



HOW TO START AN ONLINE **PHARMACY** **MARKETPLACE**



Hello people!

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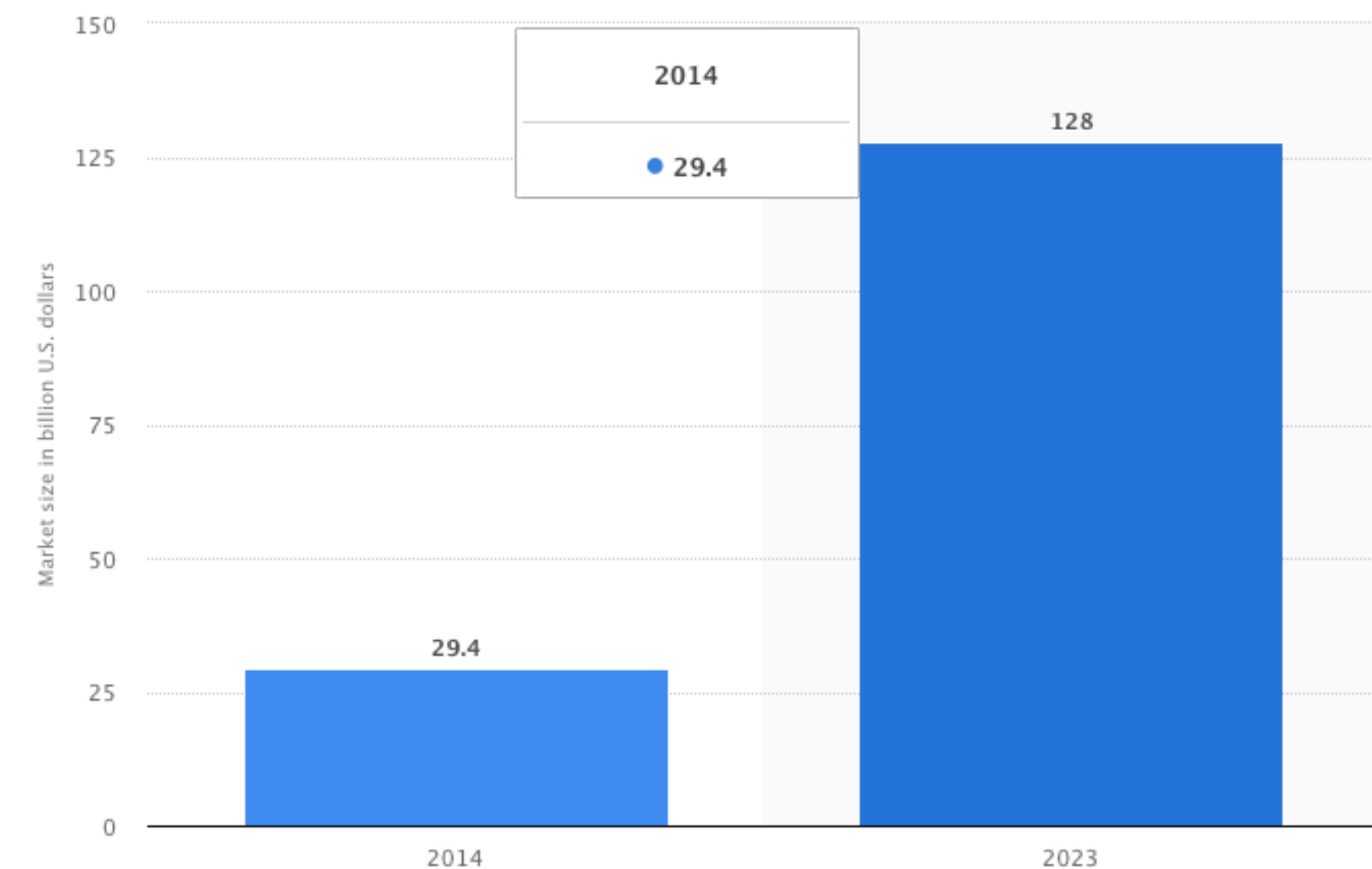
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Choosing the Right Business Model for Pharmacy Marketplace

Pharma retailing is being profoundly transformed. During the past two decades, the internet has become an accepted way to purchase products and services. Buying medications online are no exception. Besides its benefits, several patient safety risks are linked to the purchase of medicines outside the traditional supply chain.

But Amazon's acquisition of PillPack sent standard brick-and-mortar pharmacy stock prices plunging, and signaled a potentially huge disruption in the United States healthcare market and the rest of the world.

Global online pharmacy market size in 2014 and a forecast for 2023 (in billion U.S. dollars)



Challenge of Running a Pharmacy Marketplace

Using the Internet to purchase your over-the-counter or prescription drugs can be easy and convenient. Online drug stores can save you money, too, especially for prescription.



Legal Considerations:

Hundreds, possibly thousands of websites, are out there telling you that you don't need a prescription or enticing you to buy your drugs from a foreign company in Canada, Mexico or another country. "Safety" includes staying on the right side of the law, so you'll want to be sure you understand what the rules



Problems With the Drug Supply:

Even if you get past some of the red flags above, there can be problems with the product an online-only pharmacy delivers. The drugs may be outdated, diluted, counterfeit and more such problems. If these issues are not properly addressed they will, at a minimum, lose their effectiveness. Worse, they can become dangerous.

Business Models in the Pharmacy Industry

Pharmacy business model can be any of three primary models:

1. Inventory Model: This model is for business owners who sell their own inventory on their own platform. There are no shared profits in this model.

2. Marketplace Model: This model is for small pharmacy businessmen who cannot afford to make their own solution. So they sell their goods on somebody else's marketplace on some commission or profit sharing.

3. Hybrid Model: This model is combination of the Inventory and Marketplace where a business owner can sell his own goods as well as let others sell theirs on his platform.

The most beneficial among the three is Marketplace model that empowers small business owners by providing them a space to sell their goods. The marketplace owner does not need to maintain any inventory or ship products. Thus, marketplace owner has lesser headache and more profits.

How To Make Your Pharmacy Marketplace Successful?

The number of factors can be endless. That being said, understanding the psyche of your customers would make great difference in defining the success of any business. From our research, here are a few crucial factors that can make or break your online pharmacy marketplace.



Simplified Product Discovery

Your solution should also focus on what your customers do not like. Negative feedback is more important than the positive feedback. Thus, you should also maintain records about products that your customer dislikes. This can be done with a simple optimization algorithm that interprets likes and dislikes based upon the swipe direction (just like Tinder).



Wishlist & Shopping Cart

To know the interests of your customer, wishlist is the best way. Moreover, you can always retarget your customers based on whatever they have added in it. However, a pharmacy business does not necessarily require a wishlist but having one would not cause any harm.

Shopping cart should be convenient to use. Adding or removing products in your cart should be fast and easy, failing which will lead to uninstall of your application.



Payment Methods

Customers prefer easy checkout methods like Amazon and Ebay. Add a faster payment gateway like PayPal, Stripe etc. and let your customers make payments at a tap. Avoid using a payment option that people have not heard of because they only choose reliable gateways that they have already used or heard of.



Delivery Is The Key

This is the most important factor in any on-demand business, especially medicines. On-time delivery with quality goods will help you retain customers. No matter how amazing your App Interface is or how fast your checkout process is, if you have a weak delivery network, you will lose the entire game. In case of marketplace, you can either get the products shipped under your business or ask the vendor to do it.



Marketplace Reputation

Your brand reputation is dependent on the vendors that are listed on your marketplace. Therefore, you must ensure that none of them is spoiling your brand name with their unprofessional services. Having professional vendors on your marketplace should be your main aim. To do so, you must have feedback from customers and take actions accordingly.

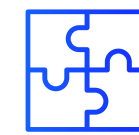
Get In Touch

with us if you want to build the Pharmacy marketplace! And let's begin your journey to success

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4 Simple Ways To Generating New Marketplace Ideas

We are aware of the reasons why entrepreneurs and enterprises are moving towards online marketplaces. Once you have a solid marketplace idea, it is indeed simple to set up an online marketplace. But the generation of good marketplace ideas is easier said than done.



Solve A Problem

One of the main reasons why most online marketplaces fail is that they do not solve a problem. Most young entrepreneurs jump the gun, in starting an online marketplace and fail to grow their user base.

Sharing Economy has triggered entrepreneurs to believe that sharing of any asset would be a good idea for a marketplace. What most of them overlook is if the solution that solves the problem. It is essential that your marketplace targets a pain point or latent need in the market. In a marketplace business, it is also imperative that the solution is aimed at both the parties; the sellers and the customers.

The best ideas come as jokes. Make your thinking as funny as you can

-David Ogilvy



Going Wide Or Narrow

Another issue that entrepreneurs face is the choice between starting a horizontal or vertical marketplace. A horizontal marketplace like Yelp aggregates a wide range of categories. A vertical marketplace like Airbnb concentrates on solving one single problem: some people have vacant space in their houses, and most travelers need temporary accommodation and a good experience.

It is recommended for entrepreneurs to start with a vertical platform as they require deep insights into one industry or solution. Marketplaces that cater to a niche category have a higher competitive advantage but need tremendous market testing as they involve inducing behavioral changes. Marketplaces that are local copies of global players lack the novelty but still do good as the entrepreneurs have more knowledge about the local community than global players.



Testing The Idea

Once you decide the problem to be solved and the approach, it is necessary to test the idea. Every idea sounds impressive when you discuss it with a few people but eventually what decides the fate of a marketplace is if the market is favourable for that idea.

The first step is market research. Do secondary research on the internet to conduct a thorough market analysis complete with competitor analysis. Gather enough information about the current industry trends. Try finding similar ideas executed in the past and what challenges did they face. It will then be easier to figure out if your marketplaces can overcome these challenges.

The next step is to discuss the idea with as many people as you can, especially people who fit the customer demographics for your platform. Analyze whether they will be willing to pay for such a solution. Most startups fail to make the platform profitable as the customers are not willing to pay full price for the service on the marketplace. Thus, It also becomes imperative to establish a revenue model post the research.



Choosing The Right Platform

Once you have the idea, it is necessary to choose the right platform to build your marketplace. The marketplace solution needs to be robust, scalable and secure to integrate with other systems like a delivery management system or payment gateways. The right platform will provide the right support and help your business grow.

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12 Most Essentials

Components of a Marketplace

Have you finalized your marketplace idea? Does your marketplace have all the essential features in it? Have a look at this article to know more about the major components of an online marketplace. Here we go!

In the previous article, I have already discussed that "Building a marketplace" is not less than an adventure and you will be surprised to know that this adventure lies in setting the right components of the marketplace. Let's get an idea of these components.



Convenient On-boarding

Not everyone likes filling long forms during onboarding. Usually, a customer finds it irritating to repeatedly add the same information again and again. So your marketplace should be designed in such a way that it offers smooth onboarding to the customers. Providing easy login options using **Facebook, Google, LinkedIn & Email** can add to the benefit.



In-App Chat support

Have you ever thought how will a customer elaborate his requirement to the service provider. Suppose he wants to give important information but the booking has been made and the appointment has been scheduled. How will he do this? This is the point where in-apps chat come into play. Hence they are considered as one of the important features of the marketplace.



Easy Navigation

Your main focus should be on making the user journey as simple as possible and this can only be achieved by providing smooth navigation in an app. I am hoping that you know its navigation feature that guides people to find and make most of the advanced features of your application.



Integration with the different payment gateways

Customers feel special when they are given the freedom to choose to select their payment methods. Moreover, with an increase in digitalization the customer find it easy and safe to pay through wallets and cards. **Paypal, Stripe** are some of the digital wallets that can be easily integrated with the marketplace.



The Search box, Advanced filters, and Effective listing

An app builder should ensure that his customer books his desired service as soon as possible and this can only be attained by the effective listing of the products. The search box and advanced filters will add to the benefit.



Analytical Dashboard

An analytical dashboard will enable the marketplace owner to have a panoramic view of the whole business. It will enable him to manage and monitor his performance from one place.



Delivery & Appointment Management Software

You are all set to launch your services online but have you thought how will your delivery boy or service provider reach the desired location. And as a business owner or a customer how will you track his exact location. To ensure on-time deliveries and appointments and to track in real-time a management software is much needed.



Push Notifications

As per the latest research Push notifications have an ability to grab the customer attention in the quickest way. One can make better use of them by including time-sensitive offers like hourly promotions and coupons.



Scheduling Options

Delight your customers by giving them an opportunity to schedule their appointments as per their time of need. Customers will happily board your platform since you have given them full freedom to avail the services whenever it's required.



Security

This is one of the biggest concern that customers have in their mind when they prefer online sources over traditional sources. The marketplace builder must ensure that his software complies with encryption practices such as SSL certificates and PCI compliance. They should ensure customers that their data is strictly protected.



Rate & Reviews

Adding rate and review feature to your marketplace will increase its credibility. It develops a certain trust between the customer and service providers. With this feature in place, the customer will get a bigger platform to express his views regarding your services.



CRM Integration

Every business owner wants to retain his customer. Customer retention is the basic requirement for a business to grow. How to do this? Here at this point, CRM comes to your rescue. You can store all your customer information in the CRM software and then can retarget these customers with special offerings and promotions.

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How to Build A Pharmacy Marketplace Platform with Little Money

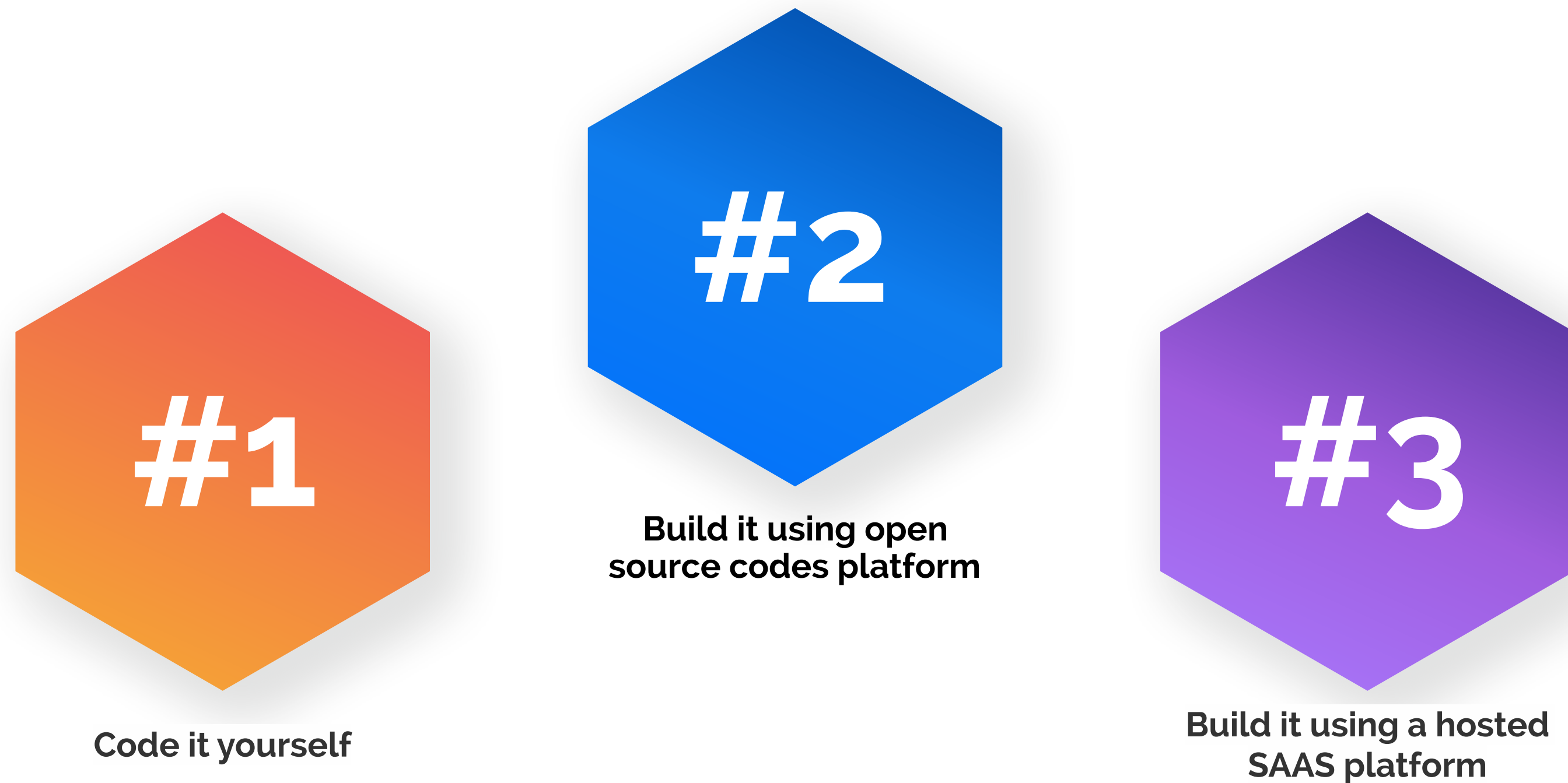
It seems like you are interested in building your marketplace. Launching your business online is an amazing experience. Before continuing further we are assuming that you are very much clear with the following points:-

Business Plan- The business model you want to push online whether its a single store or multiple aggregators.

Budget Constraints- Since you are starting a new business so I hope you must have already decided it.

Estimated Time of Completion- We hope you must have thought of the deadline for launching your business online.

If a),b),c) points are done then your partial homework is done. The only fight now left is “How to launch your business online?” I must tell that you are in the right place. We provide complete mobility solutions to take all sort of businesses online.



Let us discuss each of them in detail.



Code it yourself

This method includes building the online marketplace from scratch using coding and various programming languages. Let's have a look at the advantages and disadvantages of this method.

Benefits:-

Access to whole source code-

Since you are completely developing your software from scratch so you have access to the whole of the source code and you can change it whenever required.

Give the website your own feel and look -

You are the owner of the product so you can give your desired look and feel to your website/ apps. Not only this but also you can change the appearance when required.

No subscription cost-

There is no need to pay monthly or annual subscriptions as in case of hosted platforms. Only a one-time setup cost will be incurred.

Drawbacks:-

Requires a skilled developer-

Building the marketplace from scratch is not that easy. Either you should have entire knowledge of coding and other programming languages or you should hire a skilled and experienced developer for same.

Takes a lot of time-

It will consume a lot of time in building the entire platform and hence there may be a huge delay in launching the business online.

Regular maintenance and upgradation are required-

Only completing the software development won't work. You need to regularly maintain and upgrade the software with new features. This is a very complex process.



Build it using open source codes platform

In this method, you can create your own marketplace from the open source platforms like **Woocommerce, Magento, X-Cart, Magento** by paying a one-time fee. Let's have a look at the advantages and disadvantages of this method.

Benefits:-

Takes less time in development-

Compared to the first method it takes way less time in building the marketplace using open source.

Cheaper comparatively to the first method-

It costs quite less as compared to building the marketplace from scratch.

You receive flexibility-

There is no vendor lock-in in the open source software. One can easily play with the code as per his requirement.

Drawbacks:-

Up-front investment-

To get the initial code you have to pay a certain up-front. When you are just taking your business online it can be disadvantageous.

Initial technical knowledge required-

If you are not much aware of the coding then open source code won't be able to help you out. One should know how to play with codes to get the required results. Hiring a technician will add to your cost.

Data Security Issues-

Since open source software codes are open to all so there is a probability that their coding can be altered. Sometimes it may also result in virus transfers and thefts.



Build it using a hosted SAAS platform

It is the quickest method to launch your business online. It works on "Rent" system. Like you pay rent for living in someone's house similarly here you have to pay periodically for using the software services. The pros and cons of this method are as follows:-

Benefits:-

Launch your business immediately-

By just paying the monthly or annual subscription you can build your marketplace on the same day and can even launch your business in the minimum time.

Cheapest method among all three-

Zero setup cost to set your marketplace. One can even start running his business by just paying a monthly subscription.

No Coding required-

Even a layman can launch his marketplace using a SAAS based platform. Having previous coding knowledge is not mandatory.

Drawbacks:-

Limitations in design-

Since these are pre-built platforms so one cannot alter the look and feel as per his requirements.

Choosing the right SAAS platform-

When it comes to launching a marketplace using SAAS platform the major fight comes in selecting the right SAAS platform.

A **SAAS** platform should have all the basic features to smoothly run an on-demand business which results in more profits at much lower investments. **Yelo** is one such SAAS platform. Sign Up Today to Book your Demo!

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How much does it cost to build your Pharmacy marketplace business

Many entrepreneurs face difficulty estimating the cost of building a marketplace while chalking out the business plan. In many cases, incorrect estimation of the cost causes a delay in launching the business and sometimes to the rejection of the idea.

The cost estimate for building the marketplace can be accurately calculated after defining the scope of the project. Let's assume you are not going to compete for head-on with Uber or Airbnb. Your business idea is to bring local sellers in your geography and provide them with online visibility through your marketplace and help the customers find all the stores at one place making it easier to compare products. This being the scope of the project lets start the estimate for your marketplace business.

The investment is broadly broken into two parts, the cost of building your marketplace and getting the word out (marketing).

Part 1

Building your Online Pharmacy Marketplace

You can do this in two ways



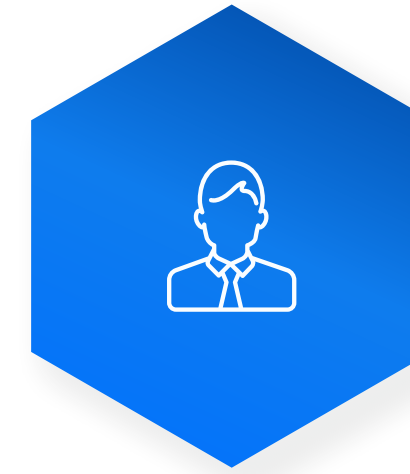
Code it yourself



Using a SaaS platform

Let us consider, building your marketplace from scratch. The MVP for the marketplace requires basic functionalities for supporting a successful online business.

The Marketplace stakeholders



The Customer



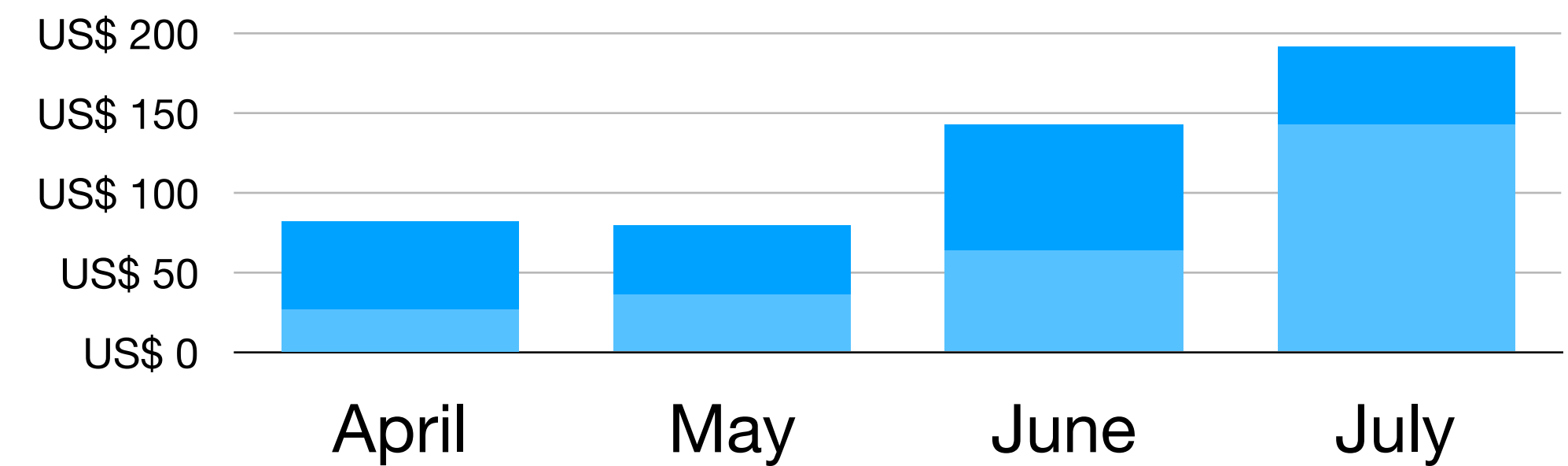
The Publisher



The Marketplace owner

Each of these stakeholders has user stories.

For the customer, e.g. the customer signs up, sets his user profile, add products to his cart and then checkout. In this flow, there are user stories like Authorisation for sign up, the User profile for the customer and the payment gateway integration for checkout. There are about 90 user stories in total including those of the publisher and the admin.



Based on this data the cost for building the MVP for the marketplace in different regions are as follows:

	Average hourly rate	MVP cost (1 user-story = 12 hr)
Ukraine	\$31.5/hr	\$34,020
Europe	\$60/hr	\$64,800
USA	\$100/hr	\$72,000
	Total	\$170,820

So it costs about \$170,820 if you build your marketplace from scratch. Even if you are good with programming, and you love to code, to build the entire online marketplace platform with all the functionalities is going to take ages. The first step should be to validate your marketplace idea. The best way is to go for an already built SaaS platform. The SaaS platform helps you create your online presence without needing your server to host.

First-year costing for your Marketplace

1. 1-year subscription for Yelo - \$1,788
2. Custom domain for your website - \$10
3. Security certificates - Inclusive with Yelo's annual plan.
4. Logo - The logo design can range from \$50 to \$300
5. Images - Free

Total - \$1,828

With \$1,828 you can run your marketplace business for a year and validate your idea.

Part 2

Getting the word out.

There are many organic ways to market for your marketplace business. You can start by promoting your business pages on social media. Invite users to like your page and then start posting content. Blogging is a great way to drive traffic to your site. Start by commenting on popular blogs revolving around your business idea. You can use MailChimp for setting up your email campaigns; it is free up to 2,000 users.

For paid marketing, you can start running Google Ads and Facebook Ads with a target audience. You could also limit your ads to a particular geographic region.

After the First year:

One year is a good time to validate your business idea. In the first year of your business, the growth in transactions and the number of loyal customers who come back and purchase should help your marketplace run on its own.

If not achieved, then the idea should be revisited. "What is the problem that you're solving?", "Is the problem big enough."

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How to obtain first set customers for your Pharmacy marketplace without paying for ads

In this article, We'll look at a few simple marketing tactics for successfully getting the first few target customers to your marketplace. You'll see a great return when executed properly.



Tap into existing platforms

The key to running a successful partnership or integrations is finding someone who has the same target customers and established an audience that you can provide value to.

Reach out to the person who has amassed this audience and ask them if they'd be willing to run a joint promotion with you. Etsy and Airbnb are examples of companies which benefited greatly from pursuing such strategies in their early growth period.



Airbnb's Story: Growth Hacking from 1K to 60M Users

Craigslist was being used by people to offer and look for short-term housing. Airbnb decided to attract qualified leads and reverse engineered Craigslist form to make the two platforms compatible. Whenever anyone listed accommodations on Airbnb, they got an option to automatically create a posting on Craigslist as well. This helped create additional inbound links for the user and drove more traffic to Airbnb.

Content Marketing is the way forward

Content Marketing can be an extremely effective way to attract potential customers on a tight budget.

If you focus on crafting highly informative content that is better than what is already out there, you'll be able to showcase your expertise in a niche which will directly appeal to the target base of your prospective client.

Let's take a look at how Etsy utilizes content marketing to drive sales and increase membership around the globe.

Newsletters are a big aspect of Etsy's overall strategy. These daily and weekly emails are full of visuals, easily digestible, and contain links to different products. The emails highlight trends, inviting their customers to become trendsetters themselves.

Under Etsy subscriptions on their website, there are 19 different newsletters to choose from including finds, weddings, fashion, gifts, and dudes, all for a general audience of shoppers. For the sellers, they provide information on teams to join, events to go to, and tips on how to earn a living on the site. International customers and sellers in France, the United Kingdom, New Zealand, Australia, and Germany have their own dedicated newsletters as well.

Content marketing is about creating interesting content people actually want to engage with. Stop talking about your brand, and start creating content people want to read, watch or listen to.

Social media isn't dead, but needs diversification

You have likely heard how Facebook's recent decline in organic reach means that social media is dead, at least as a method to distribute content and engage with your loyal user base.

- **Increase brand awareness:** To create authentic and lasting brand awareness, focus on content emphasizes your personality and puts your followers ahead of the hard sell.
- **Achieve a higher quality of sales.** Two most important factors to achieve quality sales is **monitoring** or **listening** to specific keywords, phrases or hashtags. Through more efficient social media targeting, you reach your core audience much faster.
-



- **Create a loyal fanbase.** Your customers can be your best cheerleaders and sources of fresh content, but only if you're encouraging them to post on your behalf. Does your brand promote user-generated content? Do your followers react positively without any sort of initiation?



Guest Posting

If you want to generate leads with the help of guest posting, you need to first figure out where your new customers and prospective clients are consuming their content.

Finding guest posting opportunities is relatively easy. All that you need is a little bit of clever searching on Google.

If you create a good enough impression, a number of the people who read your content will feel more inclined to check out your website and what you have to offer. And you may well be on your way to getting your first customers by doing so.



Final Thoughts

There's no denying that a lot of marketing tactics is a matter of trial-and-error. Monitoring the metrics behind your campaigns in real-time allows you to make small tweaks to your marketing strategy rather than sweeping, time-consuming changes. This dynamic approach to marketing makes perfect sense in a day and age where digital marketing is constantly evolving.

And with that, we wrap up ideas for a basic marketing plan checklist for launching your marketplace!

7

Measure your marketplace success

Every marketplace has a vision of success, even ones that run for non-profit. You may have different versions for success. Hence, it becomes important that you keep a track of the growth of your marketplace. Every marketplace business has different key performance indicators (KPIs) depending on their specific goals. How important one KPI is over another can be a result of the products you sell or even the format of your sales process. For marketplace sellers, that means watching, measuring and continually improving KPIs for end customers, sellers, and growth. These are hard, analytical stats that may be found in your enterprise analytics console.

Here we discuss a few general metrics that most online websites use:

Usage Metrics

- **Active Users:** Calculated Monthly or Bi-Monthly, active users give you an idea of the number of users still performing transactions on your marketplace. The number of users does not grow business, the number of transactions do.
- **New Users:** This metric is especially useful when you run a promotion for customer acquisition. Organic growth in this means that people are talking about your marketplace
- **Time Spent:** If a customer spends a lot of time on your marketplace per session, it means either he/she is shopping a lot or unable to find what they are looking for. Hence it is important to monitor the time spent on your website
- **Bounce Rate:** If a customer is dissatisfied with any component of your website, he/she will leave the website, This is called Bounce Rate. A High Bounce rate without goal conversion means dissatisfied customers. You could run a retargeting on such customers.

These usage metrics can also be used as a benchmark for competitive analysis, Sellers could be attracted on to your website using these metrics.



Marketplace Business Metrics

Business metrics are important to justify your ROI from the marketplace. The following 3 metrics are what you should be measuring in the growth phase.

- Gross Merchandise Value: In the initial phases of growth, it is important to measure the value and not the volume of your sales. The volume may not be an apt metric for measurement of success as promotions and offers may show higher volume but lower value.
- Customer Acquisition Cost: This is the cost of acquiring each customer on your website. For calculating this, you calculate the total amount spent on marketing per new user on your website.
- Repeat Customers: Repeat customers are the best. They not only give valuable insights on reasons for visiting on your website but also act as evangelists.

Another important business metric is the *Supply-Demand Ratio*. It is the number of sellers on your platforms vs the number of users. It is important to maintain a healthy ratio so that both sets of customers are kept satisfied.

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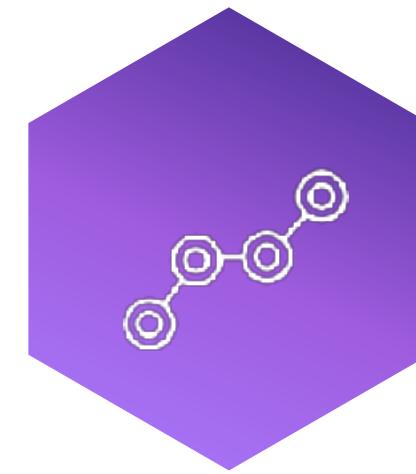
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Customer Satisfaction Metrics

Okay, there is an insane number of metrics you could use for this and various tools to measure it. Customer satisfaction can be calculated at every level using tools like the Richter Scale. Amazon asks you of your satisfaction level after you place the order, interact with a customer agent and when you receive the delivery. They track your responses and understand your behavior and what delights you.

[Net Promoter Score](#): NPS is a trusted anchor to measure your customer experience. It can be used to assess marketplace customer relationships. It serves as a better alternative to traditional customer satisfaction tools and is proven to be correlated with revenue growth.



Keeping Track of It All

When you have to track KPIs across multiple channels, the job can become complicated and time-consuming quickly.

Kato a business intelligence tool that can easily integrate with Yelo, helps you keep tabs on more data so you can more easily measure some of the not-so-evident KPIs as well. Establish performance thresholds and the system will look out for trends, then alert you and/or take action to make sure you stay in the black.

But it all starts by understanding which KPIs are the most important for your business. Identify your key performance indicators and be sure to set a review process for them. This will give your business the best chance of continued success.



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