identify and rate the pharmacy they used most often to fill new prescriptions as well as the pharmacy they used most often to refill their prescriptions (if different).

Various statistical analyses were conducted to determine the drivers/predictors of pharmacy satisfaction with the store used to fill and/or refill prescriptions. Up to forty different pharmacy, pharmacist and store-related satisfaction issues were then rated by each household.



The WilsonRx Pharmacy Survey was conducted by Wilson Health Information, LLC of New Hope, PA between May and June of 2001. Satisfaction was rated on a scale of 1 (highly dissatisfied) to 4 (highly satisfied).

The survey contained more than twenty questions with more than 300 survey and demographic fields. The survey sample was national in scope with an over-sampling in the following metropolitan markets: Atlanta, Boston, Chicago, Dallas, District of Columbia, Los Angeles, New York and San Francisco. For more information about Wilson Health Information visit [www.wilsonrx.com](http://www.wilsonrx.com) or email [info@wilsonrx.com](mailto:info@wilsonrx.com).

Throughout this report reference will be made to Store Type and Chain Store. The term Store Type represents a distribution channel classification for types of pharmacies. Included within the Store Type classification are Chain, Food, Mass Merchants/Discounters, Mail, and Independent.

The term Chain Store pharmacy refers to a corporate entity that consists of multiple stores as identified by the consumer. A Chain Store pharmacy is usually comprised of multiple stores under one corporate brand name, examples being CVS, Eckerd, Target and Safeway. Included within the Independent class are privately owned pharmacies, both single stores or small groups of stores. •

#### Survey Store Classifications as Identified by Respondent

Store Type	Chain Store Pharmacy
Chain	e.g. CVS, Rite Aid, Eckerd, Walgreens, Medicine Shoppe
Food	e.g. Safeway, Kroger, Ahold, Albertsons
Mass	e.g. Kmart, Target, Wal-Mart
Mail	e.g. Merck-Medco, Express Scripts, Caremark
Independent	e.g. Local Community Pharmacy, Family Pharmacy, Good Neighbor Pharmacy etc.



# Why satisfaction is important

**L**ooking at patient satisfaction allows the pharmacy management to fulfill two very important missions. First, it can be seen as one, albeit inexact, proxy for how well the pharmacy is serving that patient. High satisfaction levels indicate that the pharmacy is giving customers what they want and need in areas such as counseling, timely fulfillment of medication orders and other details of the interaction.

The second important aspect is that high satisfaction levels lead to increased loyalty and make it more likely that a patient will recommend your pharmacy to friends and relatives. This, in turn, can lead to higher store revenues and profits. Conversely, unsatisfied customers not only leave the pharmacy, but also usually take quite a few potential customers with them through word-of-mouth.

As the study shows, there was an increased likelihood that a satisfied household would recommend their pharmacy to a friend or relative. This results in potential new customers and new business, ultimately leading to both increased store revenues and increased profits.

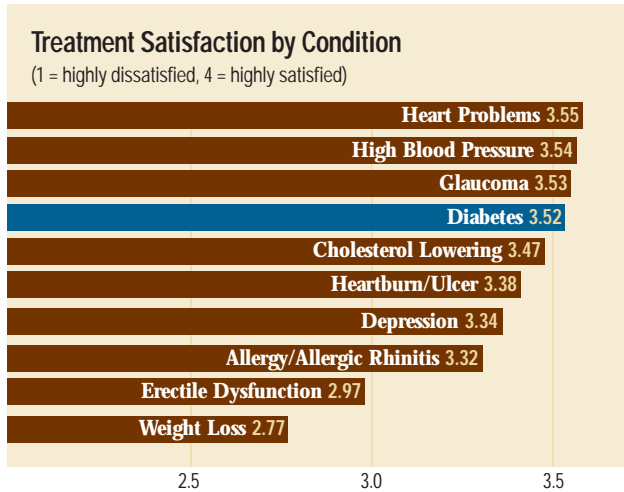
Growth in established and new customer spending will result in higher revenue per store. Higher store margins are generated by both the increase in volume purchases from established customers as well as by lower customer acquisition and retention costs.

**Knowing what needs to be done to increase customer satisfaction in specific disease areas may also have a positive impact on the consumer and the bottom line.** For instance, knowing what is important to satisfying the OTC needs of a patient often leads to increased sales of these higher margin items. As will be seen later, diabetes households not only tend to buy more OTC products than the total household sample, some of the products they buy in this category represented a higher share within the category.

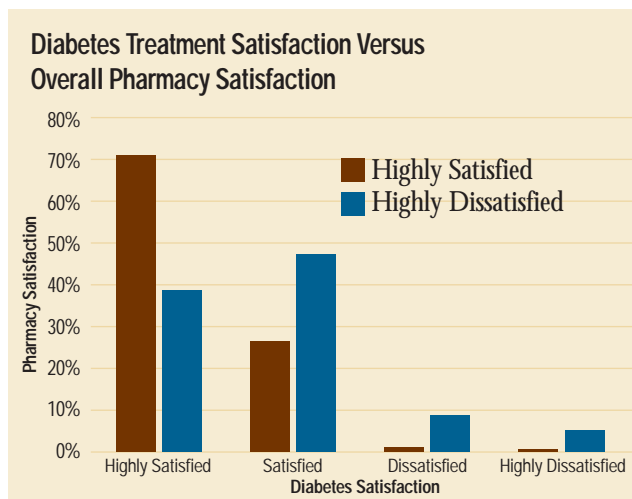
Well over half of these households (55.9%) said they were highly satisfied with their diabetes treatment with an additional 41.1% reporting that they were satisfied. Only 3% reported that they were dissatisfied or highly dissatisfied.

The satisfaction with their treatment is important for the pharmacist to know. The results of the survey show that satisfaction with treatment is strongly indicative of satisfaction with the pharmacy and vice versa. > > >

> Compared to others surveyed, diabetes was one of the highest rated conditions relative to treatment satisfaction, with a mean score of 3.52 (on a scale of 1 to 4, with 1=highly dissatisfied, 2=dissatisfied, 3=satisfied and 4=highly satisfied). Overall scores ranged from a high of 3.55 (Heart Problems) to a low of 2.77 (Weight Loss).



In general, due to their relatively high treatment satisfaction score, diabetes households are more likely to be loyal pharmacy customers than, for example, patients suffering from allergic rhinitis. Those looking to increase their pharmacy satisfaction scores with diabetes households should capitalize on the already high level of diabetes treatment satisfaction that exists with this consumer sector. Keep in mind, however, that there are major differences in satisfaction by type of pharmacy used.

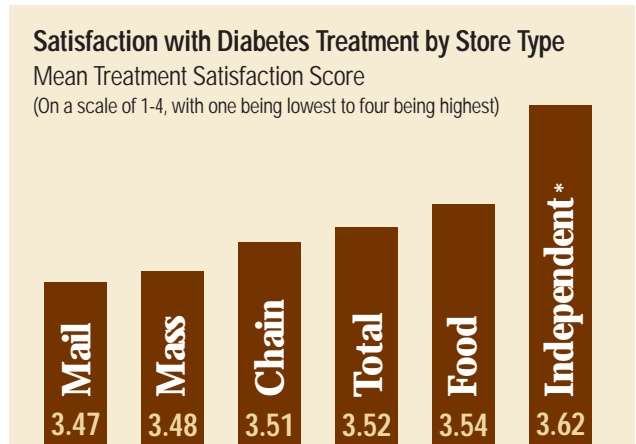


When we look closer at those diabetes households who said they were “Highly Satisfied” with their diabetes treatment,

71% were highly satisfied with their pharmacy as well. This is in contrast to 39% among those who said that they were highly dissatisfied with their diabetes treatment.

For disease states where households have a high degree of dissatisfaction with their medical treatment there is likely to be a high degree of store dissatisfaction. One possible explanation is that the store is not servicing their needs and this is contributing to the consumer’s negative treatment perceptions.

Pharmacies can benefit from the relatively high satisfaction scores that diabetes households have regarding their medical treatment. It is apparent from the table below that not all store types benefit equally.



\*Statistically significant at 95% confidence level

**Independent pharmacy customers were significantly more highly satisfied (3.62) versus all other store types.** They were followed by Food Store/Supermarket (3.54), Chain Drug Store (3.51), and Mass Merchant/Discount pharmacy (i.e., Wal-Mart, Kmart, etc.), and least satisfied with using a Mail Service pharmacy (3.47).

Each individual pharmacy must look at the satisfaction levels of their particular customer base and where that particular store can improve. This may mean, for example, that Mass Merchant / Discount stores will need to determine what drivers of diabetes customer satisfaction they need to improve in order to raise their satisfaction scores to that of Independents.

In addition, data presented later in this study clearly indicate that there is statistically significant variation in customer satisfaction by individual pharmacies within a store type. So, not even the Independent pharmacies can be complacent about how well they meet the needs of their diabetes households. •

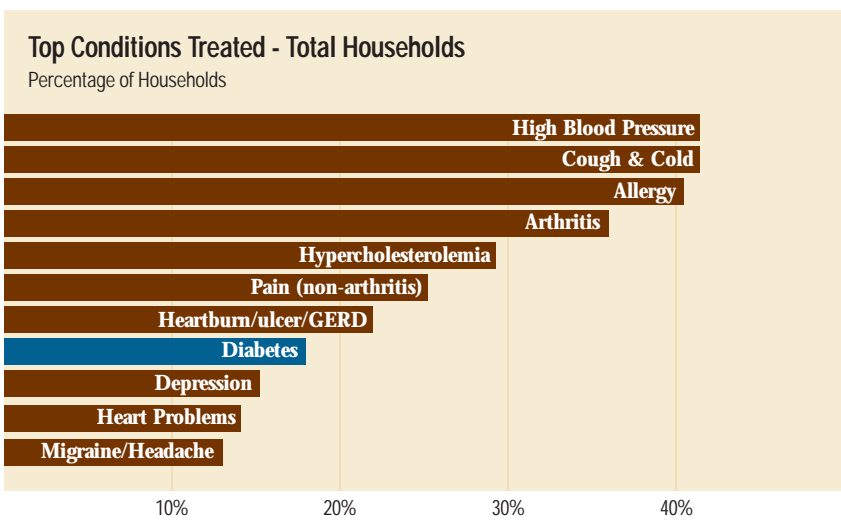


# Why the diabetes customer is important

**W**hen developing competitive growth strategies, stores should realize that there is considerable value in segmenting their customers by disease state.

Clearly, the consumer needs of a diabetes household are different from a household that suffers from allergic rhinitis or cough and cold symptoms.

The revenue potential of each of these customers is also likely to vary by disease state. In the future, those stores that segment their customers according to disease state will be in a stronger competitive position. To succeed however, pharmacies will require tools that help to identify the needs of customers by disease state. Once in hand, they will then be able to deliver targeted, promotional, educational, and service programs for each key customer segment leading to increased customer satisfaction. The *Novo Nordisk Diabetes Treatment Pharmacy Satisfaction Report* is a tool to allow pharmacies to better understand the unique needs of households where diabetes is the main concern.



The top conditions for which households sought treatment for themselves or someone in their household are graphically presented above. Nearly seventeen percent (16.9%) of the households reported that they (or someone in their household) had sought treatment for, or had received a prescription medication for diabetes. Diabetes was the tenth most common condition treated among the thirty-five conditions surveyed. > > >

**> Diabetes and multiple diseases**

In addition to their primary diagnosis, diabetes households quite often have multiple diseases. The most common co-morbid diseases that diabetes households report are high blood pressure, hypercholesterolemia and arthritis.

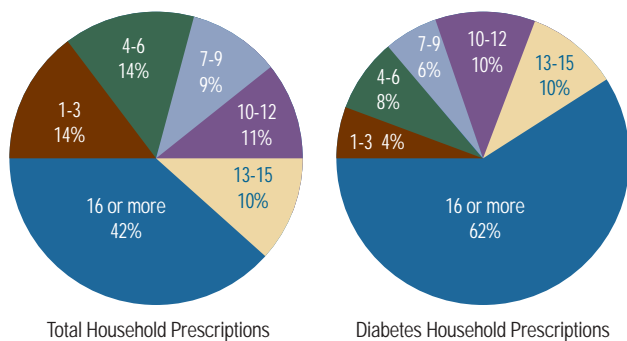
Ninety-one percent of diabetes households reported that they had received a doctor's prescription for their treatment; similar physician prescribing levels were reported for high blood pressure, thyroid hormone replacement, asthma, depression, heart problems, family planning, infections and cholesterol lowering.

Given that diabetes households report a higher prevalence of both high blood pressure and high cholesterol and given that both these chronic diseases are likely to be treated with a prescription medication, it follows that diabetes households are significant revenue generators for chains.

**Multiple diseases means multiple prescriptions**

Diabetes households are also more intensive users of prescription medications than the total sample. **In terms of total prescriptions filled per year, diabetes households fill 25% more total prescriptions than the average household sampled.**

**Total Prescriptions Filled – Total vs. Diabetes Households**



The average diabetes household filled a total of 16.4 prescriptions (4.7 new and 11.7 refills) versus 13.1 (3.9 new and 9.2 refills) for the total households sampled. This difference is to be expected given that diabetes households are likely to suffer from multiple chronic diseases each of which is likely to be treated with a prescription medication.

Diabetes households using Food store pharmacies filled the most prescriptions overall (i.e. 17.2 total, 5.0 new and 12.2 refills), followed by diabetes households using Independents and Chains with a total of 16.3 prescriptions each.

Sixty-two percent of diabetes households have sixteen or more prescriptions filled per year as opposed to 42% for the total

households sampled. This higher number of prescriptions reflects the serious nature of the disease. For households that fill more than 16 prescriptions per year, diabetes households exceeded the number of total households by more than 40%.

Because of their greater need for prescription medications, diabetes households are likely to interact with their pharmacies on a more frequent basis. As will be seen later, this increased store interaction translates into the diabetes household having different pharmacy needs than the total household sample. Not only does this create more opportunities for prescription sales, but also additional store visits lead to an increased potential for OTC sales.

**What they're paying**

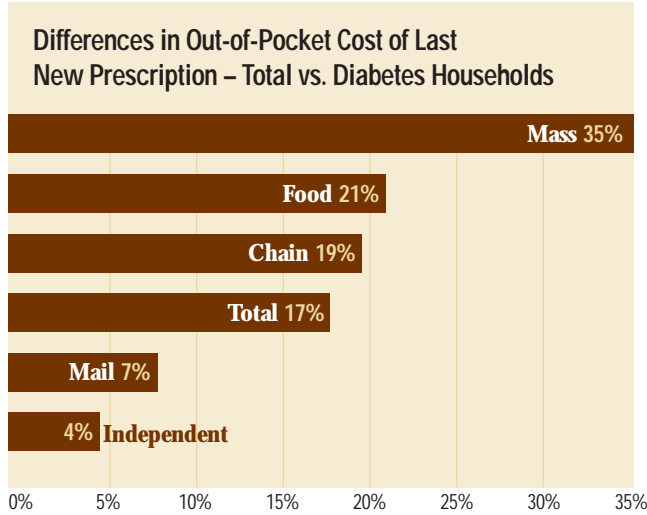
Diabetes households have higher personal costs related to their prescription medication usage. Of the total 18,209 households surveyed, and across all outlets, the average out-of-pocket cost for the last new prescription was \$20.89 vs. \$24.48 for diabetes households, an increase of 21%.

When analyzing each sales channel, the out-of-pocket cost for the last new prescription paid by diabetes households was always higher than the total sample. They were the highest for households that used a Mass Merchant / Discount pharmacy followed by Food store and Chain store pharmacies.

The sizeable increase in out-of-pocket cost for customers shopping at Mass Merchant / Discount pharmacies likely



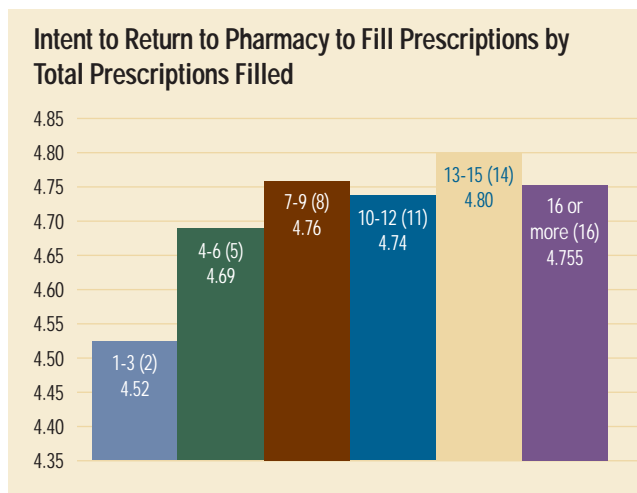
reflects the lower household income of these shoppers. Shoppers in lower income brackets are less likely to be covered by prescription benefit plans and thus are more likely to incur greater out-of-pocket costs for their medications.



Pharmacies looking to improve their satisfaction levels within this segment are walking a demographic tightrope with many competing problems. Finding a way to balance large numbers of prescriptions filled and high out-of-pocket expenses within a segment that has fewer financial resources will be a challenge for any store attempting to cater to this group.

**Pharmacy loyalty**

**One of the more important aspects of diabetes households is that they tend to be loyal to their pharmacy.** The likelihood of a household returning to the same pharmacy to either fill or refill a prescription appears to be a function of the total number of prescriptions that a given household fills in a given year. The more prescriptions that a household fills, the more likely it is that they will use the same pharmacy.



Households who filled a high number of prescriptions per year (13 or more) were more likely to return to their pharmacy for future purchases than were households that filled fewer prescriptions (4-6). One possible explanation is that given the number of visits that high-prescription-requiring consumers make to a pharmacy per year, over time these consumers come to identify pharmacies that best address their needs resulting in their realizing a higher degree of store satisfaction.

It is also possible that the perception of problems associated with transferring the sheer number of prescriptions may be daunting to the shopper for the household. This could be of special importance given demographic characteristics, such as older age, that will be discussed in the next section.

Thus, it is important that the store trying to attract this client base give them a very good reason to move their business. In addition, setting up methods to make transfer as easy as possible on the customer may need to be designed and heavily promoted.

Pharmacies may want to consider developing promotional programs targeted to diabetes households. These programs should seek to reward current diabetes customers as well as attract new diabetes customers.

Pharmacies need to view diabetes households as high revenue generators. However, in order to capture and retain this revenue, stores must be able to identify and address the drivers of store satisfaction that are most important to diabetes households. •



# Know your customer

**I**n order to satisfy your customer, it is important to first understand your customer. While reviewing the information in this section, remember that we are discussing the person who is doing the shopping for the household. This may or may not be the same person who is the patient, spouse or caregiver. However, this is the person in that household who is most likely to make buying decisions and interact with the pharmacy and the staff.

In general, diabetes households tend to be smaller in size relative to the total households sampled. Forty-eight percent were comprised of two persons, followed by eighteen percent (18%) who reported three household members, seventeen percent (17%) who reported one member, eleven percent (11%) who reported four members and only six percent (6%) who reported five or more household members.

### The household shopper

As in the case of the total household sample, the vast majority (80%) of diabetes household shoppers in the survey were women. However, there are some important differences. One is that the shopper in the diabetes household tends to be older.

Pharmacy Customers by Life Stage – Total vs. Diabetes Households

Life Stage	Total Household	Diabetes Household	Difference
Older Parent	28%	29%	+3.6%
Retired Couple	14%	20%	+42.9%
Working Couple	24%	26%	+8.3%
Middle Age	25%	20%	(20%)
Young	6%	2%	(67%)

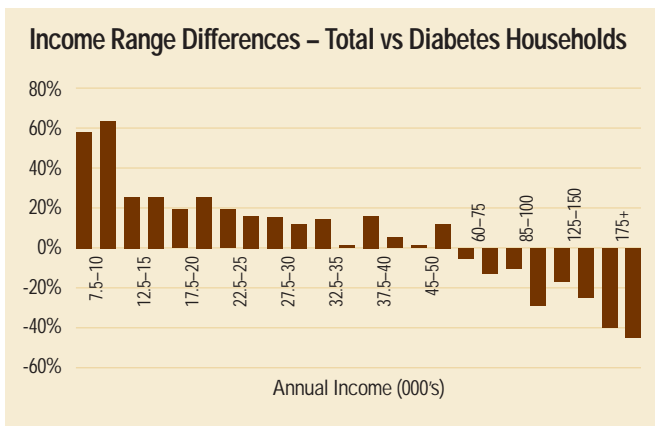
For the general sample, approximately 17% of the respondents were between the ages of 20 and 44 vs. 10% of the diabetes household respondents. In contrast, for the total sample 17% fell in the 65 and older age bracket as compared to 22% for diabetes households.

When we discuss drivers of satisfaction, we will find some areas where age is important. One example would be in the relationship between satisfaction and clear labeling. When you think about the onset of age-related eye problems, especially when combined with a higher level of disease-related eye problems, the reason this is important begins to stand out.

Diabetes households were also more likely to contain older parents, working couples, retired couples and less likely to contain middle aged or young adults. These demographics reflect the nature of diabetes, a disease whose onset usually strikes individuals in their 50's. Households with older members are also likely to have different consumer needs than households whose members are much younger.

**The diabetes household income**

As could be expected, there is a variation in household income when comparing diabetes households with the total household sample. From a financial perspective, diabetes households are less well off.



Store type pharmacies can be characterized by the average household income of the customers they attract. For the general household sample, Food Stores (\$68,000) followed by Mail Service (\$66,000) and Chain Stores (\$63,000) attract more affluent customers to their pharmacies. The pharmacies that attracted the lowest income households were Independents (\$59,000) and Mass Merchandisers (\$55,000).

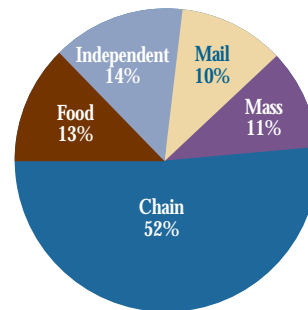
Across all distribution channels, the diabetes household's average income was less than the total household sample. **Interestingly, there does not appear to be a correlation between average consumer income per chain and store satisfaction.**

For example, Independent pharmacies where the average income per diabetes household (i.e. \$52,400) is less than households

using Chain pharmacies (i.e. \$55,500) had higher store satisfaction scores. In contrast, Food stores with average household income of \$57,600 had higher satisfaction scores than Mass Merchant pharmacies where average income was \$48,600.

Although they tend to have an average income lower than the total sample, it is important to remember that these households also have many health care related expenses. As we have seen, they fill 25% more prescriptions than the total, 62% of the households had 16 or more prescriptions filled during the year (vs. 42% for total households) and had higher out-of-pocket costs.

**Type of Pharmacies Used – Diabetes Households**

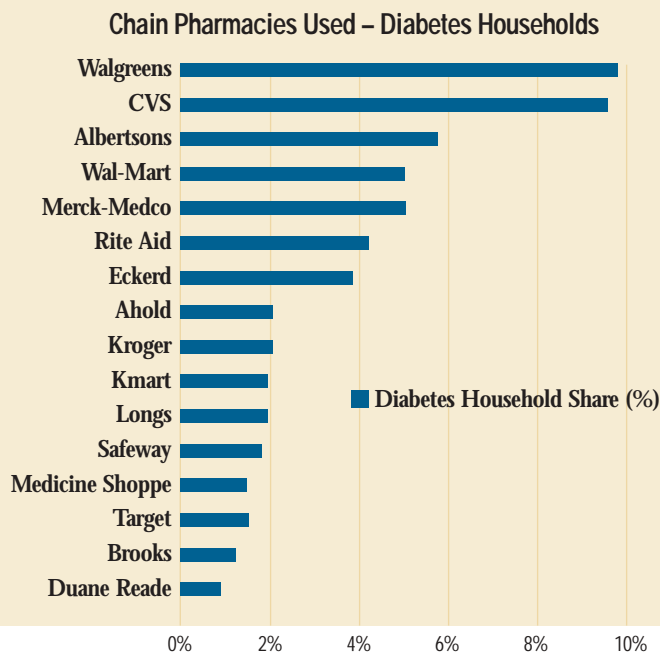


Diabetes households were more likely to have had their prescriptions filled by Mail Service/Online, Other, Independent and Mass Merchant pharmacies and less likely to use a Chain or Food Store pharmacy compared to the typical household shopper.

It would appear that there is an opportunity for Food Stores to expand their business with diabetes households. Later in this report data will be presented that indicate that diabetes households are more satisfied with the service from their Food Store pharmacies then they are with the service from Mass Merchandiser pharmacies.

Yet the data above would indicate that as a percentage of total households sampled, Mass Merchandisers attract considerably more diabetes households than do the Food Stores. Supermarket pharmacies may want to consider promotional programs that are designed to attract new diabetes households to their in-store pharmacies.

Another possible avenue for Food Store pharmacies to increase satisfaction lies in the fact that diabetes is also a dietary disease. Many groceries have a nutritionist on staff or as a consultant that could provide menu selections and diet information that would not only increase satisfaction with the pharmacy, but also quite possibly with the grocery side as well. > > >



> This chart summarizes diabetes household shares of individual store chains in terms of where households had their prescriptions filled according to the WilsonRx survey. As there are significant differences in the store types that customers frequent, there are also significant differences between individual chains within a channel.

For example, although CVS had the highest share of total households who purchased prescriptions and Walgreens ranked second, the positions were reversed with diabetes households. Walgreens is ranked first in terms of diabetes household market share. Apparently diabetes households view Walgreens and CVS differently than does the total household sample.

Another interesting example is Medicine Shoppe. Although not having a large market share, Medicine Shoppe has developed a very strong relationship with their diabetes customers. The share of diabetes households that Medicine Shoppe has captured is 40% greater than their total household share.

Similar differences occur with individual chain stores that fall within the classification of Mass Merchant / Discounters such as Wal-Mart, Kmart and Target. Although all Mass Merchant pharmacies had a larger share of the diabetes household market versus the total market, Wal-Mart is the clear leader in this group.

Wal-Mart's share of the diabetes households was 35% greater than its share of total households surveyed. In contrast both Kmart and Target increased their diabetes household share over their total share by only 10%. One explanation for

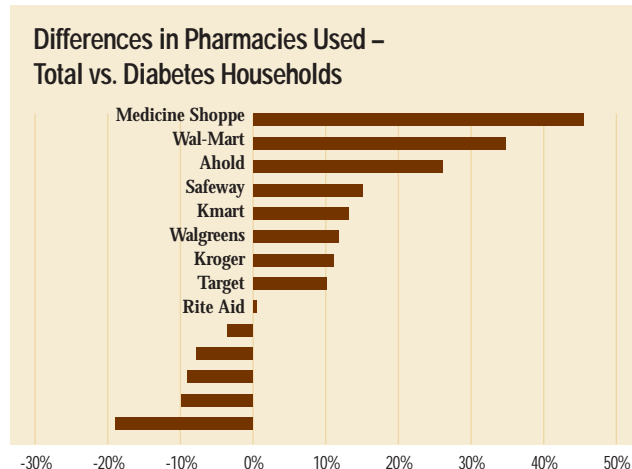
this difference may be that Wal-Mart has a national diabetes awareness campaign that is specifically targeted to the diabetes customer.

As shown above, Merck Medco has captured a disproportionate share of diabetes households. This is not surprising. Diabetes is a chronic disease requiring long-term therapy. Mail order targets chronic care patients, such as diabetes, who benefit in being able to have a larger prescription size filled (e.g. 3 month supply).

Mail Service may also be viewed as being more convenient particularly for home delivery. Where differences occur between individual chains, stores may want to see how consumers rate the drivers in consumer satisfaction versus the competition. This will provide insights as to where they need to improve their services if they want to capture a larger share of a targeted audience such as diabetes households.

### Addressing the needs of the diabetes household

There is a large variation in rank order by chain between individual pharmacy chains in terms of the degree to which diabetes households patronize their stores. There are a number of individual store chains (i.e. Medicine Shoppe, Wal-Mart, Ahold, Safeway) in which diabetes households account for a higher percentage of customer patronage relative to the total household sample. These chains appear to be more effective in addressing the needs of diabetes households. By so doing they have been able to capture a larger share of the lucrative diabetes sector.



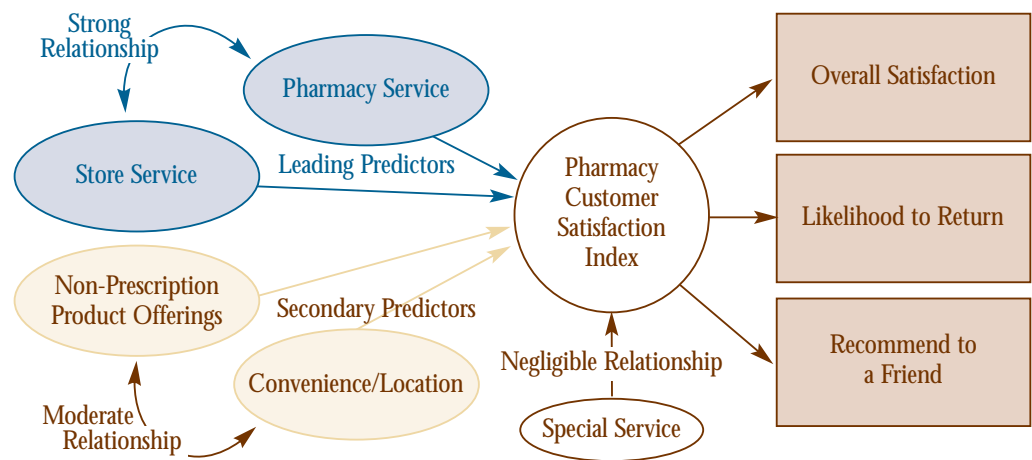
In contrast, Longs, Brooks, CVS, Albertsons and Eckerd have a lower percentage of diabetes households versus the total household sample. These stores may want to analyze their individual store satisfaction scores with diabetes in order to determine in which areas they need to improve their service. •



# Drivers of satisfaction

**W**e know why satisfaction is important to both the store and the customer. The question then becomes: “What are the main drivers of satisfaction?”

Of the factors that drive overall satisfaction, pharmacy services were the leading predictors. Very high correlations were observed between the customer’s satisfaction index and the customer’s overall satisfaction, intent to fill and refill prescriptions and the likelihood they will recommend the store to others. There is also a strong correlation between pharmacy-specific and general store service issues. Finally, a moderate relationship was found between location and convenience issues and non-prescription/OTC issues.



It should be stressed that these key drivers for satisfaction are derived from responses in the total samples of households surveyed. There are likely to be differences in the drivers and their relative importance when discussing only diabetes households.

However, data from other areas of the Survey show that there are some overlaps between the two groups. Pharmacy managers can still use the survey results as a tool for prioritizing response to those customer issues that are key drivers of satisfaction. > > >

> When filling a new prescription, a high correlation was found between the levels of satisfaction in the overall sample and many customer issues. As can be seen in the list below, the pharmacist impacts all the top five predictors.

- > Friendly and courteous Pharmacists
- > Information about my medication
- > Ability to speak to a pharmacist
- > Clearly labeled directions
- > Filled in a timely manner
- > Accurately with no errors
- > Getting the proper medication
- > Coordinate my care with others
- > Knowledgeable about insurance
- > Information to avoid side effects
- > Information on conditions
- > Accept insurance w/o problem
- > Ability to call ahead for prescription(s)
- > Time to fill new prescription

Another area important to the customer that may often be overlooked is helping them navigate through the healthcare system. **Coordinating care with others as needed, being knowledgeable about insurance and accepting insurance without problems are services that pharmacies should look at when thinking about customer satisfaction.**

Clearly the pharmacist has a significant impact on customer satisfaction.

**Convenience is a factor**

**The major drivers of satisfaction with refills were largely variations on the same themes. What is noteworthy is the higher impact of convenience in this group.**

The ability to call ahead and have their refilled prescriptions waiting was the factor identified most often by diabetes households. This was not even in the top ten predictors for new prescriptions.

There appears to be a large percentage of households who refilled their medications in person. This means that they had to wait or make a second trip to the pharmacy.

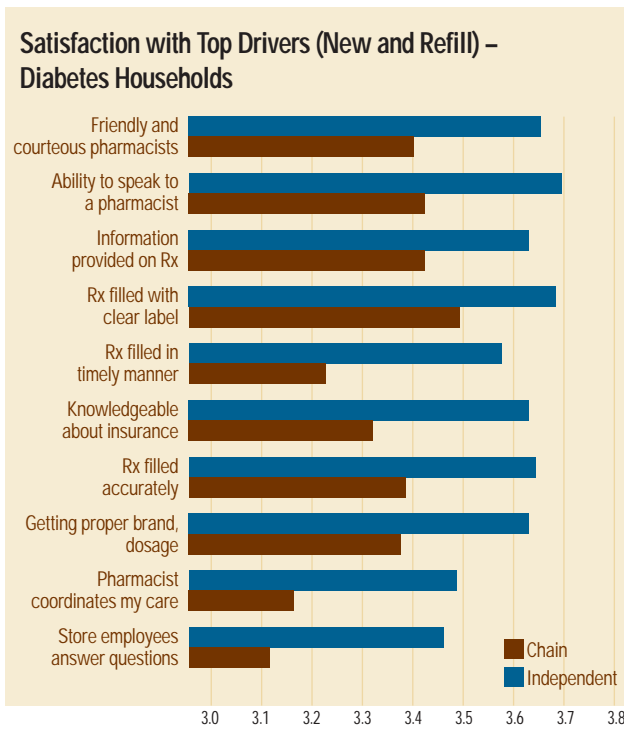
**Pharmacies should develop ways to remind customers to call in their refills to avoid this waiting time and its possible impact on store satisfaction scores.**

Although of lesser overall importance, they should also consider educating their customers that new prescriptions can be sent directly to the pharmacy by the doctor, lessening the wait for new medications also.

Another consideration may be in the area of making it more convenient to get all prescriptions, not just the ones related to diabetes, at one time. Coordinating dispensing of the many

different medications seen in diabetes households would increase the convenience and help lessen the number of trips to the store to get multiple prescription refills.

Satisfaction is largely driven by the human element with interventions such as having access to the pharmacist and, through them, information on their medication, comfort in knowing they are getting the proper medication and dose and additional knowledge of their disease. Satisfaction hard won in the prescription process can be lost in the refill process.



Diabetes households say they are more satisfied with most of the top drivers than those in the total sample. The drivers they were most satisfied with were clearly labeled prescriptions, information provided on the patient’s medication and the ability to speak to a pharmacist. **The areas with the lowest satisfaction scores were the store employees’ ability to answer questions, the pharmacist’s coordination of care with others and having their prescriptions filled in a timely manner.**

**Personal interaction makes a difference**

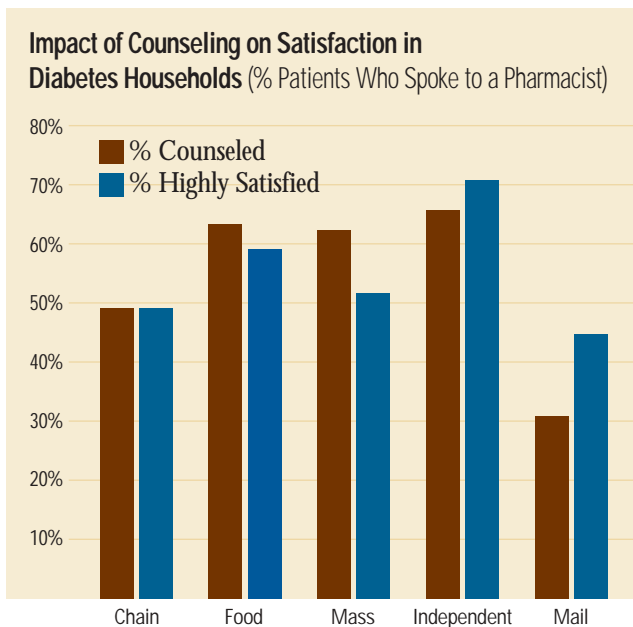
Overall Independent pharmacy customers were more likely to have spoken with a pharmacist when they had their last new prescription filled. Mass Merchandisers, Food Store and Chain Store pharmacies followed behind. When compared with the total sample, diabetes households had a greater need to talk to the pharmacist. There was a sharp disparity in the

percentage of diabetes households using Independent pharmacies that reported speaking to their pharmacist versus those who used the chain stores.

**Pharmacy counseling is one of the leading predictors of store satisfaction.** Consistent with other findings, diabetes households were more satisfied than the total population with the counseling provided by pharmacists across all store types.

However, there were also differences seen in satisfaction with the information and counseling provided by pharmacists across store types. Diabetes household shoppers were most satisfied with Independent pharmacies (71% saying they were highly satisfied), followed by Food Stores and then Mass Merchandisers. Chains were ranked as one of the lowest in terms of households being highly satisfied with the counseling component (49%).

There is a clear correlation between the percentage of diabetes households who reported that they were counseled by their pharmacist when they received their last new prescription with the percentage who were highly satisfied with the overall counseling offered by the chain pharmacist.



Since counseling is a key driver of store satisfaction, it follows that the higher the level of counseling the higher a store's satisfaction score is likely to be. Also of interest is the significant difference between percentage of counseling and percentage of satisfaction seen within the Mail Service pharmacies. Although diabetes households received considerably less counseling by Mail than by Chain, their satisfaction scores were almost comparable.



There are probably different expectations of counseling when ordering through the mail as opposed to going to a store of any kind. However, given the satisfaction score similarities, Chains should consider exploring this issue further.

In all of these cases, programs targeting the specific needs of diabetes produce an increase in market share among diabetes household when compared with the total sample. It seems that these households are eager to find someone to help them.

The time it took to fill the prescription is the one area where there was a significant opportunity for improvement in diabetes households. Most diabetes households filled their new prescriptions by going to the pharmacy and waiting (42%) followed by customers who dropped off their prescriptions and returned later to pick them up (33%) and then by those who had their doctor's office call in the prescription (9%) or had them filled by mail (8%).

There is a self-induced wait inherent in this that may impact on how households view the speed the prescription is being filled. Those pharmacies that find a high percentage of their customers wait for their prescriptions should encourage them to have the doctor telephone the order so the wait is lessened. It could also be seen as an appropriate time for counseling or other disease-related interventions.

Most diabetes household prescriptions were refilled by the customer calling ahead to the pharmacy and picking it up later (35%), followed by dropping off and picking up later (19%), going to the pharmacy and waiting (14%), using the mail (13%) and ordering online and either picking the prescription up at the store or having the prescription mailed to them (10%). Although the drive-through pharmacy was least likely to be used to fill or refill prescriptions, twice > > >

> as many households used the drive-through pharmacy to pick up refills versus having a new prescription filled.

The study findings show that 42% of diabetes households waited at the pharmacy for their new prescription to be filled vs. 14% who went to the pharmacy and waited to have their prescriptions refilled. This indicates that when refilling prescriptions the needs of diabetes households shift from wanting to get their prescription filled in a timely manner to finding the most convenient manner for getting their prescription filled. Those seeking to improve their store satisfaction scores should note this shift in consumer needs.



Compared to the total sample of households, diabetes households were more likely to have had their new and refilled prescriptions filled either by mail or online. Again these two approaches to filling prescriptions support study findings that diabetes households seek greater convenience when refilling prescriptions.

This greater need for convenience can be explained in part by the larger number of total prescriptions that diabetes households fill in a given year versus the total sample. These households might be looking for ways to reduce the number of trips to the pharmacy, or at least the amount of time they spend there. Another characteristic of diabetes households is that they tend to be “older” than the total sample. This age factor may also be driving the need for increased convenience.

Diabetes households purchase considerably more OTC products than the total household sample. Since 37% of

these customers purchase their prescriptions in one store and OTC products in another, finding a way to consolidate this business in one place would address the customer’s convenience concerns in a manner that is also likely to increase store revenues and profits.

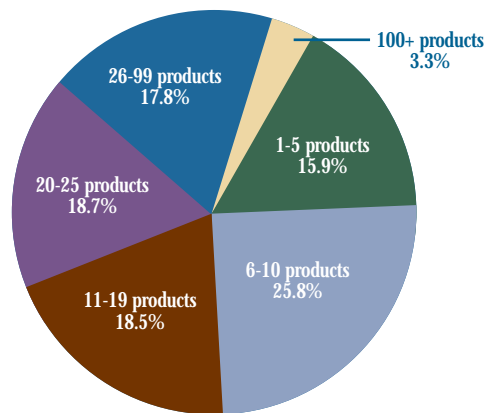
### Over-the-counter purchases

When it comes to prescription medicines, information elsewhere shows that diabetes households are loyal to their pharmacy. **However, approximately 37% of diabetes customers who had their prescriptions filled at a given place went elsewhere to purchase their non-prescription or OTC products.**

Being able to identify and address the consumer issues that make the buyer in a household purchase their prescriptions in one store and their OTC products in another offers a significant potential for future OTC growth. Since they are already in the store, it should be easier, more efficient and less costly to recruit them as OTC buyers than to bring in those from outside.

The first question becomes what kind of OTC products do diabetes households purchase most often? Slightly more than 80% purchased dental products, pain and personal care products. Other important items include first aid/wound care, head or scalp products, cough and cold remedies and vitamin supplements.

Number of OTC Products Purchased – Diabetes Households



Mean average was 21.5 OTC products purchased per year per diabetes household

Now that the general areas of OTC products that are important to the diabetes household have been established, of more importance are the kinds of OTC products that diabetes households tend to buy more often than the larger sample. Given the demographics of diabetes households and the com-

plexity of their disease process, it is not surprising that what they buy in this area is different from the total household.

Foot care products (bought 112% more often) and diabetes home test kits and supplies (64% more often) head the list of OTC products that greatly exceed the percentages purchased by the total sample. By identifying those products of greater need to diabetes households, stores can develop targeted OTC promotional campaigns to help attract diabetes households to the stores.

Approximately 53% of diabetes households who purchased foot care products purchased antifungal products. OTC products related to corns, bunions, callus and blisters represented 41% of the total with foot odor control OTC products accounting for 31% of their purchases.



Diabetes households also purchase approximately 64% more OTC medical supply products than the sample of total households surveyed. Approximately 54% of diabetes households who purchased medical supply products bought supports and braces. OTC products related to blood pressure monitoring represented 46% of the total with home testing products accounting for 17% of their purchases.

The third class of OTC products that diabetes households purchase more frequently than the total sample of households are asthma and breathing related products. Diabetes households purchase approximately 25% more than does the sample of total households surveyed.

Diabetes households purchased approximately 22% more OTC herbal/natural products than did the sample of total households surveyed. The pharmacist can play an important, if underappreciated, role in the use of this group of products that can lead to customer loyalty.

Although most customers view herbals as “natural” and thus automatically good for you, pharmacists know better. Actively counseling patients about interactions with their medications, especially given the large number of different drugs taken by diabetes patients, should be seriously considered. This would not only help the patient, but may increase the likelihood they would buy their herbals at the pharmacy to take advantage of this service.

Approximately 40% of diabetes households who purchased OTC herbal/natural products bought Glucosamine, followed by 31% who purchased Garlic, 29% Ginkgo Biloba, 24% Echinacea, 22% Ginseng, 19% Chondroitin, 14% St. John’s Wort, 12% Coenzyme Q10, 11% Omega Fish Oils.

Diabetes households purchase approximately 13% more OTC G.I. products than the sample of total households surveyed. About 55% bought anti-diarrhea medicine. Thirty-nine percent purchased products for gas treatment, 23% products for hemorrhoids, 21% fiber laxatives, 19% laxative stimulants, 12% motion sickness and nausea products and 11% incontinence supplies.

Now that it has been established *which* OTC products are important to diabetes households, *what* is important to them is the next question that needs to be answered. Both diabetes and the total household samples reported that pricing, selection, advice and recommendations of their doctor, pharmacist and/or nurse as well as store flyers/coupons were important in making their non-prescription product selections.

**Influencing the OTC purchase decision**

Some of these factors are more important to the diabetes households than they are to those in the total sample. It would seem logical, given the types of professionals that tend to interact with diabetes households, that the recommendations of a nurse or nutritionist are important in the selection and purchasing of OTC products. However, the fact that the pharmacist is also an important factor in these decisions should not be overlooked, especially since the pharmacist is usually able to fulfill those recommendations in-house.

**The key role that the store pharmacist can play in influencing the OTC purchase decision should not be overlooked.**

This influence should be leveraged when negotiating with OTC manufacturers and distributors. However, the degree of leverage varies by store and is a function of how satisfied the total household sample was with each pharmacy service. The ability to leverage this store service will also depend on how competitive the market is for that particular OTC brand. •

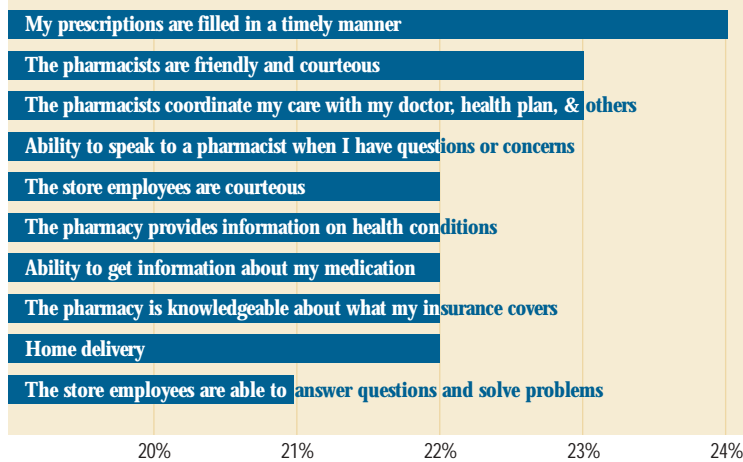


# Who are highly satisfied

**I**n any attempt to understand the key parts of a decision to choose a pharmacy by diabetes households, it is important to look at how highly satisfied customers are different from others. The analyses lead to these ten key issues that seem to stand out.

When discussing high patient satisfaction, it is important not to focus solely on the individual drivers. When compared to the total sample, high satisfaction scores characterize those who are highly satisfied with their diabetes treatment across many issues. There seems to be no “magic bullet” to patient satisfaction.

**Differences in Highly Satisfied Diabetes Households with New Prescription Pharmacy Satisfaction Issues Among Highly Satisfied, New Rx, Diabetes Patients**



As noted earlier, diabetes households in general were less satisfied with the timely manner in which their prescriptions were filled. However, when examining just those who were highly satisfied with their treatment, this group showed a 24% increase in satisfaction with how quickly their new prescriptions were filled.

Other key components of “producing” a highly satisfied diabetes household include having friendly pharmacists, coordination of healthcare, ability to speak to the pharmacists and the availability of information. If stores want to improve their store’s satisfaction scores with diabetes households, these issues need to be addressed.

Households using Independent pharmacies were significantly more satisfied with their ability to get prescriptions filled in a timely manner. This is a rather interesting finding since it was previously reported that diabetes households perceived Mass Merchandisers filled more of their prescriptions within an hour. And yet, at least in terms of overall satisfaction with getting prescriptions filled in a timely manner, Mass Merchandisers were rated lower by the customers.

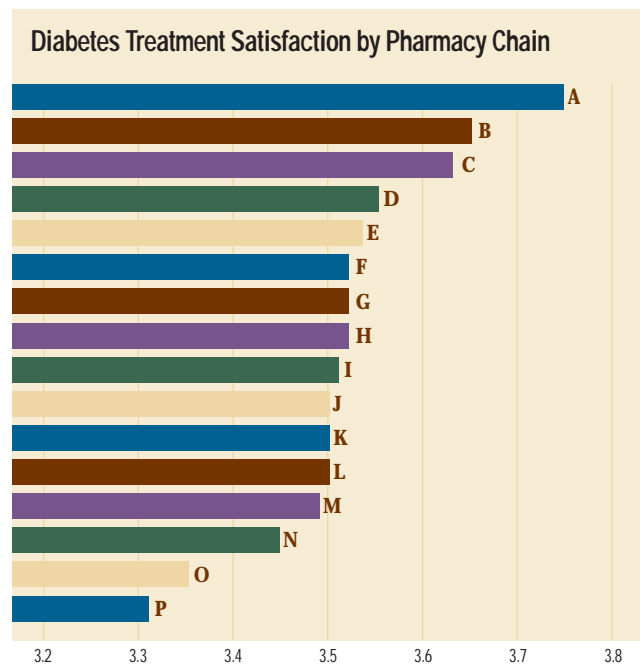
Generally diabetes households waited the same amount of time to get their prescriptions as those in the total sample. When it came to filling new diabetes prescriptions in an hour or less, Mass Merchandisers lead all others with over eight in ten (82%) being completed within 60 minutes. Diabetes households were most highly satisfied with the time to have the new prescriptions filled at Independent pharmacies, followed by Food Store and Mass Merchandisers.

Given what we know about the preferences diabetes households have in filling prescriptions and their demographics, one would conclude that time to fill new prescriptions should be a major driver of satisfaction. The significant differences between the channels (but especially between Independent pharmacies and Chains) in customer satisfaction with fulfillment is likely to impact on overall store satisfaction ratings.

Independent pharmacy customers were significantly more satisfied with courteousness of their pharmacist. There were also high levels of satisfaction among diabetes households who used Food Stores. They were least satisfied with courteousness and friendliness of those working in Mass Merchant

and Chain pharmacies. The mail channel was rated lowest in satisfaction.

The important take-away message is that Independent pharmacies had highly satisfied customers because they consistently met the needs of the diabetes household as defined by these



Of the sixteen chains evaluated, in terms of diabetes treatment satisfaction, three chains were rated significantly above the average and two significantly below. Most pharmacy chains were rated at or near the mean overall average of 3.5 on the four point scale (1= highly dissatisfied, 2 = dissatisfied, 3 = satisfied, 4 = highly satisfied).

major drivers of satisfaction. However, the variations seen both between and within store types shows that a focus on these important areas can lead to increased satisfaction. In the final analysis, how well the diabetes household is served rests with management and employees of the individual store. •



# Summary & Conclusions

**T**he changes in both health care and general business practices have greatly increased the pressures on pharmacists and brought about the need to better prioritize their time. Concurrently with this has come the understanding that not all pharmacy customers have the same needs and wants. Disease segmentation is a way to address these conflicts of strict time limits and the unique needs of each customer.

Successful implementation requires pharmacy management to look at current customers and the disease segments that are sizable contributors to their store's revenue base. The diabetes household is one such important entity.

The purpose of the Novo Nordisk Diabetes Pharmacy Treatment Satisfaction Report is to help identify the unique set of pharmacy-related needs of diabetes households. This, in turn, can lead to the development of programs addressing these needs, which contributes to enhanced patient health, increased satisfaction and customer loyalty. These further lead to higher store revenues and profits.

Diabetes households are big consumers of prescription medications when compared to the total sample. This is probably secondary to the higher levels of comorbidity seen in diabetes households. Most comorbidities are also treated with prescriptions leading to these customers filling 25% more prescriptions each year and being over-represented among those getting 13 or more prescriptions or refills yearly.

These households show major differences to be considered when working toward satisfying their needs. They tend to be smaller, older and have lower incomes than the overall sample. Despite this, they have higher than usual out-of-pocket expenses, most likely related to lower likelihood of having medication coverage in their insurance.

There are many important points that can be taken away from the results as outlined. First, diabetes households tend to be more satisfied with both their disease treatment and their pharmacy when compared with total households.

Pharmacy services were the most important drivers of satisfaction among total households. Diabetes households

rated the top satisfaction drivers slightly higher than general households. Among these for both new and refilled prescriptions were friendly and courteous pharmacists, ability to speak to a pharmacist, and information about the medication. The ability to call ahead was important for refills only.

It should also be noted that patient perceptions also play a large role in these decisions. Mass Merchants have the highest percentage of prescriptions filled within an hour. Yet they have lower satisfaction ratings with their timeliness than slower channels. Planning to better serve this segment includes not only actually doing things, but also making sure that the customer's perception meets the reality.

It is also clear that not all types of pharmacies are equally satisfying. Even within supply channels there are major differences between individual chains as can be seen by the category leadership of Walgreens in Chain Stores and Wal-Mart in Mass Merchandisers. This indicates that each individual store needs to assess how well they are serving their clients and look for specific ways to meet their needs.

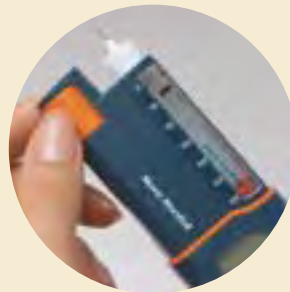
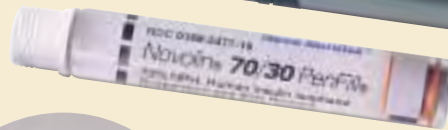
In addition to prescriptions, diabetes households also are major consumers of over-the-counter products. Some, such as syringes and blood glucose monitoring equipment, are obvious. Others, such as foot care products, may not be.

However, the data show that OTC products may be a lucrative segment that can be better managed. About 40% of those who had their prescriptions filled at a given pharmacy went elsewhere to purchase their OTC products and supplies. Suggestions by a pharmacist were more important to the diabetes households when purchasing OTC products. Finding ways to leverage the prescription satisfaction and the recommendation of the pharmacist in the OTC areas offers a significant potential for future growth.

Overall, the data show that pharmacists play an important role in influencing customer decisions regarding both prescription and OTC purchases. The diabetes household has different medical and demographic needs that should be considered when developing ways to increase patient satisfaction and their loyalty to the store. •

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