

Alliance Boots reformats as supermarket threat grows

By Gina Lovett

Health and beauty retailers such as Alliance Boots are facing increasingly stiff competition from supermarket chains, according to a report just published. The findings come as the high street chain embarks on a retail programme designed to position it as 'a leading international pharmacy-led health and beauty group'.

Alliance Boots' recent trading statement confirmed it will

rebadge and refit 900 of its community stores as 'your local Boots pharmacy'. Interiors consultancy Household has been working on a store format as part of the retailer's £65m community pharmacies project. The number of stores taking part in the trial is currently 20 – up from 18 last October – and the roll-out is expected to be completed by summer 2009.

However, the report from Verdict Research claims that,

while supermarkets are developing the market by expanding their health and beauty ranges and pharmaceutical services, the challenge for Alliance Boots will be to strengthen its health credentials. It says that since 2001, Tesco's market share has gained 5.3 percentage points.

According to Alliance Boots creative manager Brendan McElroy, the rebranding of the community pharmacy network is about playing to the strengths of both the Alliance Unichem and Boots brands.

'The community pharmacy network's strength is its role as a part of the local community and the Boots brand raises a level of expectation about what the customer will find with regard to product and retail. That is why it was key to capture the best of both brands when the work was finished, in the look and feel of the pharmacy and retail experience,' says McElroy.

Although an Alliance Boots spokesman declines to reveal further details, the interiors



work is understood to be built around the customer journey through the stores. The project is thought to have involved looking at the strengths of both brands, focusing on the integration of visual languages and taking in details such as fixtures and fittings, while maintaining features such as the existing Alliance navigational system.

Through the rebrand, Alliance Boots is making moves to address the supermarkets' participation in the health and beauty sector, which, Verdict

says, 'reduces the consumer's need to make a specific visit to a health and beauty specialist, [thus] cutting pharmacy-related sales and reducing footfall'.

Alliance Boots is taking a cautious approach to the rebrand, trialling the store format and assessing consumer feedback. Verdict's report, however, points out that to maximise its potential, the company 'needs to rebrand the Alliance chain and finish refurbishing its own high street stores at a much faster rate before competitors grab the initiative'.



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- Pearson Matthews is working on future international dispensing strategy
- Creative Leap is developing brand architecture for the wholesale operation
- 'Your local Boots pharmacy' interior store format designed in collaboration with Household