

Manufacturers’ and pharmacists’ satisfaction with different pharmaceutical distribution models in Europe

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Background

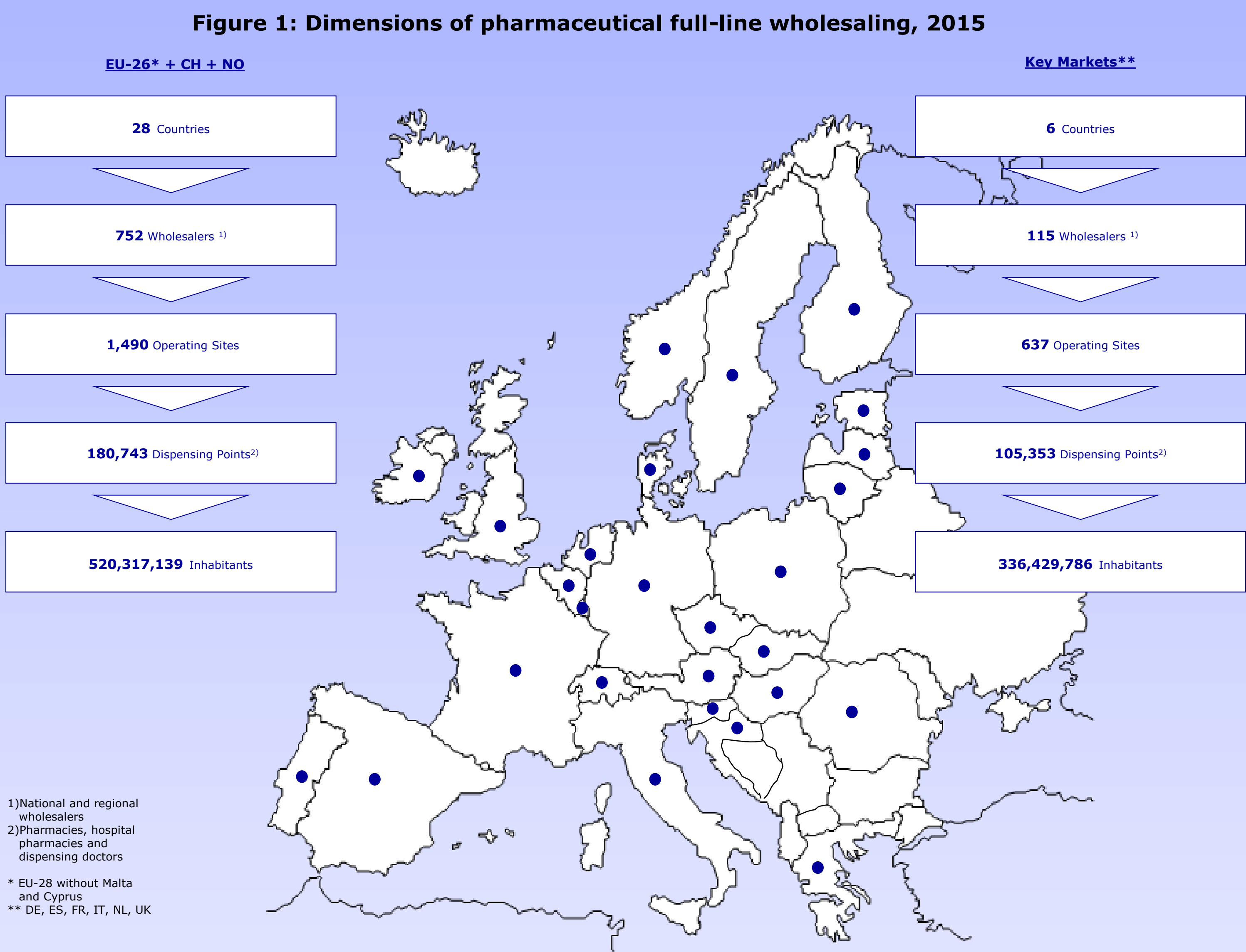
The pharmaceutical wholesale-industry serves as the vital link between manufacturers and 183,591 dispensing points in Europe. One of the sector’s major business objectives is total customer satisfaction. To assess this, a questionnaire was designed to evaluate (a) which distribution model manufacturers prefer for diverse product categories (innovative medicines, generics, OTCs) and (b) how satisfied pharmaceutical manufacturers and pharmacists are with deliveries (delivery time and frequency) from pharmaceutical full-line wholesalers (FLW), pharmaceutical short-line wholesalers (SLW), direct sales from manufacturers to pharmacies (DTP), or third-party logistics providers (3PLs) in Europe.

Methods

Necessary data were obtained from two online questionnaires that were directed to manufacturers (n=123) and pharmacies (n=372) in six key markets – Germany, France, Italy, the Netherlands, Spain and the UK (December 2015-April 2016).

Results

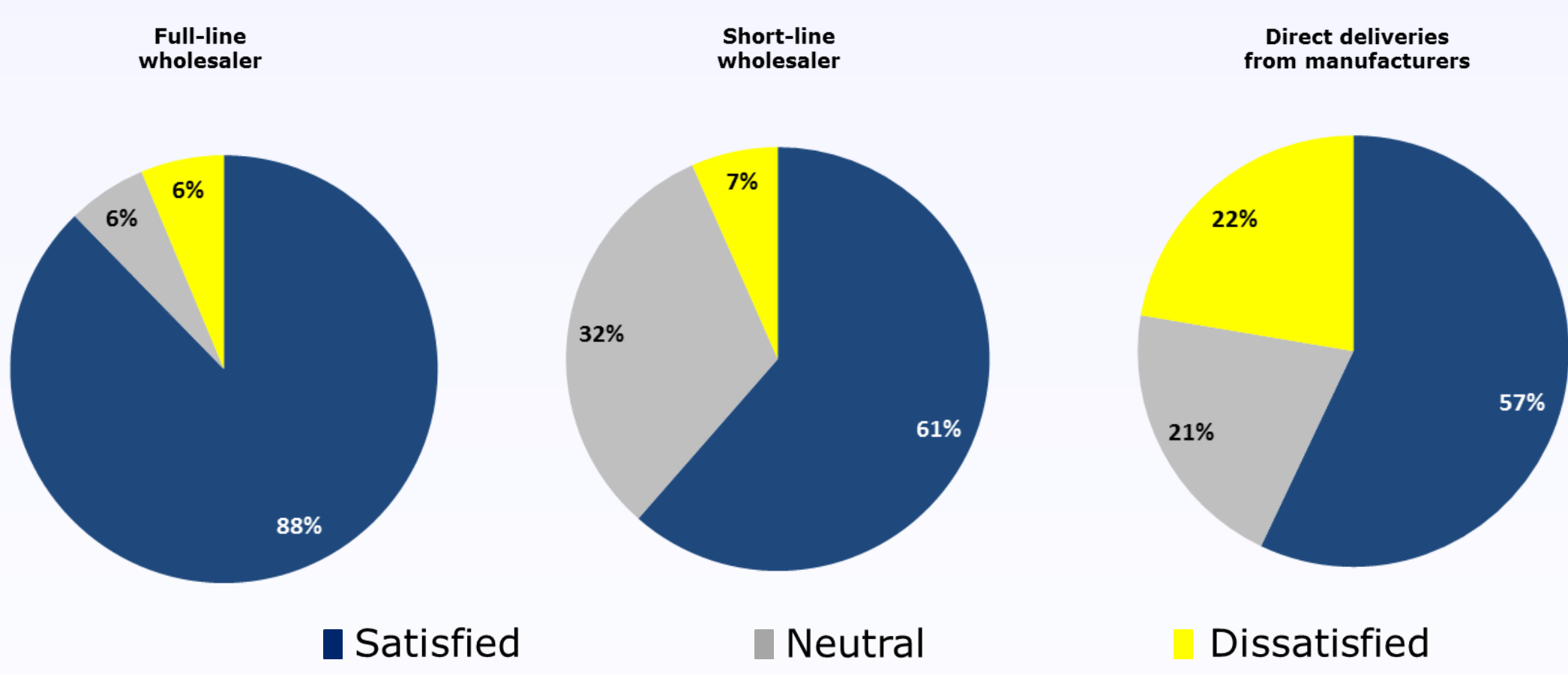
752 pharmaceutical wholesalers ensured a safe, rapid, continuous and cost-effective supply of medicines and medical products for the 26 countries of the European Union plus Norway and Switzerland in 2015 (figure 1).



Source: EUROSTAT, GIRP data, IPF research 2015

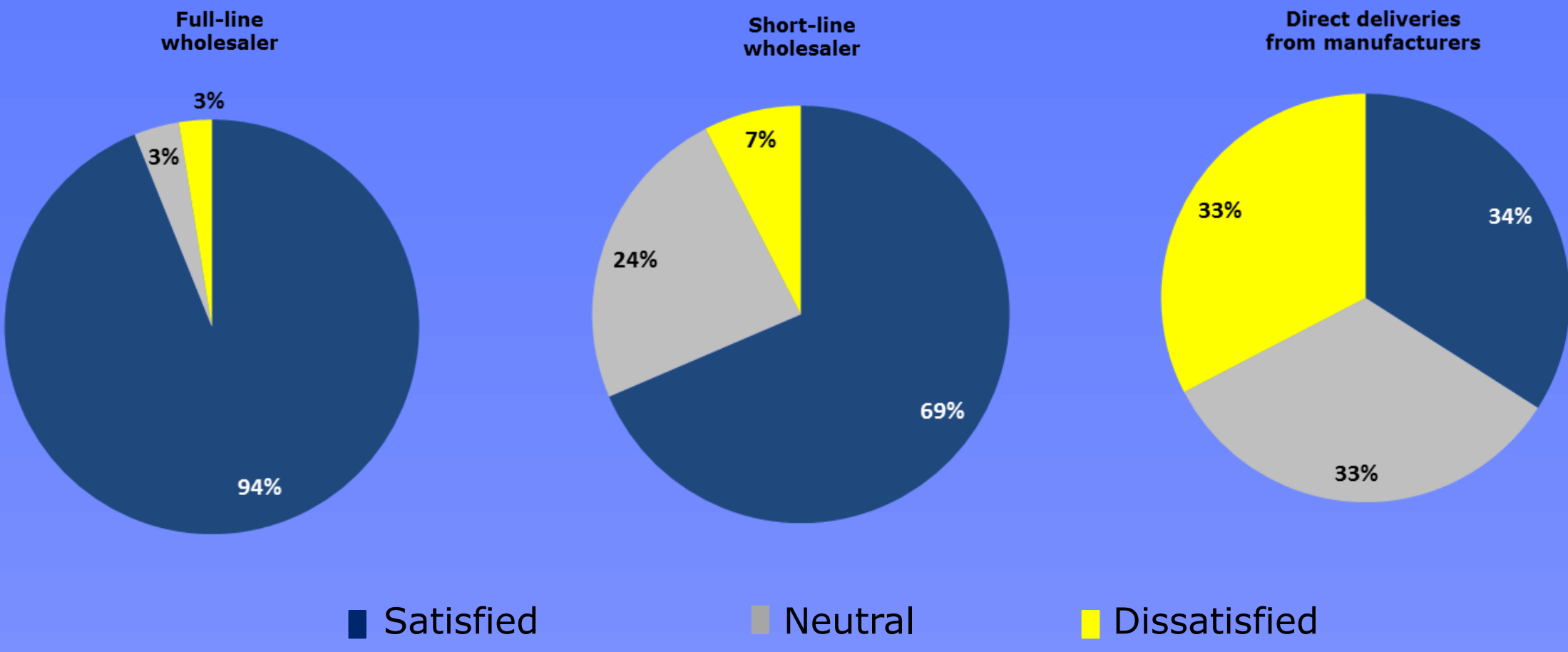
In the six observed countries (DE, ES, FR, IT, NL, UK), the majority of the responding pharmacists were satisfied with the distribution through pharmaceutical full-line wholesalers. Overall, the findings show that there is a high level of satisfaction with pharmaceutical full-line wholesalers. Pharmacists’ high and positive response rate demonstrates the importance of this distribution system to pharmacists. As regards pharmacists’ satisfaction with their supply system, 88% of pharmacists were satisfied with the pharmaceutical full-line wholesale model (figure 2).

Figure 2: Pharmacists’ overall satisfaction with their distribution system



Source: IPF research 2016, Pharmacist survey

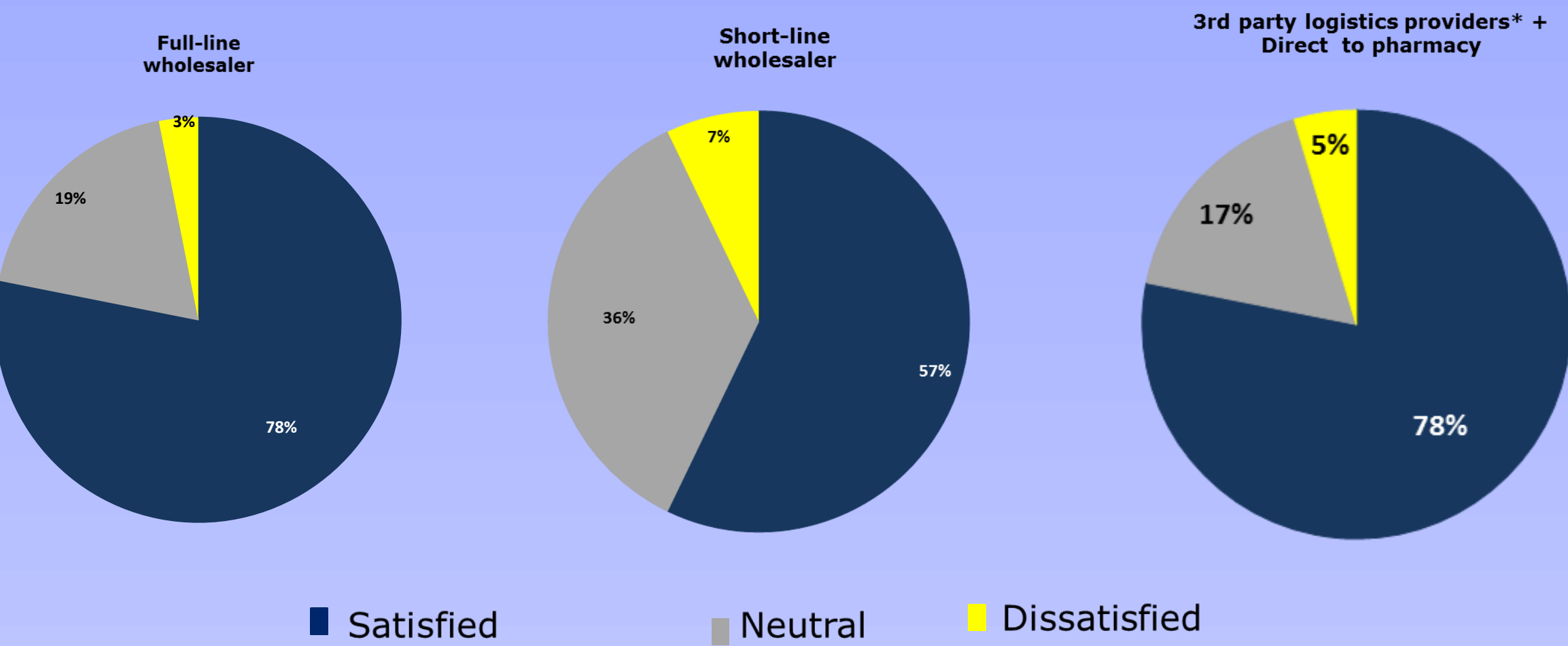
Figure 3: Pharmacists' overall satisfaction with the delivery time



Source: IPF research 2016, Pharmacist survey

The majority of the responding manufacturers were satisfied with their supply chain partners. 78% were satisfied with the pharmaceutical full-line wholesale model in general, 19% were impartial, and only 3% of manufacturers were dissatisfied with the pharmaceutical full-line wholesale model. In general, 78% of manufacturers were satisfied with their third party logistics providers (3PLs) including the Direct-to-Pharmacy (DTP) model and pre-wholesalers, 17% had a neutral attitude toward this distribution system and 5% were not satisfied with these models (figure 4).

Figure 4: Pharmaceutical manufacturers’ satisfaction with the distribution system

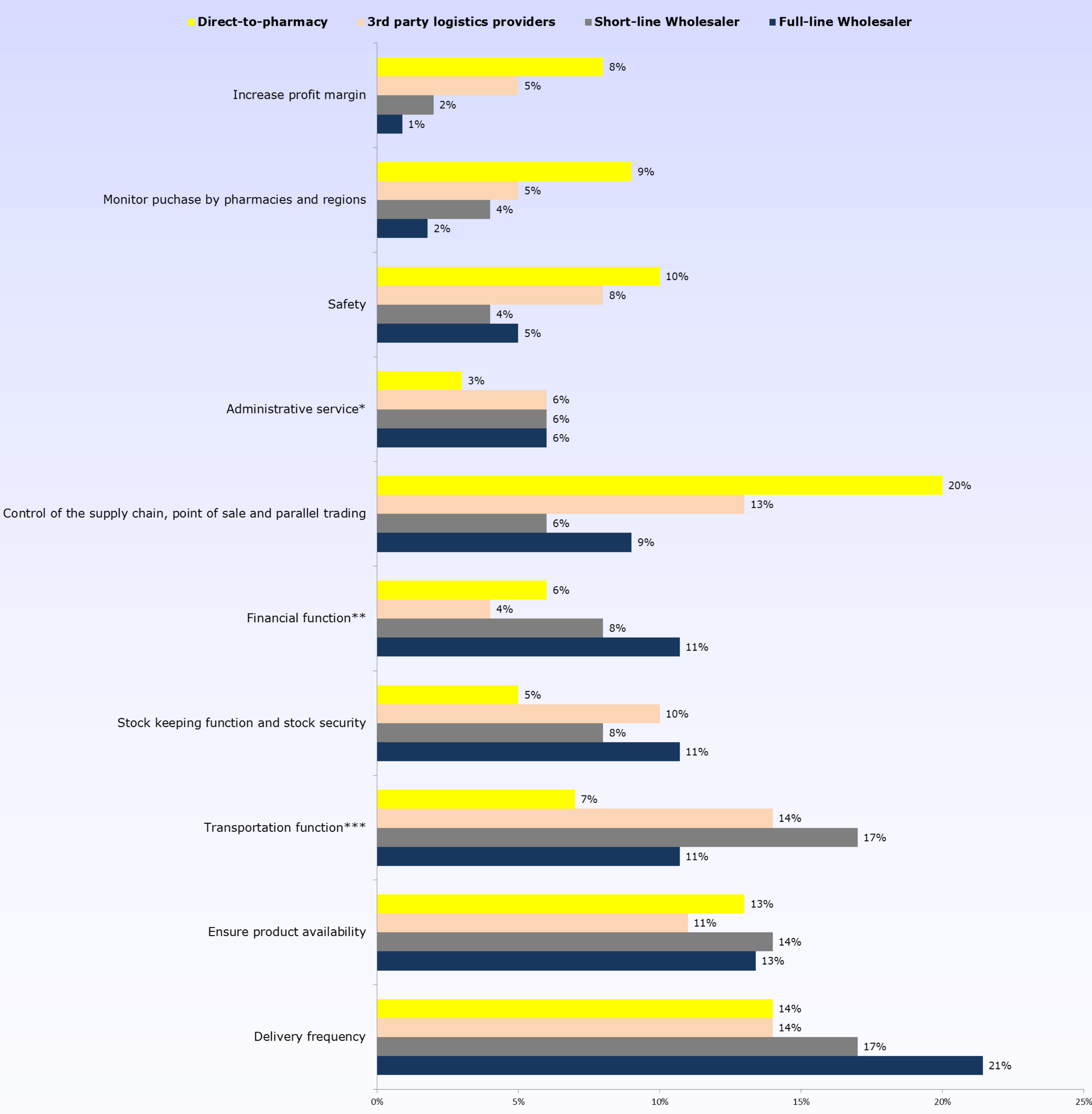


Source: IPF research 2016, Manufacturer survey

* Pre-wholesaling is included in 3rd party logistic providers; a pre-wholesaler is an agent acting on behalf of a manufacturer and is responsible for the storage and distribution of the manufacturer’s products to other wholesalers and to hospitals: manufacturer -> (pre-wholesaler) -> pharmaceutical full-line wholesaler -> public pharmacy -> patient

Unlike the pharmacist questionnaire, the survey sent to the industry asked manufacturers to indicate their reasons and motivations for using a certain distribution system. The most commonly cited reasons for using a certain distribution system were the following (figure 5):

Figure 5: Manufacturers' motivation for selecting certain distribution models



Source: IPF research 2016, Manufacturer survey

* reduced contacts, easier accounting
** the costs and financial risks are transferred – the pharmaceuticals are paid by the wholesaler and the financial risk of the goods has transferred to the wholesaler
*** from the industry to the wholesaler

Conclusion

Results demonstrate that pharmacists’ perception of distribution models do not correspond with manufacturers’ motivations for selecting a specific distribution model.