
10 Retail Best Practices for HME Providers

Many HME providers are implementing retail strategies to counter withering Medicare reimbursements and onerous government regulations. Although there isn't a single strategy that guarantees HME retail success, the traits of a successful HME retail program include consistent planning, knowing your audience, supplying the right items to satisfy customer needs and creating an experience that makes buying easy.

Whether you're introducing cash sales into your traditional reimbursement business or striving to drop reimbursement products altogether for an all-cash shop, retail success starts with understanding its best practices. In this McKesson Medical-Surgical white paper, Maria Markusen, Director of Development, VGM Retail Services, and McKesson retail experts Jason Moonen, Senior Development Product Manager, and Brian Wenzel, Senior Brand Manager, explain best retail practices that will help you enact a plan that gets customers through your store to buy products that meet their particular needs.

Retail best practices for HME providers

1. Know your numbers and your customers. The first and most important rule of merchandising: Know your data and your customers. This knowledge helps you pick appropriate products and then group them for display to add value for your customers. Be committed to your store's data analysis: What are your customers' demographics? How often do your customers buy certain products? What are your top sellers? What are your best price points? When you know your numbers and customers, then you will know what products to carry and how to display them.

2. Place cross-selling items next to each other. Use your data to understand what products are being bought together. For example, if you sell CPAP masks, you may want to place tubing next to the masks.

Markusen offered these tips to build your incremental sales:

- Start by tracking and building on your top five existing patient/customer categories
- Research all the cash products associated with your top existing patient/customer categories
- Have your team members track products that customers ask for and then add those categories
- Constantly look for product ideas in your own traditional retail shopping experience
- Create a focused 18-month marketing plan to drive foot traffic into your store
- Spend at least 5 percent of your desired revenue on marketing
- Use a combination of traditional marketing and social media to drive traffic
- Track performance daily, weekly, monthly, quarterly and annually
- Implement an inventory management plan to replenish and refresh inventory and follow it

3. Make sure your salespeople can maneuver through your store. Your staff needs to understand the layout and flow of your store and why certain items are placed together. This way employees can make quick decisions while interacting with customers.

4. Design your store to flow for your customers. It's not enough for your store to look good. People in wheelchairs and with disabilities need to get around the store easily. Many storeowners will overstuff their aisles with merchandise and place fixtures too close together. This confuses customers and may push them to shop elsewhere. Keep your aisles wide and uncluttered and make constant sweeps to make sure product hasn't ended up on the floor.

5. Stock seasonal and POP products. Seasonal products keep your store fresh, entice repeat traffic and are great point-of-purchase (POP) items. Make sure to place seasonal items on a table toward the front of your store. Consider matching products to the healthcare calendar. For example, have a summer safety product theme in your stores in June or July, depending on what part of the country you're in. Carry special Mother's Day items, like scented candles, in May.

For POP items, make sure they have these qualities:

- Interactivity – Customers will want to touch them, smell them, taste them, etc. Allowing them to do that will increase the chance of purchase.
- Attract attention – Bright colors, lights, sound, movement and humor are unique features of impulse items that will draw the customer's eye.
- Convenience/functionality – Reading glasses are a great example of a convenience product; customers can use them to write their checks and then purchase them on the spot.
- Signage – Colorful and eye-catching signage is also key to encouraging impulse buying.
- Easy to grasp (both physically and mentally) – Impulse products should be able to sell themselves and customers should be able to pick them up and add them to their basket easily. If they have to ask what the item is, it's not a good impulse item.
- Excitement or novelty – Original, unique or hard-to-find items are also great impulse items.

6. Use signage to guide customers through your store. Customers who enter your store and immediately feel they know how to get to a certain set of products inspires confidence and a positive shopping experience. Customers entering an HME retail store for the first time may not know what to expect. They likely received some advice from a family member, friend or referral partner, but will need direction to find the products they seek. Customers shouldn't have to walk all over the store to find products that work together. Also, avoid signage using industry technical terms that may mean nothing to customers.

Some manufacturers, such as McKesson, which recently launched its own line of branded products, offer signage for their items, such as header signs retailers can use on flat wall displays, from the ceiling or on end caps.

7. Strategically place products in your store to increase sales. Did you know manufacturers that place items in big box retailers pay a premium for prime locations, such as having items displayed at eye level or on end caps? Use your data to find out which items are popular and then place those products strategically in the store. Consider your store demographics as well. If located near a retirement community, you might sell a lot of walking canes or rollers. These types of items need to be handled by customers, so make sure they are displayed where they can be touched.

Round nesting tables that are movable make for great staging of handheld items in packaging that pops. People can walk in the front door and immediately touch these items. Consider products that make their life a little better. Then, they'll feel more confident about having to buy the more serious products they came in for.

Also, as HME manufacturers continue to get more design savvy with packaging, old-fashioned store fixtures, such as outdated shelving and wall displays, may not work well with modern products. In addition, HME packaging is getting smaller so you can fit more items on shelves without looking congested. Your old fixtures might not fit new package designs very well.

To maximize retail space and the overall shopping experience, use fixtures that move. As your products change and your customers shift through different age groups and different disease states, you can move your store around. You want fixtures that give you the opportunity to move and change products around the store, daily if needed.

Also, consider if you are using every inch of your showroom floor effectively. If you have elaborate bedrooms or bathrooms constructed for display in your showroom, are they taking up space that could be generating more money with more products?

Finally, some manufacturers, such as McKesson, offer planograms to help you place products for more impact. Some of the popular product categories Moonen suggested to carry include wound care, incontinence and orthopedics. Products include bath benches, canes, commodes, crutches, grab bars, patient lifts, patient slings, reachers, recliners, transport chairs, walkers, rollators, wheelchairs, and cushions.

8. Use retail packaging to differentiate products. Much of HME product packaging is bland, especially for institutional products, which typically don't use color, imagery or design elements effectively. People of all ages get bombarded by messaging every day and have likely become immune to boring design, simply passing it by, even if it's for products that could help them.

Good modern packaging is contemporary. It uses full-color design and color photography, and speaks to customers in an inviting way. A good use of white space will draw the eye to the product image and name. Packaging should also be in multiple languages. Some manufacturers and distributors, such as McKesson, design some of its packaging in both a vertical and horizontal layout, which gives retailers some freedom when displaying. Finally, packaging that's color-coded and uses similar product headings lets customers easily identify product categories.

Talk to your manufacturers and distributors about their product design strategies and always consider packaging when choosing an item to display in your store.

9. Use a manufacturer that makes your life and your customer's life easier. Along with offering training and POP displays, look for other tools from manufacturers and distributors that help make the retail process easier. For example, McKesson offers its retailers a barcode catalog for items they keep on display in the showroom. Instead of leaving the customer to find a product to scan, the retailer can find the barcode in the binder.

Also, make sure your manufacturers offer marketing and educational materials, such as leave-behind brochures and product videos. Marketing support is also crucial. For example, some companies, such as McKesson, offer retailer websites that include the retailer's contact information, an overview of available products and items they can order online. Also, look for marketing materials that provide an overview of available products in that category, a listing of relevant features and benefits, ordering information, and product tables that convey key product specs. Another benefit some manufacturers and distributors offer is personalized collateral. For example, McKesson provides editable marketing materials, such as a PDF catalog, that retailers can customize by adding their name, logo and contact information. They can print the materials for use in their stores or they can use them on their websites.

In addition, does your manufacturer offer home delivery of their products? Is shipping quick and fees reasonable? Finally, does your manufacturer have a satisfaction guarantee on products? This creates little risk for you or your customers when they obtain products through your store.

10. Understand that retail is an endless journey of measuring and experimenting. “Merchandising is a part of the whole,” said Markusen. “It doesn’t stand by itself. It takes more than a beautiful store. It takes good employees who make a good connection with the customer. It takes products that improve a customer’s condition. Merchandising is the icing on the cake that will push you from being a B-plus retailer to an A-plus retailer.”

For more information about retail best practices, visit VGM Retail (vgmretailservices.com). Also, subscribe to their Twitter feed and LinkedIn page for valuable HME specific retail content.

To learn more, visit McKesson (mms.mckesson.com/hme) or call 800.347.2456.



Avoid retail packaging that is institutional and bland. Today’s savvy customers expect their shopping experience to be visually pleasing. To better understand modern retail packaging, Wenzel listed the benefits a retailer should find on their manufacturer’s packaging:

- Trilingual copy (English, Spanish, and French)
- Color-coded by category (bath safety, mobility, aids to daily living, etc.); colors on packaging matches POP header signs
- Easy-to-read call-outs on packaging help the consumer to quickly identify the product category
- Call-out also helps retailers to merchandise these products in the store
- UPC barcodes on packaging (as opposed to longer, less retail-friendly GTIN-14 barcodes)
- Full-color images
- Clean and streamlined design
- Focus on product as “hero”
- Clean and succinct messaging; emphasis on product name and key product information/attributes
- Reduces information overload; increases clarity
- Effective use of white space
- Includes toll-free technical support number
- Includes Satisfaction Guarantee (reduces risk for HME retailer and customer)

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