Patronage patterns of the pharmacy consumers: A segmentation study in Greece

Theodoridis, C.*

Manchester Metropolitan University Business School, Departments of Marketing, Operations, and Digital Business, M15 6BH, Manchester, UK

Boutsouki, C.

Department of Economics, Aristotle University of Thessaloniki, Thessaloniki, Greece

*c.theodoridis@mmu.ac.uk

Abstract

Pharmacy retailing is still being the only legal distribution channel for medicines in Greece however there is evidence that the deregulation of the distribution is imminent to happen and therefore knowledge on the how the consumers that use pharmacies are choosing among the already vastly congested competition. The density of the pharmacies in Greece is among the highest in the EU (Theodorakis, 2013) and this comes to an agreement with the reputation Greeks have to be very reliant to the healthcare providers. Never the less, the per capita expenditure on healthcare from 2009 to 2013 has decreased by a total of 21% (OECD, 2015) and this is reflected on the sales of pharmacies that declined that much that pharmacists struggle to keep them open (Karagiorgos, 2015). This paper considers what are the market segments in the market and what are the differences between the loyal and the random pharmacy consumers.

There is evidence that service quality is a predictor of satisfaction and patronage (Sivadas and Baker-Prewitt, 2000) and there is also an established track of research that looks into the service quality in the pharmacy sector both from the customer (Hedvall, 1991) and the pharmacist (White and Klinner, 2012) point of view. Martins and Queirós (2015) extensively reviewed the international pharmacy practice and concluded that market segmentation is crucial for the successful marketing of the pharmacies. The research of Cavaco et al. (2005) provided a thorough description of the issues that underpin service quality in the pharmacy sector where they identified the importance of the people and the physical store as factors to predict the perception of the customer. MacKeigan and Lon (1989) used an adapted version of SERVQUAL (Parasuraman et al., 1991; Parasuraman et al., 1988) to measure service quality, where they interestingly included a section on the financial cost of patronising a pharmacy. Therefore, this research will test the following research hypotheses:

H_1. There is no statistical relationship between the gender and the patronage pattern.

H_2. There is no statistical relationship between the amount spent for medicines and the patronage pattern.

H_3: There is no statistical relationship between the service quality provided in the pharmacy and the consumer patronage.

A sample of n=727 is surveyed which is consistent with other work that has been conducted in the wider health sector in Greece (Papanikolaou and Zygiaris, 2014). *Cronbach's a* was calculated, followed by exploratory factor analysis, various techniques that examine relationships between and within groups were employed. Hierarchical and K-means cluster analysis was used in order to classify pharmacy consumers to meaningful group. The findings of the data analysis highlight that all three research hypotheses are accepted. However, it shall be stressed that the different dimensions of SERVQUAL model have completely different impact to the overall satisfaction and patronage. Also, it appears that there are two completely distinctive consumer segments using the pharmacies in Greece. A group of consumers that show repeated visit behavior and pharmacy loyalty and another one that choose a pharmacy to buy medicines based on the convenience of the location of the pharmacy.

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