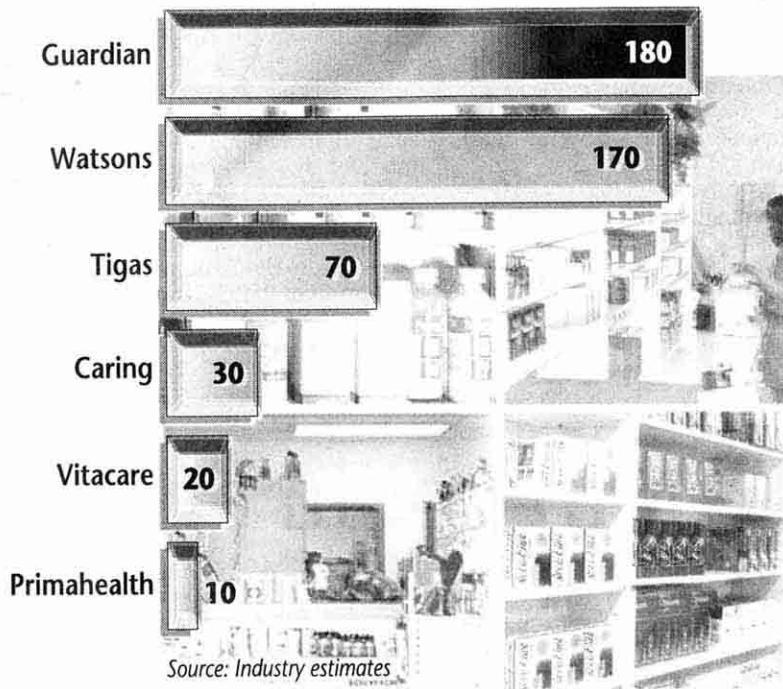


Tigas aims for top spot in retail pharmacy mart

■ By Vasantha Ganesan
bt@nstp.com.my



RETAIL PHARMACY LANDSCAPE 2006



A LOCAL retail pharmacy brand called Tigas is preparing a bold raid.

It plans to muscle in and lead Malaysia's retail pharmaceutical market, which would be worth more than RM800 million by 2009.

The market is currently controlled by Hong Kong's Dairy Farm under its Guardian outlets and Hong Kong-based Watsons group.

Industry estimates put the Guardian pharmacies in Malaysia at 180 outlets and Watsons at 170 in Malaysia. Tigas is at a distant third with 70 stores now.

Tigas' brand expansion will be practically done overnight as it brings some 400 independent pharmacies under its wings under an innovative "adoption" scheme.

"We hope to have 100 Tigas member pharmacies by year-end and 400 out of the current 1,500 retail pharmacies by 2009," said Simone Lee, the chief executive officer of Pharmvision Ventures Sdn Bhd, which owns the Tigas brand.

Currently, the member pharmacies under the Tigas programme control 5 per cent of the estimated retail pharmacy trade value or basically sales of RM724 million.

By 2009, the 400 Tigas brand outlets are projected to control RM212 million or 25 per cent of the market share projected to

reach RM847 million.

The Tigas brand is a creation of Pharmvision Ventures Sdn Bhd, an integrated trading and marketing company specialising in the retail pharmacy trade.

Pharmvision, funded by Japan's venture capital firm JAFCO, supplies to 850 independent pharmacies by making bulk purchases on their behalf.

The monthly revenue for the 70 Tigas member stores has grown to RM5.62 million, up 7 per cent from RM5.25 million previously over the past two years.

This year, Tigas outlets are expected to contribute about 40 per cent of Pharmvision's total targeted revenue of RM18 million in 2006.

By 2009, Tigas' contribution is likely to make up 80 per cent of total revenue for the group.

The Tigas model is akin to an adoption as both parties adopt each other. "We adopt the outlets by providing the business support and they adopt our brand on their forefront," Lee said.

"The Tigas brand is licensed to the independent pharmacies, which in return purchases a certain value of products from Pharmvision," she said.

Pharmvision will then help the stores grow by advertising and promoting these outlets.

"Our ultimate aim is to market independent pharmacies (through Tigas) as a destination where one can consult with a pharmacist for their healthcare needs.

"If we become number one in terms of a pharmacy brand, we agree that we will achieve somewhat of a competitive pricing for personal care and over-the-counter (OTC) products, but the focus of our efforts is to give an image of Tigas as a

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Tigas marketing strategy

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community pharmacy group, staffed with pharmacists who are available during opening hours for consultation," Lee said.

She added that this was the niche that it was marketing as a point of differentiation from other chain brands, which are constantly offering low pricing

for personal care and OTC products. "Tigas should be the place to go for one's pharmaceutical needs," she said.

Pharmvision, meanwhile, also publishes OH! Only Health magazine. The magazine, which is in its fourth year, has 40,000 copies in circulation and is used as a marketing tool and to create health awareness.