

SUMMARY

The Service Design Award
Diagonal / YTA / Finland



Yhteistyöapteekit (YTA) is the largest pharmacy chain in Finland comprising over 120 pharmacies around the country. YTA hired Diagonal to help it to cope with the radical challenges that the Finnish pharmacy industry is facing. Pharmacies in Finland are traditionally focused on only selling medicine and they very seldom offer any kind of health care or wellbeing services. The pharmacies are currently facing challenges in upholding their traditional business model of selling prescription drugs.

The result of the project was the new *People's Pharmacy* concept that not only provided traditional remedies for illnesses but first and foremost focused on improving the customers' well-being with significantly better customer experience and new desirable health care services. The concept has been radically new in the rather conservative pharmacy business area of Finland as it points the pharmacy chain towards new and more active role in the healthcare ecosystem.

To gather insight on the needs and behavior of customers and the future trends affecting pharmacy business, Diagonal conducted an intensive design research phase. We studied pharmacy customers, the current operating model, and engaged with experts on the future of healthcare. To turn insights into concrete ideas and strategy, Diagonal engaged the pharmacy employees and customers into an agile ideation and prototyping process in pharmacies, online and in a cardboard prototype lab. Following strategic decisions to pursue the new concept, Diagonal designed the pilot pharmacy including the new customer service model, productization of new wellness and health care services, and visual identity and interior design of the pilot pharmacy.

The new service concept increases customer satisfaction and loyalty, and brings new revenue to the pharmacy by distinguishing it from competitors and extending its offering from products to services. Due to the new wellbeing services, customers don't need to visit multiple stores to take care of their wellbeing. Customers can choose between fast standing-up prescription service and unhurried prescription service depending on their needs. The new service model enables staff to both assist the client with product choices and deal with prescriptions and purchases. The concept can be easily scaled to pharmacies of different sizes.

The positive effects of the new service concept can already be seen at the pilot pharmacy. By increasing the customer satisfaction and distinguishing itself from the competitors, the pharmacy has thoroughly cleared a significant segment of the markets for itself. The pilot pharmacy has tripled its service sales since the opening and 4 out of 5 its customers are extremely likely to recommend the new services to others. The pharmacy has seen 47% growth in customer volume (Feb 2014–Mar 2015), 69 % growth in the sales of prescription drugs (Feb 2014–Apr 2015), and 86% of the customers shop there more than once. During the service design project Diagonal together with the owner of the pilot pharmacy have established radical renewals and agile practices in the rather conservative field of pharmacies. The concept enforces the role of pharmacies as health care experts, providing a low-barrier access to health services and creating new co-operation with the public health care.