Steven Eglese

MARKETING RECOMMENDATIONS FOR THE UK HEALTH & BEAUTY RETAIL MARKET

Using Superdrug as a case study

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ABSTRACT

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The thesis was conducted with Superdrug Stores PLC as the focus company of the UK health and beauty retail market. Superdrug are a well established member of the market and provide an offering to the customer of a wide range of health and beauty products including the latest and most popular brands with some stores also containing pharmacies which enables them to fulfil prescriptions and sell medicines only available from pharmacies.

The aim of this thesis was to provide marketing recommendations for Superdrug. The objective of these recommendations was to strengthen or develop Superdrug's position within the health and beauty retail market and ultimately to increase Superdrug's market share.

The thesis adopted a combination of first hand and theoretical research in order to achieve its goals. Theoretical research was conducted into Superdrug and the competition faced within the market as well as some of the external forces that affect the market. A questionnaire was conducted into customers shopping habits in the health and beauty retail market to gain some quantitative information that could be used for further analyses. Traditional analytical methods such as PESTLE and SWOT were used to look at the industry and Superdrug.

The result was to find that Superdrug is clearly not the leader in its market. Superdrug's position was analysed and based on the findings 4 clear marketing recommendations were made based on a customer orientated view of the marketing mix. The recommendations included improving store availability, launching a major promotional campaign and developing a Smartphone App.

Key words
Superdrug, health and beauty, retail, marketing, marketing mix

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1 INTRODUCTION

The topic for the thesis is marketing in the UK health and beauty retail market focussed on Superdrug who are a competitor in that market. The topic was chosen as I have earlier worked in that market for Superdrug for 6 years including as a manager for 2. I still have an interest in the actions of Superdrug and wanted to examine them further and see what recommendations could be made that would strengthen their position within the market.

After leaving Superdrug I was still working as a retail manager in a different market and I have always had a strong interest in retail since. As a manager I was sometimes left wondering how the company could improve what it was doing but never had the tools at hand to conduct any personal research into the area. I hope from this thesis that I will be able to establish whether some ideas that I had as an employee could be successful or unrealistic for a company to adopt.

The thesis aims to answer the questions of who are Superdrug? Who are their competition? What is the market position of Superdrug? How do customers see the health and beauty retail market? What can Superdrug do to improve its market offering and strengthen its market position? I will conduct new research into these areas and attempt to apply my own knowledge which I have garnered over my years working in the industry to try and answer these questions.

In the thesis the company of Superdrug will be looked into in depth including its history and how it currently sees itself. Its current actions and market offerings will also be examined to try and gain an accurate picture of the company. The competition faced by Superdrug will be looked at as a whole with a further in depth look at their major competitor Boots as well as Bodycare who represent a slightly different member of the market. The aim after looking into Superdrug and the competition is to be able to use this information coupled with extra research to perform various analyses.

In order to gain some information into customers habits when it comes to shopping for health and beauty products a questionnaire will be conducted. It will endeavour to find out whether customers are shopping in the health and beauty retail market and if so are they

doing so at Superdrug or its rivals as well as what is important to them with regards to health and beauty shopping. This primary research can then be used for further analysis in this thesis.

Using the information that has been gathered and combining it with external sources some traditional analyses such as PESTLE, Porter's Five Forces and SWOT, will then be conducted on the market and Superdrug and from there some strategies will be drawn from the SWOT analysis. The intention is that this research will provide key information that will indicate what would be the best way to formulate any marketing actions.

The ultimate aim is to produce a short series of marketing recommendations for Superdrug that can be used to improve its market offering. The recommendations will be such that they can be implemented together or individually and that all of them should improve an area of Superdrug in order to help the company secure or grow its market share.

2 SUPERDRUG

Superdrug Stores PLC (Superdrug) is a health and beauty retailer from the United Kingdom (also operating in the Republic of Ireland) who sell products such as make-up, toiletries, hair styling products and accessories, beauty products, perfumes and eau de toilettes (EDTs) as well as various ‘over the counter’ (meaning available without prescription) medicines. Also many of Superdrug’s stores are equipped with a pharmacy counter allowing them to fulfil prescriptions and sell stronger medicines which can only be sold if a pharmacist is present. Superdrug was born in 1964 but since then has undergone several changes of ownership, appearance and operations.

2.1 Superdrug's history

In 1964 Ronald and Peter Goldstein began a toiletry retailing business which was incorporated as Leading Supermarkets Limited before they decided to use the name Superdrug later that year. They opened their first store on Putney High Street in 1966 and by 1968 had stores in Croydon and Streatham as well as a distribution warehouse in Wimbledon. In 1971, a US company known as the Rite Aid Corporation who operated a chain of US drug stores, acquired 49% of the Superdrug company and the following year Superdrug purchased Elgee Drugstores, a company that operated 5 stores. (Superdrug 2014a.)

In 1979 Superdrug acquired an 8 acre site on Beddington Lane in Croydon, the company's modern day head office location. It was now trading through 77 stores and in 1980 the company opened its first store in Wales in a town called Wrexham. 1981 saw both the completion of the company's new 11'000 square metre distribution centre on the afore mentioned site in Croydon and the opening of Superdrug's 100th store, in Manchester. The company was floated on the Unlisted Securities Market (USM) stock market in 1983 and a year later the company's sales broke one million pounds a week. With so many new stores in the north the company opened another distribution centre, this time in Wakefield in the north of England. The end of 1984 saw the company open its 200th store in Bishop

Auckland. In 1985 the company opened its first store in Scotland and by the end of 1986 Superdrug had 289 outlets. (Superdrug 2014a.)

In 1987 Superdrug was taken over in a £57 million deal by Kingfisher PLC and the Rite Aid Corporation relinquished their share. The takeover came with a rapid plan of expansion and by the end of the year Superdrug employed over 7'000 people in 339 stores. Through 1988 and 1989 Kingfisher acquired Tip Top Drugstores, Sharedrug and Medicare and incorporated them into Superdrug's portfolio at the same time as continuing rapid expansion of Superdrug so that heading into the 1990s Superdrug had 681 stores. In 1990 stores reached 650 and the founders of the company, Ronald and Peter Goldstein left the company. (Superdrug 2014a.)

Northern Ireland was the only remaining country in the UK not to have a Superdrug store and in 1991 this issue was addressed with the opening of 9 stores in the region. This year also saw Superdrug open its first two perfumeries. 1992 saw a further 18 perfumeries opened and Superdrug's first in-store Pharmacy was introduced in Cheltenham. The year 1992 was also when the company launched its No Animal Testing Charter. By 1995 Superdrug had a total of 48 in-store pharmacies and in that year the company began a rebranding program starting with new look stores in Milton Keynes, Bristol, The Strand and Holborn. By the start of the new millennium Superdrug had 720 stores and 231 in-store pharmacies and had launched its own free magazine called Spirit. (Superdrug 2014a.)

In 2001 Superdrug changed hands once again when it was sold by Kingfisher to Kruidvat Beheer BV (Kruidvat). A year later Kruidvat sold its retail interests to international retailer A.S. Watson who are part of Hutchinson Whampoa, a multinational conglomerate. In 2003 Superdrug teamed up with mobile network ‘3’ to launch in-store areas where customers could purchase mobile phones. In the year 2007 220 ‘Savers’ stores, a former rival now with the same owners, were converted into Superdrug stores and 440 stores were given a huge facelift in a beauty investment program that cost £46 million. In 2009 Superdrug launched its ‘Superprices’ campaign and they launched a £1 Skincare range. Superdrug's loyalty program "The Beautycard" was launched in 2011 where customers could earn points to use at a future time by shopping in Superdrug. In 2013 Superdrug's customers and colleagues raised over three hundred thousand pounds for the Teenage Cancer Trust charity. (Superdrug 2014a.)

2.2 Superdrug Today

Superdrug is currently the number 2 store in the UK health & beauty retail market. They have over 800 stores, over 200 of which have an in-store pharmacy and 15 of those provide nurse clinic offering health checks. (Superdrug 2014b.) Superdrug views itself as a high street retailer offering customers the height of fashion in health & beauty as well as great value. Indeed the official website states:

> Our purpose is quite simply to be the best in everyday accessible beauty and health. We are committed to bring innovation and the latest styles and trends to every high street in the UK and Southern Ireland at fantastic prices. (Superdrug 2014b.)

The company also prides itself on offering customers exclusive products and an Own Brand label which they believe provides the customer with both great value and excellent quality. The Own Brand is certified by Cruelty Free International. Superdrug places a big emphasis also on the service they provide, mentioning the training scheme which all employees must fulfil. (Superdrug 2014b.)

In the next sections the different aspects of Superdrug which are relevant will be explained in more detail. Financial information about the company has been omitted as it is felt that this should not interfere with the eventual plan conceived. Of course the financial performance of a company may affect their decisions on marketing and also their ability but the purpose of this thesis is to develop a plan Superdrug could use in order to improve or strengthen its position in the health & beauty retail market.

2.2.1 In Store

In store each Superdrug is laid out in departments divided by either types of product or the target audience of a group of products. The first department that a customer usually comes to is the make-up and skincare sections, with nail care and hair care usually following. Whilst not all these products are necessarily for women alone this layout clearly shows that Superdrug is trying to target itself at women. Each store will have a men's department which in itself will be split into sections but not large enough on their own to be called a

department. Another major department in store is the healthcare department. This is usually located towards the back of stores and will be split into sections for pain medicine, other medicines and vitamins & supplements, where stores have an in store pharmacy this will be located next to or within the healthcare department. The final major department which is featured in nearly all stores is the perfumery. This will either be situated so that the perfumes are behind the tills and the cashiers serve the customers or some stores will have a specific perfumery section where customers can browse themselves with a sales assistant on hand to help. Other departments that are in stores include sanitary protection, household products, baby (which can vary in size but is often not major), beauty electrical (such as shavers & hair dryers) and a confectionary & drinks area.

Superdrug also heavily features seasonal departments such as Christmas, Easter, mothers' day and suncare. The main two of these are Christmas and suncare with Christmas often having a major department in store as well as being implemented into other departments. Suncare is sold year round usually but is only featured strongly during the spring and summer, often near the front of store next to make-up and skincare.

GRAPH 1. Example of Superdrug cosmetic dept. (Adapted from Murphy 2013)

Superdrug attempts to have all the major brands related to departments featured in store. For instance make-up will feature names varying from L'Oreal, Max Factor & Bourjois to Collection 2000 and Rimmel while the skincare has Nivea Visage, Oil of Olay and Dove.

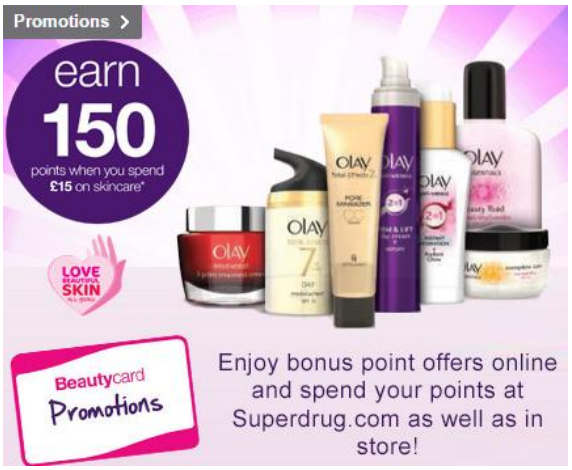
V05, Sunsilk and Shockwaves are good examples from hair care while Gilette and Lynx represent the biggest brands for men. A similar scattering of top brands can be found under any of the departments above. Superdrug also tries to strike deals where possible to gain exclusivity on a brand and this is perhaps best demonstrated with the make-up brand B which in the UK is only available in Superdrug stores.

Alongside the brand names however is Superdrug own brand products. Superdrug has a variety of own brands, not just a consistent label throughout the store. The company tries to cater for the different customer segments within departments and you will see that in skincare Superdrug tries to offer a brand for aging skin (Superdrug Optimum), a brand for fresh skin (Simply Pure), a brand for teenage skin (Deep Action) and a basic range of skincare products (Superdrug Essentials) (Superdrug 2014c). A similar type of own branding can be found in all departments and is also represented in the seasonal ranges.

Superdrug also attempts to offer the customer more by providing a number of in store health services to guests, some at a cost and some for free. These are normally only available at stores with a pharmacy and are not necessarily available all of the time but have included travel vaccinations, flu vaccinations, HIV testing, online doctor/prescription services and allergy testing amongst other things.

2.2.2 The Beautycard

In 2011 Superdrug launched a customer loyalty & reward program known as the Beautycard (Superdrug 2014d). A loyalty program had long been requested by customers so it was a major step when it was finally introduced. The system used the now common place method whereby a customer was given a card which they would show when they made purchases and in return they would accrue points which they could then spend in store later. At the moment customers earn £1 to spend every time they accrue 100 points (Superdrug 2014d). Superdrug also runs promotions where customers can gain extra points by purchasing certain items or spending a specific amount, an example of which is shown below.

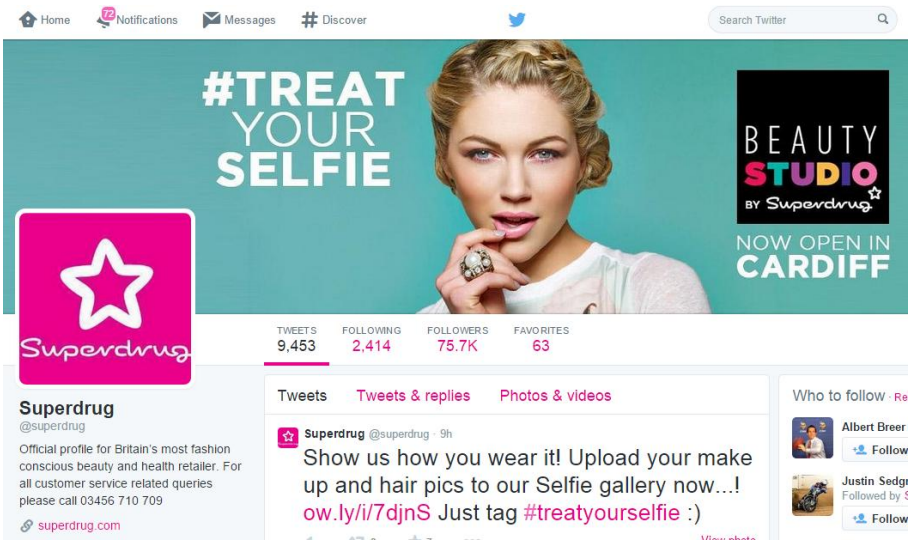


GRAPH 2. Superdrug Beautycard promotion (adapted from Superdrug 2014d)

In a news story published by the Daily Mirror in 2013 they ranked the Superdrug Beautycard as one of the top 4 loyalty programs in the UK along with Nectar and Tesco Clubcard, as well as rival Boots' Advantage card which will be discussed later. They state that at that time there were eight million members of the loyalty program and praised the ability to use points as part payment so customers don't have to have enough points to pay for a whole transaction. They did however criticise the fact that Superdrug currently has no partners in this loyalty program so customers can only collect and redeem points there. (Phillips 2013.)

2.2.3 Advertising & Promotion

Superdrug was in the past long known for not advertising on TV. Many of the employees said that this was a flaw in Superdrug's plans and at times the company did attempt to advertise on TV with mixed results. These days Superdrug advertises on TV with adverts that have some good production values and Superdrug has a YouTube channel where many of their TV spots can be seen. The YouTube channel itself is an example of Superdrug's more modern take on advertising and Superdrug also has a Twitter account and Facebook page. Superdrug also uses some more traditional methods of advertising such as magazines and posters.

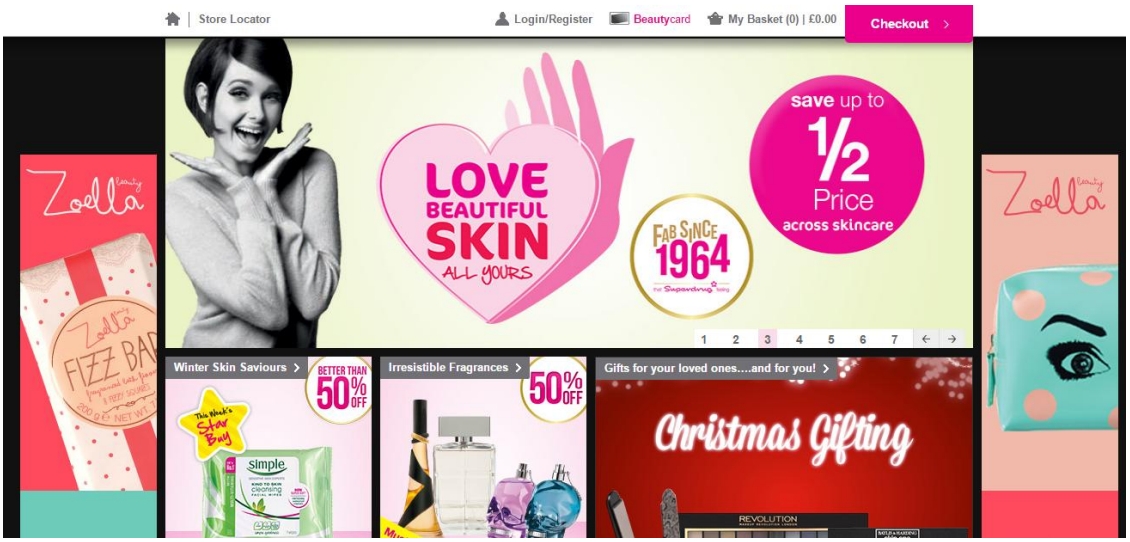


GRAPH 3. Superdrug's Twitter page (adapted from Twitter 2014)

Alongside its advertising methods Superdrug runs many promotions, both in store and online, in an attempt to both draw customers into store and increase spend when there. The offers usually run for a limited time, most commonly a month although weekly and even daily promotions have been used, and will usually involve price reductions on a range of products or "multibuys" where the customer receives more items while still only paying for one.

2.2.4 Website

Superdrug has a recently re-launched website which provides the viewer with an online shopping experience, a place to read up and view the products and services available to them from Superdrug, a store finder and of course the ability to learn about Superdrug. Customers can use their Beautycards when shopping online and Superdrug will provide free standard delivery on orders £10 and over (Superdrug 2014e). The website itself has a fresh and fashionable feel to it and is well presented with good functionality. It has clearly been designed with the target audience of women which fits well with Superdrug's portfolio.



GRAPH 4. Superdrug's homepage (adapted from Superdrug 2014e)

2.2.5 Dare Magazine

Superdrug has its own magazine called Dare and it is free for customers, produced bi-monthly and available in store, on the website or via an App for Smartphones. This takes the form of a standard women’s magazine with articles and interviews but with an obvious look to showcase the products that are available from Superdrug.

3 COMPETITION

Superdrug exists in a market that is fiercely competitive. The competitors in the health & beauty retail market take many forms depending on what it is they sell. First and foremost attention must be drawn to Boots which is in direct competition with Superdrug. There are other players in the market which are more or less in direct competition and those take the form of stores such as Bodycare who can be found on many high streets. However, due to the nature of Superdrug's business they also find themselves in competition with numerous stores who would not be classed as a direct competitor. The major two of these that should be considered would be large supermarkets such as Tesco and local pharmacies.

Most if not all of the large supermarket chains throughout the UK will be competing with Superdrug on its biggest brands. All the supermarkets will stock a range of health and beauty products of which the range size will depend on the overall size of the store. To add to this, many of the larger supermarkets in the UK now have their own in-store pharmacies which allows them to dispense prescriptions and sell behind the counter medicines. Whilst these stores are likely unable to create the personal touch of Superdrug or to stock the entire range of products that Superdrug holds they do however provide the convenience of buying everything for the house, food, toiletries and medicines etcetera, under one roof and they have a huge buying power advantage which will allow them to nearly always match or beat Superdrug on prices that are not promotional.

In many small towns and villages as well as city suburbs throughout the United Kingdom a small locally ran or part of a small chain pharmacy can be found. These will be able to deal with customers prescriptions and usually they will also stock a small range of health and beauty products which will normally be more expensive than Superdrug. Whilst these will never have the range nor the buying power to compete with Superdrug on price they do however provide a local touch and convenience to customers that cannot be found when one has to travel into a town or city centre.

Whilst the multiple facets of competition faced by Superdrug are important when the business is developing plans and strategies it would not perhaps be wise to put too much emphasis on those who are not the direct competitors. It is important that Superdrug thinks

about these issues of course, they cannot simply be ignored but the core business as discussed is to be a health and beauty retailer and so for the purpose of this thesis the focus for competition will be on Boots and Bodycare who bring direct competition but with their own methods.

3.1 Boots

Boots is the UK's number one pharmacy led health & beauty retailer and is a member of Alliance Boots, an internationally led health & beauty group. There are nearly 2'500 Boots stores which vary from small pharmacies to large health & beauty stores. Their purpose is to help customers look & feel better and they say that they aim to provide exceptional customer and patient care, be the first choice for pharmacy and to offer exclusive innovative products. (Boots 2014a.)

Boots has an extremely long history that can be traced back to when John Boot opened a herbalist store in Nottingham during 1849. In 1877, with the store still successful Jesse Boot, the son of John, took full control. He opened a larger store in 1881 and more stores in Nottingham before opening shops in Lincoln and Sheffield in 1884. In 1890 there were 10 stores and by 1914 there were 550 stores in England, Scotland and Wales. The company was also at this time growing its own brand label of products and becoming a household name. Jesse sold the company in 1920 to the United Drug Company of the USA and by 1933 they had opened the 1000th store before selling the company to a group of British financiers led by Jesse's son John Boot. In the 1930s Boots launched brands Soltan and No7 which are still big names today. (Boots 2014b.)

In 2006 Boots merged with Alliance Unichem to form Alliance Boots which itself was acquired by AB Acquisitions Limited. The store has since increased globally and now has stores in countries such as Norway, Sweden, the Netherlands and Russia. in 2012 the American company Walgreens acquired a 45% stake in Alliance Boots and this has led to Boots brands such as No7 being sold in the USA at Walgreens. (Boots 2014b.)

Boots' store location strategies differ from Superdrug in the sense that while Superdrug is predominantly, though not always, a high street retailer Boots, as the larger store number

suggests, has many more outlets which also provide different offerings. As mentioned Boots has the medium to large health & beauty stores which are the most similar to Superdrug but these are also positioned in many out of town retail parks and shopping centres, something which Superdrug has seemed unwilling to do. These can often be key retail points such as in Coventry, England the largest Tesco store in the UK at the time was opened up roughly 6 km from the city centre with a string of other retail outlets attached and Boots has had a large store there since the Tesco opened.

Other differences include the as mentioned local Pharmacy outlets that Boots provides as well as travel outlets. This means that in areas where there is no such major high street like a small town or village Boots may still have a presence with a small pharmacy store. These will of course not stock such a full range as the larger stores or provide the same experience but it is still there for the customer and indeed is beneficial if the customer is a member of the loyalty program, which will be discussed later. The travel outlets are often situated in locations such as train stations and airports and again provide the customer with somewhere to purchase some health & beauty essentials from a brand they know. All this means that Boots is able to claim that approximately 90% of the population in the UK is able to get to a Boots store of some form within a 10 minute drive (Boots 2014c). Boots also has stand alone Optician's stores in towns which are sometimes the only Boots presence or sometimes in a location where there will be a larger retail store nearby.

In stores Boots offers products in a similar method to Superdrug with key departments such as skincare and make-up often located towards the front of the stores, seasonal ranges are also a major part of Boots though it should be noted that often Boots stores are larger than Superdrug and so can offer a larger range and display things differently. In store services such as health checks, medicine reviews a prescription services going beyond just simple fulfilment are, like in Superdrug, offered to customers in many stores. Also, like Superdrug, Boots tries to sell all the major brands in the different sections along with their own brand products which are labelled either as Boots or sometimes a separate name such as the afore mentioned No7. A couple of key differences to Superdrug are that Boots puts a large emphasis on baby sections and has pharmacies in many more of its stores. The baby section can sometimes take up as much half a floor and includes far more than just baby food, nappies and baby toiletries such as prams and pushchairs. Boots also often has abilities for customers to develop films or take in their digital cameras and print photos or

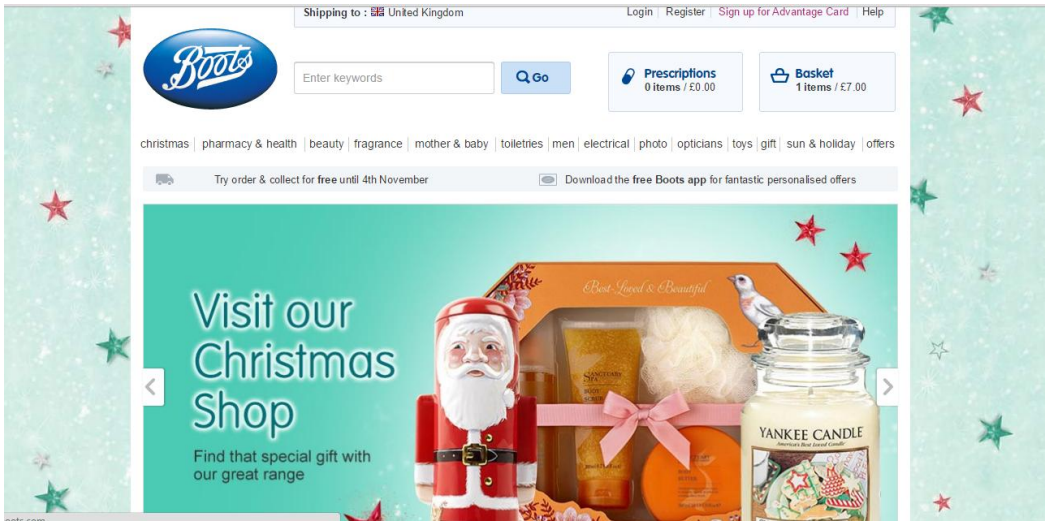
order products with their pictures on, such as jigsaws. Boots also offers opticians and hearing centres in some stores for the customer and is known for such.

GRAPH 5. Example of a Boots cosmetic dept. (adapted from ABC News 2006)

Boots has a customer loyalty program which is the Boots Advantage Card. The Advantage Card has been around since long before Superdrug's Beautycard and was also rated as one of the best 4 customer loyalty programs according to the Daily Mirror (Phillips 2013). The Advantage Card earns 4 points for every pound spent and 100 points allows the customer to spend £1 in store meaning that it provides more value than the Beautycard (Boots 2014d). Like the Beautycard, members can get special rewards and offers to earn extra points.

Boots has for more than twenty years maintained a strong TV advertising presence and has a YouTube channel where many of their recent adverts can be viewed. Boots uses most common forms of advertising such as posters and newspapers and like Superdrug has a Facebook and Twitter page. Boots also runs many product promotions in a similar fashion to Superdrug and is known for having an offer on Christmas gifts where the customer gets three gift products for the price of two. It can be noticed at many times during the year that Boots & Superdrug are directly competing with their promotions, both offering the customer the same limited time offer.

Like Superdrug, Boots have a website where viewers can browse through the various products and departments and shop online. Customers are able to use and collect Advantage Card points online but will have to spend £45 to get free standard delivery, they are able to pay for the items and collect them in a local store for free (Boots 2014e). The website is, like Superdrug's, easy to use and well presented but where Superdrug has gone for the fashionable look Boots have adopted a brighter, cleaner look. The Boots website however offers the viewer a choice of country and they also ship to other a list of selected other countries.



GRAPH 6. Boots' homepage (adapted from Boots 2014e)

Boots has its own magazine known as the Boots Health & Beauty Magazine. This is available free in store and a digital version is also available. The magazine has been around since before Superdrug's Dare magazine and showcases products in a magazine form aimed at women.

For iPhones and Android phones Boots has a free App available that customers can download and personalise. The App allows the user to check their offers with their Advantage Card, shop for products, hear about news updates & offers, locate nearby stores and scan products to see more information and related products which may interest the user (Boots 2014f). On Google Play the App has been given an average rating of 3.7 stars out of 5 from 2131 reviews (Google Play 2014).

3.2 Bodycare

Bodycare are a discount health & beauty retailer with a range of make-up, fragrance, toiletries, household and health products. The main offering that Bodycare tries to provide is lower priced products for some of the top brands in health & beauty as well as everyday affordable goods. The store in Coventry's West Orchards shopping centre introduces itself demonstrating their values as follows:

> Here at Bodycare we specialise in quality beauty and healthcare products at reasonable prices. If you want to pamper yourself for that special night out, we have everything you need from sparkly eyelashes to false nails, with a wide range of nail varnishes, make-up and perfumes, you're in for a beautiful evening. (West Orchards 2014.)

Started as a market stall by Graham and Margaret Blackledge in Lancashire in 1970, as of August 2013 there were 132 stores in the portfolio and a head office and distribution centre in Lancashire (Bearne 2013). The number of stores in the chain is tiny in comparison with Superdrug and Boots but as a competitor they cannot be dismissed and it is good to include them when devising any marketing plans. Bodycare can also be thought of to represent the competition posed by other discount retailers throughout the UK of which there are many but whose company size would be too small to include.

In store the offering presented by Bodycare looks very different to that of Boots and Superdrug. Products are grouped by their type but there is not enough of one product group to represent a department. The ranges of products stocked are much smaller also and the high end expensive brands will generally not be stocked by Bodycare, there is also no Bodycare own brand. The stores are often smaller than Boots & Superdrug and they do not have in store pharmacies. There are no in store services provided at Bodycare beyond the staff who are available to help should you have a query.

GRAPH 7. Example of a Bodycare store (adapted from The Forge 2014)

Currently there is no functioning website for Bodycare and the company does not have a loyalty program for its customers. Bodycare has no major advertising to speak of and their in-store promotions are limited. The offering provided by Bodycare is simply based around offering affordable prices for everyday products.

It may seem from the way they operate that Bodycare is not direct competition for Boots & Superdrug and in a way this is true. They are not providing for the high fashion health and beauty shopper but they are providing everyday products that are sold as the core of Superdrug's business. Even though the ranges they provide are much more limited and one will not receive the services available in Superdrug, Bodycare and those similar attempt to take sales away from key business areas and therefore are a threat to Superdrug that cannot be ignored.

4 RESEARCH

Before analysing the health & beauty market in the UK and formulating plans there was a need to conduct some market research. In Business Studies, Market Research is defined as follows:

> Market research gathers information about consumers, competitors and distributors within a firm's target market. It is a way of identifying consumers' buying habits and attitudes to current and future products. (Marcousé, Gillespie, Martin, Surridge & Wall 2003, 22.)

This definition covers well the purpose of the research in this thesis, to identify consumers habits and attitudes in the health & beauty retail market. With this such information a good analysis of the positions of Superdrug and its competitors can be made and from this the recommendations can be drawn up.

To begin with a decision needed to be made about whether to attempt to find and use secondary research or to conduct primary research. Secondary research is the process of using data which already exists and is available, finding so called 'second-hand' data which was conducted for a purpose other than one's own that can also aid the current research problem whereas primary research is gathering desired information from people within the targeted market (Marcousé et al. 2003, 22-23; Jobber 2010, 227-228). Primary research was chosen for this thesis as it was thought this would be the easiest and most efficient way to collect the specific information wanted for the analysis. This way, up to date information could be collected set within the exact parameters desired.

Having decided to conduct primary research the next stage was to chose between qualitative and quantitative research. Quantitative research is the process of finding answers to preset questions from larger numbers of people such as "what percentage of people currently shop at Superdrug?". It involves selecting a sample size (the number of people to be interviewed) and deciding who to interview which is the sampling method. The sample is then asked the preset questions to find their results, a common form used to do this is a questionnaire. Qualitative research is based more on finding out deeper reasoning for phenomena, such as buying habits, and attempts to find results which are not

so easily displayed statistically. Common forms of this type of research include depth interviews and focus groups. Qualitative research can often take a long time to conduct and the methods are susceptible to the bias of the interviewer. (Marcousé et al. 2003, 23-24.)

For this thesis a quantitative research method of a questionnaire was chosen. A larger number of respondents was required in a limited time period and the parameters were easily quantifiable factors that would be usable for a statistical outlook when analysing Superdrug and the health & beauty retail market. It was decided that a good number of respondents for the scope of this research would be between 50 and 100 people and predominantly random sampling was used to determine the desired responders with a small amount of stratified sampling. Random sampling is simply the process of selecting members of the population with no pattern in an attempt to gain a representative view of the population while stratified sampling is choosing only those who fulfil a desired characteristic (Marcousé et al. 2003 24-25). This thesis attempted to have respondents of all types but as the health & beauty retail market is predominantly aimed at women it was also desired to have a larger than half proportion of respondents female.

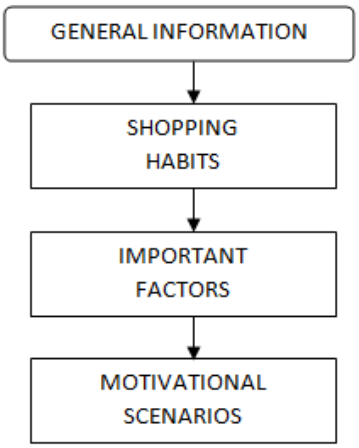
4.1 The Questionnaire

When designing a questionnaire it is vital to the success of the questionnaire and the usability of the results that a number of factors are taken into consideration. Before starting, the goals and aims of the questionnaire must be clearly defined, if one doesn't know exactly what one is trying to find out then it is likely that the results will not prove useful. The ordering of topics to be discussed should be logical and flowing, the layout should be clear and not cluttered, the correct choice of open and closed question should be used to answer the issue, the questions should be unbiased and not loaded and question meanings should be clear, carefully worded and with clear instruction. Jobber summarises what is needed for a question to get a genuine response with three conditions:

> First, respondents must *understand* the question; second, respondents must be *able to provide* the information; and, third, they must be *willing* to provide it. (Jobber 2010, 239-240.)

A good way to test if a questionnaire is fulfilling these criteria is to have a first draft and test it on some of the desired audience. (Marcousé et al. 2003 25-26; Jobber 2010, 239-241.)

The questionnaire conducted for this thesis was done so in order to find out the respondents shopping habits with regards to health & beauty products, how important certain factors are at affecting these habits and what, if any, motivational effect various scenarios have on them. With this in mind the questions were designed to flow as shown in the following graph:



GRAPH 8. Questionnaire flow

It was felt that this would be a natural flow to the questions, first, the respondent would answer about their shopping habits; second, they would be asked what is important to those habits and then finally, they would be asked if some scenarios would have any effect on their habits. With this decided the questionnaire was designed with the final copy as seen in APPENDIX 1. An online version using the same questions was also created using Google Forms, the first page of which can be seen below:

The UK Health & Beauty Retail Market

My name is Steve Eglese and I am currently studying for a degree at Centria University in Finland and am now writing my thesis. The thesis topic is the health & beauty retail market in the UK focussing on Superdrug as a player in this market. I would greatly appreciate it if you could spare a few moments to fill in the following questionnaire to help me with my research. Please follow the instructions and answer the questions honestly, you do not have to give your name and all responses will be kept confidential, thank you.

*Required

General Information

Q1 What is your gender? *

- Male
- Female

Q2 What is your age range? *

Please select the range your age falls in

Continue »

GRAPH 9. Online questionnaire front page (Eglese 2014)

The first two questions were the general information section and established the respondents gender and age. It was felt that these would be useful demographics to use when analysing the results, particularly gender with the health and beauty retail market being aimed heavily towards women. It was felt that such demographics as location and occupation would not be as relevant as the market aims to serve all within them. The respondents name was not asked as it was not required and it was felt that the respondent would feel more relaxed about answering the following questions honestly.

The next section of determining shopping habits consisted of 5 questions. Initially the respondent was asked if they currently shop at Boots, Bodycare or Superdrug with none of these also an option. Their answer to this question then determined what they would be asked next. If yes to any of the 3 stores they were asked how often and then to rank them in the order of how likely they were to visit the stores. This was in order to determine if the respondent was already a customer of the 3 competitors concerned in this thesis and by knowing how often it would give an indication of their value to said stores. Asking the respondent to rank the 3 stores was done with two main reasons in mind. Firstly, if the respondent said that they currently visited two or three of the stores, it could still be established which they are most likely to visit more frequently and secondly, if the respondent only selected one store currently shopped at, a view of where they would go if

this store was unavailable could be obtained. If the respondent answered that they currently visit none of these stores they were asked why not to determine if it was that they shopped elsewhere or if they didn't feel they had a need for health and beauty products. Where the customer said elsewhere they were then asked from a pre-composed list to choose what best represented where in order to give an indication of what the threats were to the afore mentioned 3 stores. If the respondent said that they have no need for health and beauty products they were thanked for their participation and asked not to answer any further questions. This was because they are not an active member of the health and beauty retail market and this thesis is aimed at marketing actions to increase performance within the market, not to expand the market itself.

All respondents except those who do not actively purchase health and beauty products were then asked to answer all the remaining questions, the next 2 of which belonging to the section to determine what was important to the respondent and shaped their buying habits. The first question asked the respondent to rank price, brands, store location, customer service, store image, convenience and extra services available in the order of how important they are when they shop for health and beauty products. This was to see what could be most effective to manipulate in a marketing plan, for example if brands were considered important by the majority of people then stocking the most popular and new brands would be a key action. The next question was simply to determine whether the respondent preferred shopping on the high street or at out of town retail parks and the like. This was to try and identify what location strategies might be best for Superdrug to follow and if indeed there was a clear favourite with the respondents.

The final section was to test some factors that could be used to motivate people to visit stores. This was a combination of factors that were already in use in some stores and some that were not in order to determine what might be best to continue or begin using and what may in fact not be worth using. The first question was based on outward advertising and was simply to determine what advertising mediums the respondent felt had an effect on them. Three of the final four questions asked the respondent to answer how likely they were to visit a store because of limited time promotions, in store services and store loyalty programs with the remaining question asking the customer which in store services were likely to interest them. This was to test if these popular methods used in retail had an effect on customers and how strong it may be with the probe into what services they are

interested in done to see which, if any, they were referring to when they answered the question regarding these.

Overall the questionnaire was intended to be easy and quick for the respondent to answer in 5 minutes or less. Questions were explained thoroughly and in a concise manner that would be easy to understand. For this reason and to make the results more practical to analyse all of the questions were closed questions where the respondent just had to choose or rank the answers applicable to them.

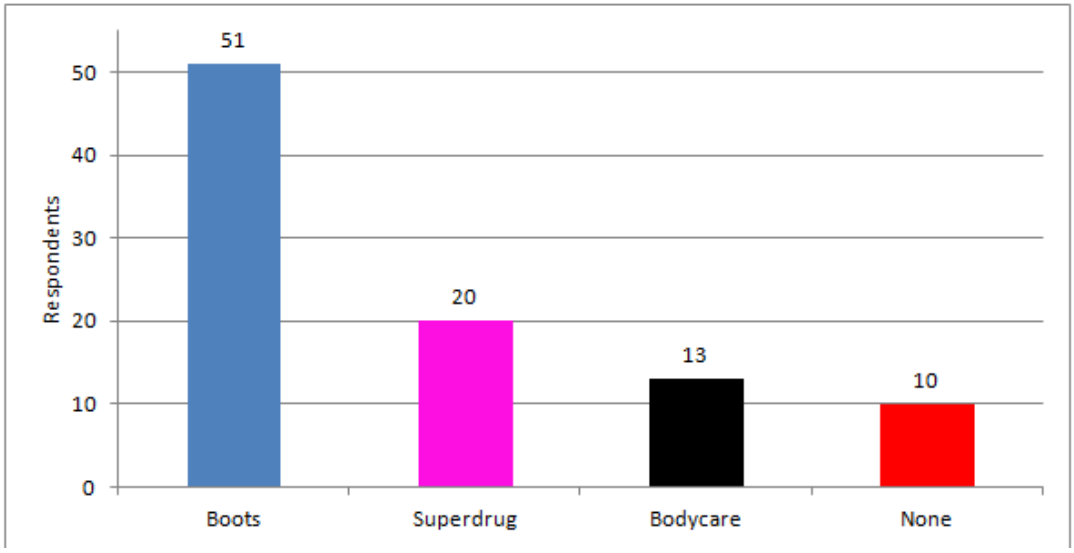
4.2 Results

The questionnaire was sent out starting from mid July 2014 with responses received up until the middle of September 2014 and in total 67 responses were received. Unfortunately not everybody filled in the questionnaire as requested but all responses were usable to a point. Where errors were made which compromised the value of the response to that question or made it difficult to determine the exact opinion of the respondent, these answers have been omitted from the analysis. A full copy of all the results in the following analysis can be found in APPENDIX 2. Of those respondents 50 were female and 17 were male meaning that almost 75% of responses came from women, fulfilling the desired outcome of more women than men. The majority of respondents were between 20 and 29 years old with the second most popular category over 50s. The full breakdown of age categories can be seen in TABLE 1. The outcome here was also satisfactory, with a wide variation of ages collected and the majority of respondents from the age range that could be considered most fashion conscious.

TABLE 1. Age range responses

Age Range	Frequency	Percentage
16-19	3	4.5
20-29	24	35.8
30-39	9	13.4
40-49	12	17.9
50+	19	28.4

The data from where the respondents shop is shown below in GRAPH 10 and shows an overwhelming number in favour of Boots. In total 76.1% of respondents said that they currently shop at Boots compared with just 29.9% who said they shop at Superdrug, Bodycare is visited by 19.4% while 14.9% of respondents said they do not currently shop at any of the three stores in question.



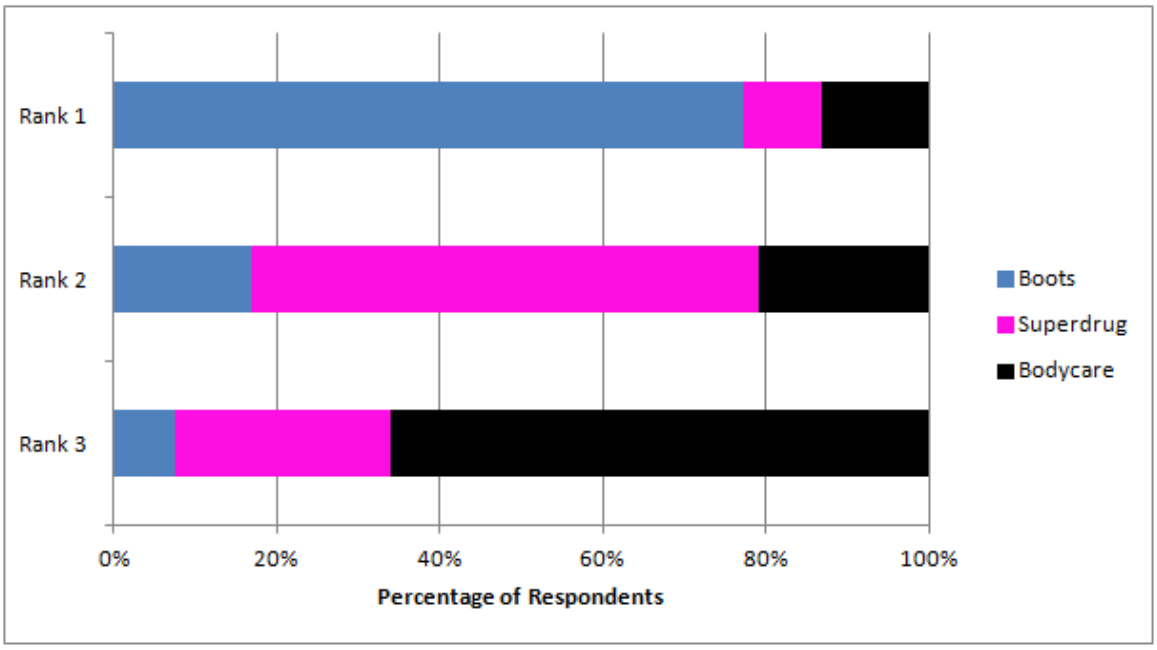
GRAPH 10. Where respondents currently shop

A look further into the respondents who said that they currently shop at Superdrug shows that 18 were female meaning that 36% of the women surveyed currently shop at Superdrug. The strongest age category that currently shops at Superdrug in both actual number and percentages is 20-29 year olds with 8 visiting Superdrug representing 33% of that age category surveyed, 33% of 30-39 year olds surveyed also currently visit

Superdrug. Initially then these results are not good for Superdrug with less than half of the sample shopping at Superdrug and with main rivals Boots attracting more than double that of Superdrug. It is a positive for Superdrug however that when looking at only women and the most fashion conscious age group the numbers do improve to around a third which would suggest Superdrug is connecting with its target audience.

In response to how often the respondents shop at these stores the clear strongest answer was twice a month with 37.5% of the shoppers choosing this option. Once a month was the second most popular with 25.0% while weekly and 5-6 times a year followed with 16.1% and 12.5% respectively and the remaining 8.9% visiting these stores less often. With regards to those who visit Superdrug, there was a change in the pattern as once a month was the most selected option with 36.8%, twice a month was second with 26.3% just ahead of 5-6 times a year on 21.1% with weekly and less often accounting for the remainder. This is significant in that it shows that for some reason Superdrug is not attracting the health & beauty retail market's most frequent shoppers.

When the shoppers were asked to rank the three stores in the order they were most likely to visit each store the answers were once again extremely positive for Boots. As can be seen in GRAPH 11 Boots was a clear favourite with 77.4% of respondents choosing it as their number 1 destination. Superdrug was the most popular to be ranked 2nd with 62.3% placing the store as their second choice while Bodycare was least popular being ranked as third choice by 66.0% of the respondents.



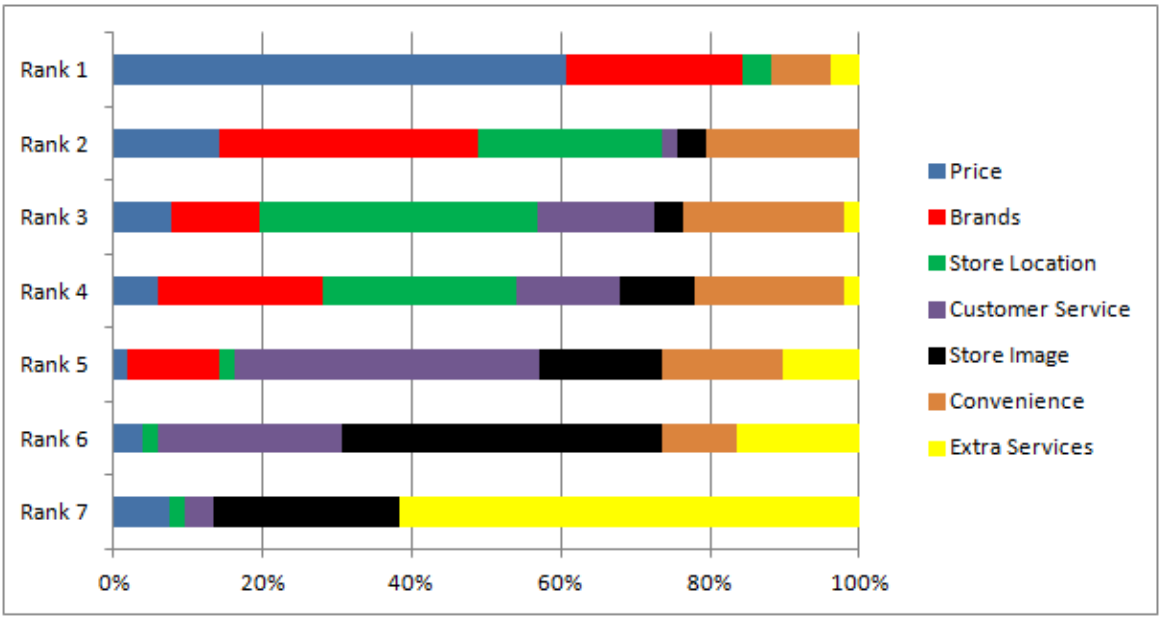
GRAPH 11. Respondents' ranking of Boots, Superdrug & Bodycare

What may be most distressing to Superdrug from these results is that whilst generally being least popular Bodycare received more votes as the first choice destination than Superdrug leaving a minute number of respondents who would visit Superdrug before other stores.

Of those who said that they do not shop at any of the three stores mentioned 90% said that it was because they buy their health and beauty products elsewhere with only 10% saying they have no need for health & beauty products. As a percentage of the entire sample, this means that just 1.5% are not a potential customer for Superdrug. In answer to where those who shop at other locations visit, supermarkets was the most popular answer with over half and was also the only option to be selected by more than one respondent.

The results to how the respondents ranked price, brands, store location, customer service, store image, convenience and extra services available in order of importance regarding health and beauty shopping revealed that price was overwhelmingly the most important factor. As is shown in GRAPH 12, over 60% of the respondents said that price is more important than any of the others with brands, at 23.5%, the only other factor to achieve more than 10%. Customer service and store image were not considered the most important

by any of the respondents. Brands was the most popular option to be ranked second with 34.7% while store location led rank 3 with 37.3%. Rank 4 was slightly unclear with store location and brands the leading selections while convenience was the third most popular. Customer service was largely 5th most important with store image and extra services available ranked 6th and 7th respectively. When only the responses from women were looked it they showed no notable differences to the main results as price was the most important factor with 59% ranking it first with brands and location also being the most popular to be ranked 2nd and 3rd respectively. Store image and extra services were also the least important being most popular in rank 6th & 7th respectively.



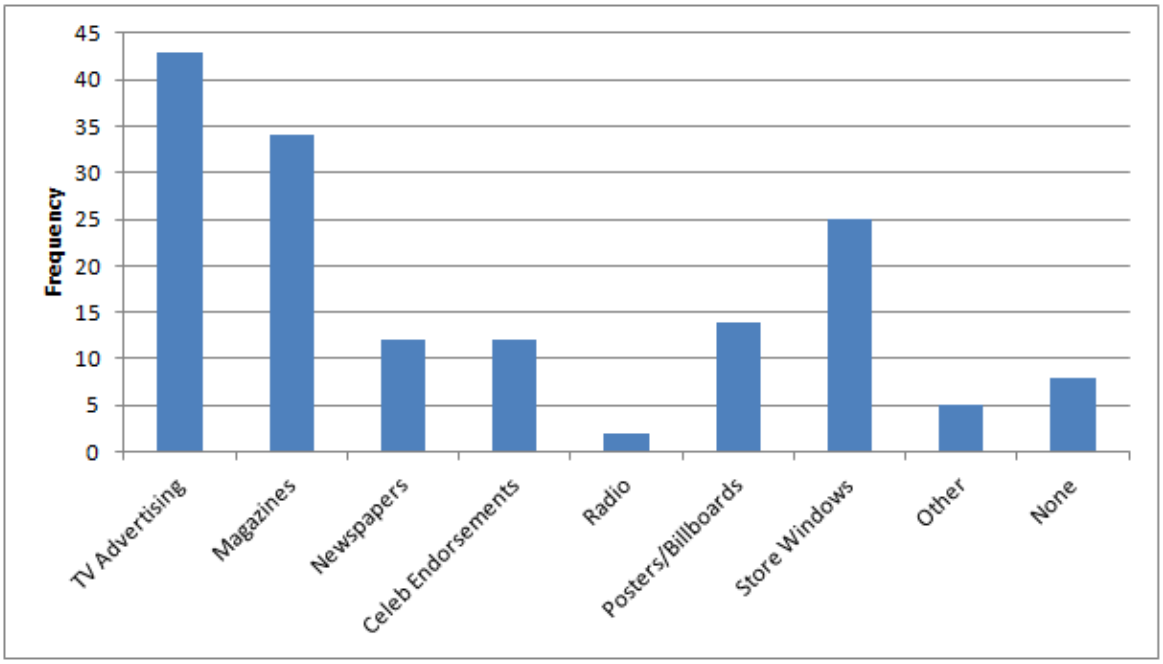
GRAPH 12. Respondents' importance ranking of price, brands & other factors

What is clear from the answers to this question is that the sample questioned consider price more important than anything else with brands and store location also very important and whilst convenience had no clear point of rank it is certainly not something to be overlooked. Customer service was ranked surprisingly low by respondents while store image and extra services available were without a doubt the least important factors. For Superdrug this shows that it is vital that they are competitive on price and stock a good range of popular brands. It also shows that being in the right place is a major factor in the health and beauty retail market. The results seem to suggest that providing numerous extra

services and maintaining a certain image, fashion conscious for example, should not be given a higher priority than some more fundamental parts of the business.

In response to where people would prefer to shop out of the high street and out of town retail parks & shopping centres the most popular was the out of town locations with 58.5% of the answers. What Superdrug can take from this is that it shows that if anything the high street is perhaps the least important of the two locations but more that they should be considered as equals and that neither should be overlooked, Superdrug should aim for a strong presence in both situations.

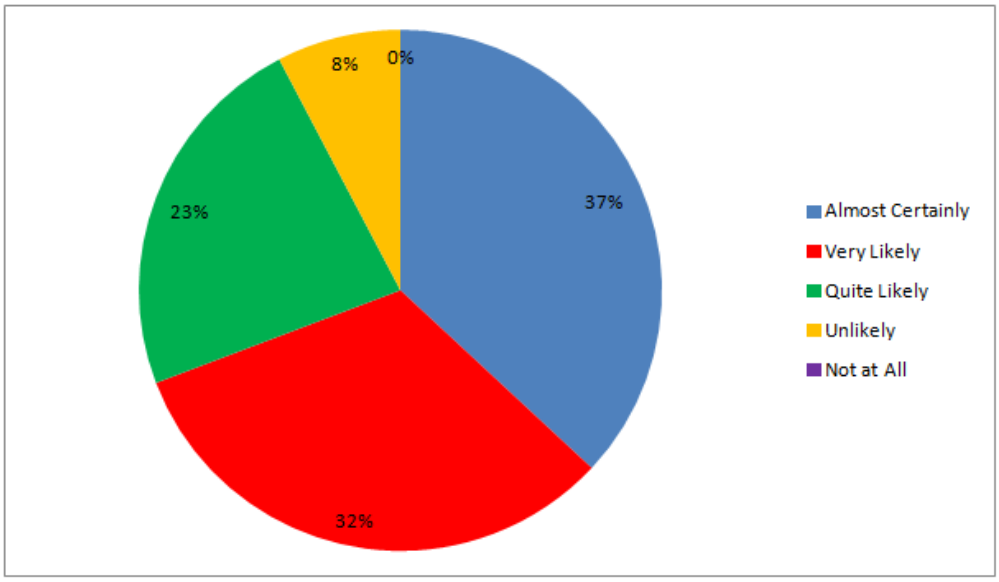
TV advertising was deemed to be the most effective advertising medium with 64.2% of people answering that it has an effect on their health & beauty purchasing choices and as is shown in GRAPH 13, this was over 10% more than any other medium questioned. Magazines were second most effective with just over half of respondents saying they have an affect while store windows were third with 37.3%. Radio was the least popular method with just 3% of the sample claiming it to be effective while 12% said that no advertising mediums had an effect on them. Of the 7.5% that said other mediums were effective, social media and in store tests were mentioned.



GRAPH 13. Advertising mediums and how many respondents they affect

This shows just how important it is for Superdrug to have a strong and regular advertising presence on TV. It is also important for them to be well represented in magazines which can be done in line with being fashion conscious with women's and fashion magazines being the likely drivers for the health and beauty market.

When asked about how likely they were to visit a store to take advantage of a limited time promotion 37% said that they would almost certainly do so with 32% saying it was very likely. 23% said they would be quite likely to do so with just under 8% saying it was unlikely and nobody said that it would be not at all likely. As is shown in GRAPH 14, this means a substantial proportion, 69%, can be drawn into stores with good offers and shows how important it is for Superdrug to have good promotions and ensure that they are well publicised so that customers are aware of them.

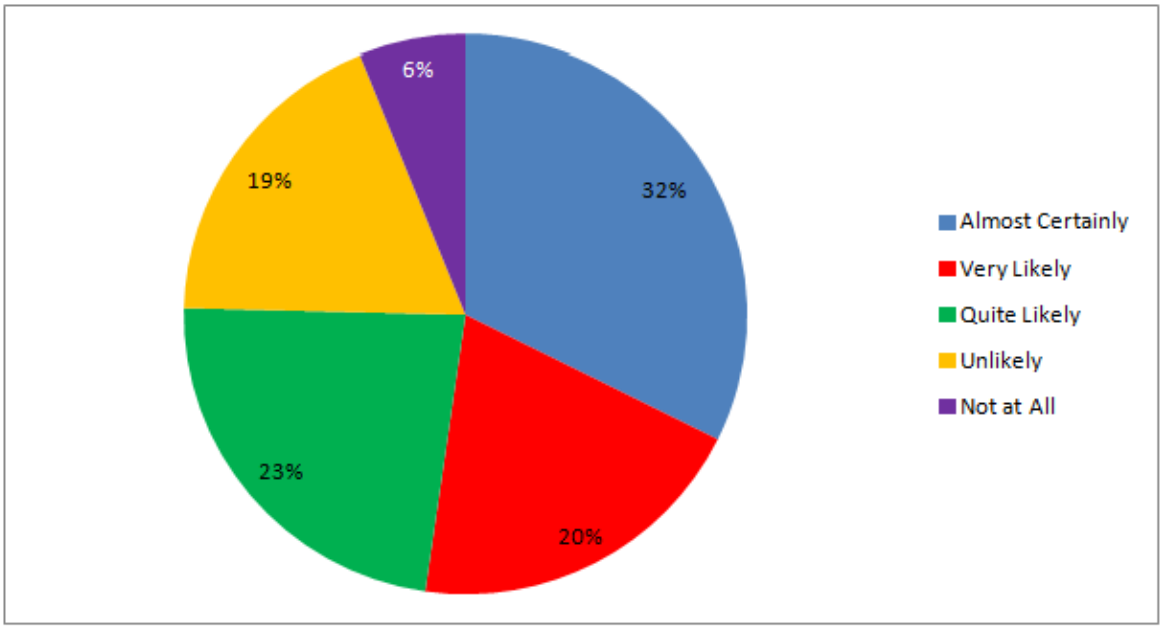


GRAPH 14. How likely respondents are to visit stores for limited time promotions

Respondents were less enthusiastic when asked how likely they are to visit stores because of services offered with only 17% and 23% saying they were almost certain to and they were very likely to respectively. 29% did say that they would be quite likely to visit while 25% said they would be unlikely and 6% saying in store services would not cause them to visit stores at all. This backs up that Superdrug shouldn't focus too much on in store services as a means of attracting customers as was seen by the lack of importance they were given by respondents earlier in the questionnaire. When asked what services it was

that did interest them, the respondents were heavily interested in store pharmacies with 65% selecting this option. It was the only service to interest more than half of the respondents however perfumeries and make-up services proved somewhat popular with 49% and 42% respectively. Extra prescription services interest 35% while photography, opticians and health checks were only chosen by 26%, 20% and 18% of the respondents respectively. This is interesting as it shows health checks as being the least popular service offered but this has been an area in which both Superdrug and Boots have been trying to promote and increase over the last decade.

In the final question about how likely respondents are to visit a store because of a loyalty program the response was largely positive. As can be seen in GRAPH 15 the most chosen answer was almost certainly with 32% selecting this option while 23% said they were quite likely to visit, very likely had narrowly more than unlikely with a few respondents saying that a loyalty program would have no impact. Whilst this is not the strong indictment that was given to limited time promotions it does show that a loyalty program is very important to customers and it is vital that Superdrug therefore continue to develop its Beautycard as a rival to Boots' Advantage Card.



GRAPH 15. How likely respondents are to visit stores for loyalty programs

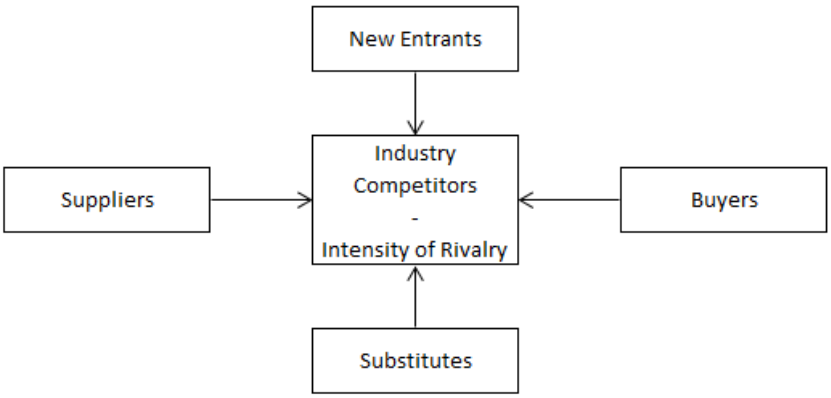
5 ANALYSIS OF SUPERDRUG & THE MARKET

Before making any recommendations for Superdrug it was necessary to analyse both the company itself and the industry in which it operates. The industry, that of UK health and beauty retail, was analysed with a PESTLE analysis and by using Porter's five forces to give us a good look at the industry Superdrug operates in. To look at the company itself, a SWOT analysis was conducted to develop a view of Superdrug that can be used for making any strategies and recommendations.

A PESTLE analysis is a tool which can be used to look at the macro-environment. It is sometimes known under different names such as PEST, STEP, PEEST and PEST-G but the essential purpose of the tool is to examine the Political, Economical, Social, Technological, Legal and Environmental issues in the external environment which can have an effect on the business. Political forces include such things as government policy and the political environment in the area and in some of the other forms of PESTLE legal factors such as any legislation that impacts the market will be included here. Economic factors will include not just the performance of the target market but can stretch to global proportions if it is likely to impact upon the business while social issues include such things as demographics like age and gender. Technological factors involve developments which can affect such things ranging from production methods to the product itself and finally environmental issues, sometimes referred to as green issues, can include such things as recycling and disposal of hazardous waste. (Jobber 2010, 73-85; Drummond, Ensor & Ashford 2001, 22-23; Marcousé et al. 2003 590-592.)

Michael Porter's Five Forces model, shown in simple form in GRAPH 16, can be used to analyse the competitive environment faced by an organisation. It looks at the threat of new entrants, the bargaining power of both suppliers and buyers, the threat of substitutes and the intensity of the competition to try and develop an image of how favourable the competitive environment in an industry is. All of these factors have an impact on the industry; a high threat of new entrants, suppliers and buyers having all the bargaining power, good potential substitutes and fierce competition in an industry will make it an extremely fierce competitive environment while the opposite of these situations will cause it to be more favourable. Using the five forces model helps a company to think about how

it can create a competitive advantage, something that it can do better than any of its competitors. (Jobber 2010, 705-708, 713; Drummond et al. 2001, 24-27; Marcousé et al. 2003, 580-581.)



GRAPH 16. Porter's five forces model (adapted from Drummond et al. 2001, 25)

A SWOT analysis is a commonly used tool to identify the strengths, weaknesses, opportunities and threats posed to a business, product or organisation. The strengths and weaknesses will be internal and controllable factors while opportunities and threats are external and uncontrollable. It is important when conducting a SWOT that only strengths and weaknesses valid to the end consumer are considered as this is what is important in making any strategic decisions. (Jobber 2010, 46-47; Drummond et al. 2001, 102-103; Marcousé et al. 2003, 593-594.)

5.1 PESTLE Analysis

A full PESTLE analysis would include several issues under each heading but for the purposes of this thesis only the major issues which could be considered for the marketing strategy and recommendations have been documented.

There are perhaps no imminent major political issues which could affect the UK health and beauty retail market but in the near future the entire country could be faced with uncertainty as the UK could be heading for a referendum on EU membership in 2017 if the Conservative party win the next general election in 6 months and there is currently much

debate over the impact of this with some suggesting that just the referendum itself could affect the economy (BBC 2014). Scotland also recently had a referendum on their independence from the UK and whilst they voted no they were promised a devolution of powers and this has led to many people in England feeling they too should get a devolution of powers (The Economist 2014). This situation creates a lot of uncertainty for business and could mean major changes to taxation in the future.

The major economic issue at the moment is the steadily recovering UK economy and the danger that troubles in the Eurozone could cause the UK to head back towards recession. The latest economic figures from Germany have provided a boost in this area as the biggest country in the Eurozone managed to grow its economy by 0.1% but the situation remains precarious and if the Eurozone does indeed go into another major crises the UK will be unable to avoid consequences (Conway 2014).

The trend of less people shopping on the high street is the most concerning social issue for the health and beauty retail market. The increase of internet shopping, meaning this issue crosses over in technology also, and more out of town retail parks and shopping centres have been blamed (Poulter 2012).

There are numerous technological advances which are beginning to impact on the retail world from contactless payment and Smart Phone Apps to self service till points revolutionising shopping experiences. Price checking apps, such as ShopSavvy, are allowing the customer to be in a shop and check the prices of a product in other stores with just a scan of a barcode empowering the customer with a knowledge which will only intensify price competition (Komando 2014). Self service checkouts have become increasingly popular over recent years providing stores with an ability to cut staff levels whilst not hurting and even improving queue times. Indeed, Tesco believes that their new slimline tills will half queue times and in the stores tested 80% of transactions were self service (Quinn 2014).

The legal issues faced by retail in the UK include obviously the standard legislation posed but for stores which have a pharmacy there is a requirement to have the premises registered. Registration is with the General Pharmaceutical Council; they have a set of

standards which must be met and fees are charged for the application process (General Pharmaceutical Council 2014).

Environmental issues are a growing concern in all businesses but in retail if a business is seen to be ignoring them or not adhering to any non legislative recommendations it can have an extremely negative impact on the public image. Stores create a lot of packaging waste and they have to be conscious about recycling as much of this waste as possible. Stores with pharmacies also have to deal with disposal of unwanted medicines and other hazardous waste created such as hypodermic needles and there is both legislation and services to deal with this.

5.2 Five Forces Analysis

The five forces analysis was applied to the UK health and beauty retail industry, including Superdrug, Boots, Bodycare and the like but for the purposes of the analysis large supermarkets, local stores & pharmacies, discount retailers and such are all treated as substitutes as they are not considered to be a health and beauty retailer.

The threat of new entrants can be considered to be medium in the industry. It is easy for a new player to enter the market, very little barriers exist unless a store with a pharmacy is intended and the current members have very little power to react, Superdrug and Boots are not in a position where they could to try to lower prices in a way that could kill any new threat. There is a fairly easy access to the most popular brands sold in the market though a new competitor would not have any established own brand nor would they be able to do anything about exclusive deals which may already exist in the industry and they are likely to have a very limited buying power with suppliers. Perhaps the biggest barrier to the market is that in can be quite expensive and difficult to acquire a good location especially if that location is in a popular shopping centre or retail park.

The suppliers to the industry have a low to medium bargaining power. Switching costs for Superdrug and similar are fairly low although for well established relationships and exclusivity deals this can rise steeply. There is little to no threat of forward integration, suppliers are highly unlikely to try and become a end retailer, and for the basic products

there is a fairly large number of suppliers available. Branding represents a point in favour of the suppliers to the industry as we have it seen is reliant on brands but there are also only a few really big members of the market so power then is balanced out.

Contrary to suppliers, buyers should be considered to have a fairly high bargaining power. Buyers have little to no switching costs, other than a loss of loyalty points if such a program exists there is essentially nothing to stop them going from one store to the other. The product offering is essentially undifferentiated aside from extra services and exclusives and customers have relatively high information which is growing with the increases in technology. As the retail industry deals with the end customer this means there will be no integration.

The threat of substitutes to the industry is high. There are lots of substitutes available such as large supermarkets and these can easily provide enough of an offering to the customer whilst perhaps not quite the full range of products featured in the likes of Boots and Superdrug. Customers again have practically zero switching costs in this situation and due to the buying power of large supermarkets prices can be lower in these situations.

Because of numerous factors the intensity level in the industry is high. Even though Boots is the industry leader they do not have a major cost advantage and this means that competition is fairly balanced. The low differentiation of offerings and low switching costs results in rivals having to try and compete in other ways such as price. The industry is also fully mature, it is not really growing, and this means that competitors have to look to take market share from each other. It should be noted that in the most part there are no major barriers to exit the industry however for old and established companies such as Boots and Superdrug this is an unlikely and unwanted action so they have to compete.

5.3 SWOT Analysis

The SWOT analysis was conducted based on the information available from the previous research and results found in this thesis and the points presented have been chosen as they are points that can either be used or considered when making any strategic marketing

decisions. The summarised findings are presented in TABLE 2 with points explained in detail below.

TABLE 2. Superdrug SWOT Analysis

Strengths	**Weaknesses**
· Strong high street presence · Large range of brands including exclusives and established own brand · Good loyalty program · Strong monthly promotions · Good website that functions for purchasing · TV advertising presence	· In limited locations, lack of out of town retail park/shopping centre presence · Only 200 pharmacy stores · No Smartphone App
Opportunities	**Threats**
· New retail parks, existing availabilities · Loyalty program partnership · New pharmacy contracts · Market promotion leader	· Customer perception of Superdrug · The number of Boots stores and their access to the population · Convenience of substitute stores · Struggling high streets · Future financial crisis

Superdrug has made it clear that it aimed to be a high street retailer and this has resulted in a strong high street presence in the UK which is a vital strength with around 40% of shoppers saying they prefer to shop on the high street. The questionnaire showed clearly that price and brands are very important to them in health and beauty products so Superdrug's large range of brands which include exclusives & their established own brand and their strong monthly promotions are all strengths for the company. A good proportion of people said that a loyalty program is a good reason to visit a store and Superdrug has the highly rated Beautycard to use in this area. The most powerful advertising medium according to the research was TV advertising so Superdrug's existing presence on TV allows them to take advantage of this while having a good website that allows customers to shop from helps Superdrug with shoppers who are switching from personal shopping to internet shopping. Some of these strengths, such as the loyalty program and the range of brands, are matched by competitors, particularly Boots, but that does not mean that they are not a strength of Superdrug, they can still be used to advance strategies and are particularly powerful against any new entrants to the market.

The amount of weaknesses is less than that of strengths but given the research their combined importance is of no less value. Superdrug's commitment to the high street has led to the company lacking stores in many of the out of town retail parks and shopping centres. Almost 60% of people prefer these shopping areas to the high street and so this is a weakness that is critical to the business. Also, only having 200 stores equipped with pharmacies is something which Superdrug needs to improve, of all the services people were interested in pharmacies were clearly the most popular and less than 25% of Superdrug's stores provide this option. The lack of a Smartphone App is not such a strong weakness as those previously mentioned but with the technology growing in the industry and the use of Apps in shopping on the increase it is an area in which Superdrug is currently behind.

The biggest opportunity for Superdrug is to take advantage of new retail parks as they open up and get stores into those locations. Existing parks and centres will also have availabilities and some will become available and Superdrug should think about taking these opportunities also but thought should be paid to the size of the park and if Boots or similar already have it saturated. Finding a loyalty partner with which to build the loyalty program is a fantastic opportunity for Superdrug, it has been established that loyalty programs are important to customers and the more encompassing it is the more it will entice them. Increasing their number of registered pharmacies with the General Pharmaceutical Council is an opportunity that is always available and beneficial while there is an opportunity in the market for a serious promotion and advertising campaign which could see Superdrug become known for its special offers. Already having good offers if Superdrug held a sustained TV advertising program about them people would inevitably begin to know the store for its good offers and visit them more.

A major threat to Superdrug is the current perception of health and beauty shoppers. Superdrug is seen very strongly as the number two destination behind Boots and even of those who don't see Boots as number one over half still didn't rank Superdrug as the highest and this is a danger to any business. The threat is then multiplied further by the number of Boots stores in the UK and the access to the population Boots has making it all the more likely a customer would go to Boots over Superdrug. A threat to the whole health and beauty retail industry is the convenience of supermarkets and local shops. Customers feel that convenience is important to them as is location so the amount of large

supermarkets that are available cannot be ignored. For Superdrug, the decline of high streets is also a threat. Whilst it is clear that high streets are not dead and continue to play an important role for many shoppers, many high streets have seriously struggled over recent years with shops closing and for a key high street retailer this is a worry. Finally the uncertainty of the financial future in the UK is a threat to all business. The last recession was felt by almost everybody in the UK and future economic problems are an unwanted event.

Having conducted the SWOT analysis the results can now be used for strategy development. By looking at the threats and weaknesses strategies and actions can be developed to try and turn them into strengths and opportunities and these are known as conversion strategies. Similarly actions to pair strengths with opportunities can be created known as matching strategies. (Jobber 2010, 47).

For Superdrug their weakness of limited locations can be strengthened by opening more stores in locations where Superdrug currently has no presence. If this is coupled with looking for areas where there is no major health and beauty retail presence currently, particularly a Boots store, then this would create a strength for Superdrug. Similarly they could look at creating partnerships with local pharmacy stores to get into local areas without having to open stores there themselves. Where this is not possible Superdrug could look at registering a pharmacy store where there is a demand for one and this would give Superdrug more stores, more pharmacies and more local coverage which could be a very good strength.

Where the lack of a Smartphone App is considered simply creating an App will of course eliminate this weakness but what Superdrug could do to turn this into a strength is look at what people currently want and use to lead the way with their App. Incorporating a price comparison into their App could lead to be a great strength for them, it of course would mean keeping their prices competitive but this is an action that Superdrug has to take anyway, with the information available to customers growing all the time Superdrug could be seen as a leader in this area and incorporates honesty in their pricing. Full research into what users would want to see should be conducted before designing the App and by doing this Superdrug would be seen as modern, a leader, caring about what customers want and fashionable.

The biggest threat to Superdrug, the lack of customers who see Superdrug as the go to health and beauty retailer, can be combated by giving the shoppers a reason to visit Superdrug and thereby creating an opportunity to become the number 1 store in the industry. This can be done in different ways, or a combination of them, including becoming the number one store for price and promotions and creating loyalty partnerships. If customers are already using the Superdrug Beautycard the potential for growth here by working with another retailer in a different market is huge. This is also a good strategy to counter the threat of the Boots stores and supermarkets as is the potential to increase stores in good areas and form partnerships with local pharmacies. Having more stores in the right areas and giving customers a strong reason to visit Superdrug is the best way to create the opportunity to become number one.

When thinking about which of Superdrug's strengths can be used to try and take some of the already present opportunities their monthly promotions, strong range of brands and TV advertising presence would match perfectly with the opportunity to become the market leader for promotions. A sustained campaign of their best offers on popular brands being well communicated to the customers could allow for Superdrug to become known as the go to place for good offers. Careful thought over what promotions to run as well as how and when to run them would be needed to ensure maximum effectiveness but with price and offers so important to shoppers Superdrug has the potential to take this opportunity.

It is also fairly clear that the popular Beautycard allows Superdrug to form a partnership with other retailers. With an established and popular loyalty program already in existence Superdrug has the attractiveness for others and would be able to ensure that they get value for their partnership.

6 MARKETING RECOMMENDATIONS

Marketing can be defined as managing profitable customer relationships and good marketing is therefore vital to any successful business. Good marketing attempts to create value for the customer and build and maintain strong relationships with them in order to get value from the customer. (Kotler & Armstrong 2010, 28-29.)

A traditional tool used to create an effective marketing program is the marketing mix. The marketing mix is commonly known as the 4Ps of Product, Price, Place and Promotion and a successful blend of these should create value for the customer. The aim is to have the right product for the right price, in the right location and have it promoted correctly so that it fulfils a customer's want or need. However, some critics have argued that the 4Ps is often done from the point of view of the seller and a more effective method would be to use a 4Cs model, where the customer's point of view is taken. Thus, Product becomes Customer solution, Price becomes Customer cost, Place becomes Convenience and promotion becomes Communication. Done this way, the marketing mix should be more successful, instead of just a good product a solution to a customer's want or need is created. The whole cost of acquiring the product is considered instead of just its price. The convenience to the customer of acquiring it is thought of opposed to what is considered to be a good place and how to communicate to the customer is planned with communication also thought of as two way. (Kotler & Armstrong 2010, 76-77.)

The recommendations that follow have been chosen based on a combination of all that has been discussed in this thesis culminating in the SWOT strategies. They however have not just been chosen from the SWOT analysis, thought was also given to the position of Superdrug in the market, the market itself and what competitors are doing. Attention has been paid to the 4Cs model of the marketing mix in an attempt to ensure that successful implementation of any of these recommendations will add value to the customer and/or improve the relationship.

6.1 Improve Store Availability

The importance of store location is extremely high as has been discovered throughout this thesis. Whilst Superdrug has a very good high street presence it is lacking in areas such as small towns and most importantly out of town retail parks and shopping centres. These retail parks are the most popular place to shop for the customers now and this trend is only likely to grow in the future. Moving stores into existing retail parks may prove difficult at first for Superdrug if another health and beauty retailer is already there and this recommendation is not something that can be put into effect overnight but it is vital that it is put into action. An ideal starting point would be to look at any up and coming retail parks and shopping centres and to establish stores in these.

This recommendation would most definitely improve the convenience for the customer, the place in Superdrug's market offering. Customer's are not going to want to have to travel to both a retail park and then into the city centre to do their shopping, especially if the reason they go to the retail park is for the convenience of a large supermarket. From this point of view the customer's cost is likely to be reduced also as they won't have to spend the extra money to travel to city centres. If Superdrug is well represented in both locations the brand is always available to the customer which is beneficial as the customer doesn't have to choose between locations to visit Superdrug and also to maintain the relationship with the customer. If the customer is going to develop brand loyalty they are likely to do so with a brand that is regularly available to them, meaning that that if they have to visit Boots at a retail park they are more likely then to visit Boots on the high street also. This is especially true if the customer is a member of a loyalty program.

It is important to ensure that the aim is to improve store availability and not to abandon the high street. High streets are still an important part of the retail sector and Superdrug's good representation on them can only help to grow the brand in other locations. Whilst high streets have proved vulnerable to out of town shopping locations as well as internet shopping they are not likely to disappear and any risks that are represented by the decline of high streets would be minimised by developing strong locations elsewhere.

We can also think of improving the availability of stores with pharmacies to the customer. As well as improving the convenience to the customer this would reduce the cost of having

to visit another store to receive pharmaceutical services and in the process provide another solution to customers' wants and needs. Of all the extra services available customers are most interested in a pharmacy so this action would definitely improve Superdrug's market offering. As registering a pharmacy and then employing the necessary staff to run it can be a costly option, careful research into which areas would be best to begin with must be done, locations where Superdrug already have an established store and there is no pharmacy nearby would be ideal. Increasing the availability of stores with a pharmacy, much as increasing the availability of Superdrug stores out of town, works for providing that constant image of Superdrug and making the customer feel that they do not need to go anywhere else.

Whilst the total cost of this recommendation is going to be quite high the eventual return in value from the customer as the brand grows would be more than sufficient to make it worthwhile. This is a strategy that is long term but one which is felt is vital to growing Superdrug as a health and beauty retailer in the UK.

6.2 Major Promotional Campaign

At this moment in time it cannot be said that when it comes to promotional offers and pricing there is a clear known market leader. With this in mind and the importance that customers place on price and special offers a major promotional campaign is suggested to Superdrug. This would take the form of a sustained period of time where some of the major brands were put on the best offers that are affordable to Superdrug. The plan would be to have really good offers on the best brands a few at a time hereby giving customers the reason to keep coming back. It is important that not all the good offers are placed at the same time. In the industry there are certain regular offers which appear in many of the different stores such as 3 for the price of 2 on all vitamin products and where this is the case Superdrug would need to go to the next step to show it is the clear leader so in this case 2 for the price of 1. Of course communication of these offers would be vital and an intensive TV advertising campaign is recommended making sure that the adverts go out with the clear message of the offers and teasing that there is more to come. This way an image will be developed of Superdrug setting the standard when it comes to pricing and

special offers and customers will want to return after the campaign is finished if it runs for a sufficient amount of time.

This recommendation addresses the issue of customer cost but also crosses over with customer solutions. By providing great offers on the brands and products that the customers want Superdrug will be seen to have a fantastic market offering. Using TV advertising to do it seems sensible as it is seen as the most powerful advertising medium out of those available and making sure the adverts are clear and not confusing will ensure that the right communication goes out to customers and will be seen by the biggest audience.

What is most important here is that a long lasting reason to return to Superdrug is created. The good special offers will inevitably cause an increase in customers but this is of little use if they do not return once the campaign is finished. Superdrug needs to convey the message that it is always a good store to visit for special offers and top brands and a good way to do this is with the loyalty program. The loyalty program needs to be well communicated during the campaign and perhaps combined in some way, providing extra offers during the time that are only available to holders of the Beautycard for example.

There is a chance that during the campaign Boots will try to respond in kind and create a pricing/special offers war. Whilst this may hurt the effectiveness somewhat it will not render the campaign as unsuccessful as long as it is seen out until the end. Superdrug will still be remembered for starting the war and Boots will always be reacting whereas Superdrug would be on the front foot. Even with a reaction from Boots the campaign can lead to a situation where Superdrug has become known as a leader in the market.

6.3 Superdrug Smartphone App

With the use of technology on the increase within retail it is recommended that Superdrug develop its own Smartphone App. Boots already has its own App out there and Superdrug needs to be seen as a modern and fashionable retailer in the market. The App, if designed correctly could be a fantastic tool in improving communication with the customers. An App would help Superdrug to communicate its special offers, receive customer feedback,

any important store news such as opening stores or store refurbishments and even help to show that Superdrug is a price leader in the market.

Research should be conducted into exactly what customers would like to see in an App but some things that are felt would help to improve the relationship with the customer are a price comparison, a store finder, special offers section, personal section for loyalty members and an easy to submit feedback section. If Superdrug could provide a price comparison section, perhaps by partnering with a price comparison company, where the customer could scan a barcode and see its price in major stores including Superdrug it would give the customer firstly the confidence that Superdrug is attempting to be a price leader but also secondly the ability to be in another store, a large supermarket for example, and check the price of a product in Superdrug. A store finder provides a simple solution to looking for the nearest Superdrug (store info such as opening hours can be included) while a special offers section gives Superdrug another platform to communicate its current and upcoming promotions. Providing a personal section to loyalty members provides another reason to join the Beautycard and could be used by the customer to quickly look at products they buy regularly, see similar items and even select to be notified when their favourite products go on special offer. A feedback section would give the customer an easy way to provide feedback to the company and also show that Superdrug cares about two way communication.

Whilst an App alone is not going to make Superdrug a market leader, if it is executed correctly it gives the customer another reason to shop there and the App can then be used to help any other strategies which Superdrug chooses to pursue.

6.4 Loyalty Partnerships

Superdrug currently has the Beautycard which is a highly rated loyalty program. The biggest drawback for a customer about the Beautycard is that it is only available for use with Superdrug. If Superdrug could find a partner to work with them in their loyalty program it would create another reason to join the Beautycard and in turn to shop at Superdrug. The partnership created would need to be mutually beneficial to Superdrug and the other members.

Ideal partners would include any business that is currently dealing with the public but in products or services that are diverse from that of Superdrug. If they could work with a chain of bookstores and a chain of cafes for example, it gives the customer a choice of options of where to spend their points and also more places to earn them. It doesn't have to be places where the customer is earning points, if Superdrug partnered with a cinema chain for example, they could allow the customer to spend some of their loyalty points on going to the cinema. Of course Superdrug would be reimbursing some of that money to the cinema chain but this cost can be offset by allowing loyalty members to receive 100% value for their points when spent in Superdrug or 50/75% when spent in cinemas as an example.

What expanding the loyalty program would do for Superdrug is provide it with some diversification in its product which in turn, if done right, should fulfil some other customer solution. This would improve the already good Beautycard and then give customers another reason to return to Superdrug.

7 CONCLUSIONS

Superdrug is a well established health and beauty retailer in the UK with a long history. The company has a strong high street presence but is perhaps not so well represented in out of town shopping locations. They stock all the major brands in the market and also have a well established own brand. The store has a strong loyalty program for customers, runs regular promotional offers and has a good functional website that can be used for purchasing. Superdrug have around 200 stores with Pharmacies allowing them to fulfil prescriptions and sell medicines that they would be otherwise unable to and to provide extra services to customers such as health checks.

The market in which Superdrug operates in is extremely competitive and is led by Boots, who are much like Superdrug with top brands, their own brand, promotional offers, website and loyalty program. Boots however have more than double the amount of stores that Superdrug has including many more stores equipped with pharmacies. Boots are well represented on both the high street and out of town shopping locations and many Boots stores provide health check services as well as some other services not found at Superdrug such as opticians. The market includes smaller discount retailers such as Bodycare who aim to provide a smaller selection of brands and products but at bargain prices. They generally do not have pharmacies and provide no extra services. The market is also subject to competition from external sources such as local convenience stores and large supermarkets who will sell some of the brands and ranges provided but these are not considered direct competition to health and beauty retail.

Research into the market finds that customers see Boots as the number 1 store when it comes to health and beauty retail with less than 30% saying that they currently shop at Superdrug. Customers consider price the most important factor when doing health and beauty shopping but brands and store location are also very important while store image and extra services are not considered so important. Customers prefer to shop at out of town locations to the high street and good special offers and say loyalty programs are a good reason to visit stores, extra services aside a pharmacy were not considered so useful.

Major external factors that affect the health and beauty retail industry include the trend of shoppers to move away from the high street. More shoppers are using the internet or visiting out of town shopping centres as opposed to visiting city centres. Any stores looking to open up a pharmacy store are bound by the legal requirements and must register an application first.

The market is fairly easy for new entrants to join unless they wish to open a pharmacy and the suppliers to the market only have a low to medium bargaining power as there is a good choice for the retailers. The buyers however have a strong buying power as the product offering is for the most part undifferentiated and buyers have an ever growing knowledge. Substitute stores such as large supermarkets represent a large threat to the industry while the rivalry in the industry is quite high as it is fully mature and nobody has a major cost advantage.

A SWOT analysis of Superdrug reveals that it's best strengths include its good high street presence, large range of brands, monthly promotions and loyalty program while the major weaknesses are the lack of stores in out of town locations and low percentage of stores that have a pharmacy. Opportunities available to Superdrug include establishing a presence in any new retail parks and shopping centres and becoming the number 1 store in the market for special offers while the store faces the threat of Boots' large number of stores and the fact that customers do not see Superdrug as a go to store.

Future research that could be conducted in order to delve deeper into the areas covered in this thesis includes conducting focus groups with shoppers who both shop at Superdrug and those who do not in order to see some of the deeper reasoning as to why this is the case. It would also be useful to examine the financial results of stores which have pharmacies and those who don't to see if there is a clear financial benefit.

With all research considered the following managerial suggestions are made for Superdrug to adopt in its marketing plans: improve store availability, launch a major promotional campaign, develop a Smartphone App and develop a loyalty partnership. With attention paid to a customer orientated marketing mix it was found that improving store availability, such as in out of town areas, would improve the customer convenience and cost while improving the availability of stores with pharmacies would provide more of a customer

solution. A major promotional campaign could help Superdrug become the market leader for price and thus improve customer cost and communication. Developing its own Smartphone App could seriously help the customer relationship and improve communication while a loyalty partnership would provide some differentiation and thus its customer solution offering. The ultimate aim for any strategies that Superdrug choose to adopt in the future should be to make the store a go to destination in the health and beauty retail market and ensure that customers have solid reasons to return.

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The UK Health & Beauty Retail Market

My name is Steve Eglese and I am currently studying for a degree at Centria University in Finland and am now writing my thesis. The thesis topic is the health & beauty retail market in the UK focussing on Superdrug as a player in this market. I would greatly appreciate it if you could spare a few moments to fill in the following questionnaire to help me with my research. Please follow the instructions and answer the questions honestly, you do not have to give your name and all responses will be kept confidential, thank you.

General Information

1. What is your gender? (Please tick only one box)
   - ☐ Male
   - ☐ Female

2. What is your age range? (Please tick only one box)
   - ☐ 16-19
   - ☐ 20-29
   - ☐ 30-39
   - ☐ 40-49
   - ☐ 50+

The UK Health & Beauty Retail Market

3. Which of the following stores do you currently shop at? (Please tick all that apply)
   - ☐ Boots
   - ☐ Superdrug
   - ☐ Bodycare
   - ☐ None of the above

If you selected at least one store please go to question 4, if you selected none of the above please go to question 6.

4. How often would you say on average you visit Boots, Superdrug and Bodycare? (Please tick only one box)
   - ☐ Weekly
   - ☐ Twice a month
   - ☐ Once a month
   - ☐ 5-6 times a year
   - ☐ Less

5. Please rank Boots, Superdrug and Bodycare in order of how often you visit or are likely to visit each store. (Please place the numbers 1-3 in the boxes where 1 represents the most visited and 3 the least visited, please use each number only once)
   - ☐ Boots
   - ☐ Superdrug
   - ☐ Bodycare

Please now go to question 8.

6. You answered that you do not visit any of Boots, Superdrug or Bodycare, why is this? (Please tick only one box)
   - ☐ I buy my health & beauty products elsewhere
   - ☐ I have no need to buy any health & beauty products

If you answered that you have no need to buy health & beauty products you do not need to answer any more questions, thank you for your participation.

7. You answered that you buy your health & beauty products elsewhere, from the list below, please select which best describes where. (Please tick all that apply)
   - ☐ Stand alone (non brand) pharmacies
   - ☐ Supermarkets (Tesco, Asda etc.)
   - ☐ Other health & beauty retailers
   - ☐ Local shops
   - ☐ Discount retailers
   - ☐ Other

Please now answer all remaining questions.

8. Please rank the following items in order of how important they are to you when shopping for health & beauty products. (Please place the numbers 1-7 in the boxes where 1 represents the most important and 7 the least important, please use each number only once)
   - ☐ Price
   - ☐ Brands
   - ☐ Store location
   - ☐ Customer service
   - ☐ Store image
   - ☐ Convenience
   - ☐ Extra services available

9. Do you prefer to shop on the high street or at out of town retail parks/shopping centres? (Please tick only one box)
   - ☐ High street
   - ☐ Out of town retail parks/shopping centres

10. Which, if any, of the following advertising mediums have an effect on your health & beauty purchasing choices? (Please tick all that apply)
    - ☐ TV advertising
    - ☐ Magazines
    - ☐ Newspapers
    - ☐ Celebrity endorsements
    - ☐ Radio advertising
    - ☐ Posters/billboards
    - ☐ Store windows
    - ☐ Other (please specify _____)
    - ☐ None

11. How likely are you to visit a store mainly to take advantage of a limited time promotion that interests you? (Please tick only one box)
    - ☐ Almost certainly
    - ☐ Very likely
    - ☐ Quite likely
    - ☐ Unlikely
    - ☐ Not at all

12. How likely are you to visit a store mainly to take advantage of a specific in store service? (Please tick only one box)
    - ☐ Almost certainly
    - ☐ Very likely
    - ☐ Quite likely
    - ☐ Unlikely
    - ☐ Not at all

13. Which of the following in store services interest you? (Please tick all that apply)
    - ☐ Pharmacy
    - ☐ Health checks/disease screening
    - ☐ Prescription services beyond just fulfilment
    - ☐ Make-up advice/makeovers
    - ☐ Perfumery
    - ☐ Opticians/hearing centres
    - ☐ Photography services
    - ☐ Other (please specify _____)

14. How likely are you to visit a store because of a loyalty program (Advantage Card/Beautycard etc.)? (Please tick only one box)
    - ☐ Almost certainly
    - ☐ Very likely
    - ☐ Quite likely
    - ☐ Unlikely
    - ☐ Not at all

Thank you very much for taking the time to complete this questionnaire, your answers will be invaluable in helping me to complete my thesis and provide some genuine suggestions for the health and beauty retail market.

Questionnaire Results

Q1 What is your gender?

	Frequency	Percentage of total (67)
Male	17	25.4
Female	50	74.6

Q2 What is your age range?

	Frequency	Percentage of total (67)
16-19	3	4.5
20-29	24	35.8
30-39	9	13.4
40-49	12	17.9
50+	19	28.4

Q3 Which of the following stores do you currently shop at?

	Frequency	Percentage of total (67)
Boots	51	76.1
Superdrug	20	29.9
Bodycare	13	19.4
None of the above	10	14.9

Q4 How often would you say on average you visit Boots, Superdrug and Bodycare? (Question was only answered by those who said the currently shop at either Boots, Superdrug and Bodycare in Q3, one answer not supplied)

	Frequency	Percentage of total (56)
Weekly	9	16.1
Twice a month	21	37.5
Once a month	14	25
5-6 times a year	7	12.5
Less	5	8.9

Q5 Please rank Boots, Superdrug and Bodycare in order of how often you visit or are likely to visit each store. (Question was only answered by those who said the currently shop at either Boots, Superdrug and Bodycare in Q3, one answer not supplied, two answers unusable)

	Rank 1	Rank 2	Rank 3
Boots	41	8	4
Superdrug	5	34	14
Bodycare	7	11	35

Q6 You answered that you do not visit any of Boots, Superdrug or Bodycare, why is this? (Question was only answered by those who said they don't currently shop at either Boots, Superdrug and Bodycare in Q3)

	Frequency	Percentage of total (10)
I buy my health & beauty products elsewhere	9	90
I have no need to buy any health & beauty products	1	10

Q7 You answered that you buy your health & beauty products elsewhere, from the list below, please select which best describes where. (Question was only answered by those who said they buy their health & beauty products elsewhere in Q6)

	Frequency	Percentage of total (9)
Standalone pharmacies	1	11.1
Supermarkets	5	55.6
Other health and beauty retailers	1	11.1
Local shops	1	11.1
Discount retailers	0	0
Other	2	22.2

Q8 Please rank the following items in order of how important they are to you when shopping for health & beauty products (Only answered by those who shop for health & beauty products, some answers unusable)

	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7
Price	31	7	4	3	1	2	4
Brands	12	17	6	11	6	0	0
Store location	2	12	19	13	1	1	1
Customer service	0	1	8	7	20	12	2
Store image	0	2	2	5	8	21	13
Convenience	4	10	11	10	8	5	0
Extra services available	2	0	1	1	5	8	32

Q9 Do you prefer to shop on the high street or at out of town retail parks/shopping centres? (Only answered by those who shop for health & beauty products, one answer not supplied)

	Frequency	Percentage of total (65)
High street	27	41.5
Out of town retail parks/shopping centres	38	58.5

Q10 Which, if any, of the following advertising mediums have an effect on your health & beauty purchasing choices?

	Frequency	Percentage of total (67)
TV advertising	43	64.2
Magazines	34	50.7
Newspapers	12	17.9
Celebrity endorsements	12	17.9
Radio advertising	2	3
Posters/billboards	14	20.9
Store windows	25	37.3
Other	5	7.5
None	8	11.9

Q11 How likely are you to visit a store mainly to take advantage of a limited time promotion that interests you? (Only answered by those who shop for health & beauty products, one answer not supplied)

	Frequency	Percentage of total (65)
Almost certainly	24	36.9
Very likely	21	32.3
Quite likely	15	23.1
Unlikely	5	7.7
Not at all	0	0

Q12 How likely are you to visit a store mainly to take advantage of a specific in store service? (Only answered by those who shop for health & beauty products, one answer not supplied)

	Frequency	Percentage of total (65)
Almost certainly	11	16.9
Very likely	15	23.1
Quite likely	19	29.2
Unlikely	16	24.6
Not at all	4	6.2

Q13 Which of the following in store services interest you? (Only answered by those who shop for health & beauty products, one answer not supplied)

	Frequency	Percentage of total (65)
Pharmacy	42	64.6
Health checks/disease screening	12	18.5
Prescription services beyond just fulfilment	23	35.4
Make-up advice/makeovers	27	41.5
Perfumery	32	49.2
Opticians/hearing centres	13	20
Photography services	17	26.2
Other	0	0

Q14 How likely are you to visit a store because of a loyalty program? (Only answered by those who shop for health & beauty products, one answer not supplied)

	Frequency	Percentage of total (65)
Almost certainly	21	32.3
Very likely	13	20
Quite likely	15	23.1
Unlikely	12	18.5
Not at all	4	6.2