

Pharmnet: A Sustainable Community Retail Pharmacy Network in Kenya

The distinctive blue and white facades of Pharmnet branded pharmacies in Kahawa West, located on the outskirts of Nairobi, are fast becoming beacons of quality assurance for the surrounding communities. It is here that [Pharmnet](#), a network of quality-assured pharmacies, is piloting its marketing strategy and innovative franchise and group purchasing business model - developed with technical assistance from the Private Sector Innovation Programme for Health ([PSP4H](#)). With 100 pharmacies already branded in Nairobi and Mombasa, and a further 250 to come in other counties over the next quarter, low-income communities are already benefitting from quality-assured healthcare and access to affordable medicines.



Half of Kenya's population, identified by PSP4H as the mass market, cannot access affordable, quality-assured pharmaceuticals

Pharmacies are the first point of contact for the majority of Kenyans seeking healthcare. Yet, according to PSP4H research, of the 12,000 pharmacies in Kenya only 4,000 are licensed with the Pharmacy and Poisons Board (PPB) - meaning that consumers cannot be confident in the quality, authenticity and value of the medicines they purchase. 22 million people in Kenya, comprising 50% of the population and identified as the 'mass market', are particularly vulnerable because they earn just KSh500-1,000 daily.

With little disposable income (KSh100-300, the equivalent of £0.60-2.00 per day), this low-income group is forced to pay directly out-of-pocket for healthcare and is hit by the 'poverty penalty' - paying multiple times for healthcare as the initial service from informal operators did not properly treat the illness. The official launch of Pharmnet, then, could not have come soon enough for Kenya's mass market.



There is confidence now due to branding ... we have been able to have our customers increasing in number'

Since paying the KSh5,000 (GBP £30) Pharmnet branding fee for his pharmacy LannyPharm located in Kahawa West, Mr Ronald Nyariki, a Pharmaceutical Technologist, has seen his customers not only increase in number but also in their willingness to pay and be advised on medicines. This is due, he says, to greater trust and consumer confidence in his professional services, referrals from happy customers, and, the ability for him to offer competitive prices as a result of pooled procurement. He has also seen his sales increase by around 60% per day.

PSP4H is partnering with the Kenyan Pharmaceutical Association to facilitate the implementation of Pharmnet – a network of quality-assured pharmacies

As one of its key interventions, Pharmnet meets the key criteria of PSP4H's [market systems](#) approach to development. Funded by the UK Government's Department for International Development (DFID), PSP4H is an action research programme designed to improve the for-profit health market in Kenya, so that low-income communities get better value for money on healthcare spending.

Working from the outset with existing initiatives and willing partner organisations like Pharmnet and the Kenya Pharmaceutical Association (KPA) with its 7,000-person membership, ensures sustainability and that interventions can be scaled up.

The formation of Pharmnet was a concept already being pursued by the KPA, yet they lacked the capacity to implement it. PSP4H has therefore taken a facilitative role, providing technical assistance to develop training and quality assurance systems, the Pharmnet brand, marketing and communication strategy, a pooled procurement business model administered by KPA's subsidiary Nairobi Tech Pharm, and, through linking with other PSP4H interventions, business skills training for its members. The output of these activities is that the KPA and its members now have the capacity to implement the Pharmnet network initiative. As Mr Elo Mapelu, senior member of KPA and Chairman of NTP, tells in his own words:

'PSP4H has given us [members of KPA] the technical support to develop Pharmnet as a commercial retail chain of pharmacies ... we are not trained in business but they have helped bridge this gap'.

This market systems approach is aligned with core principles of the [Business Call to Action \(BCtA\)](#), an initiative implemented by the United Nations Development Programme (UNDP) that challenges companies to develop inclusive business models delivering both commercial success and development impact and inclusive growth for low-income communities. PSP4H and BCtA co-hosted a forum in Nairobi focused on exploring [innovative market driven approaches to healthcare delivery](#) for low-income Kenyans.

The outcome of PSP4H's Pharmnet intervention is a for-profit network of quality-assured pharmacies serving the needs of Kenya's low-income communities

The first cadre of Pharmnet-branded operators are already benefiting from access to affordably priced quality-assured drugs, improved community pharmacy practice and business skills training. With more branding set to take place and the rollout of Pharmnet posters in Kenya's brightly decorated matatus (buses), complemented with radio adverts blaring to passengers, KPA is scaling up the intervention, aiming to have 1,000 Pharmnet outlets reaching up to nine million people by the end of 2017.

Essentially the pharmaceutical retail sector in Kenya is formalising itself: assisting the Kenyan Government’s Ministry of Health to remove unlicensed, unqualified outlets and substandard, counterfeit medicines from the healthcare market.

This initiative demonstrates the potential of partnerships between professional medical associations, private for-profit pharmacies and public institutions. The improvements in quality, access and affordability of medicines are already being passed on to benefit low-income consumers as well as those on either side of this bracket – improving the health and potentially saving the lives of millions of people.

Pharmnet and PSP4H will help nine million people access quality-assured, affordable pharmaceuticals and healthcare

The impact of this market driven intervention, funded through KPA membership fees, franchise and branding fees, and private investment in franchises, is that at least nine million consumers annually will receive better access to quality-assured, affordably priced pharmaceutical products and healthcare advice delivered by a self-sustaining for-profit network of over 1,000 Pharmnet retail outlets. In addition, PSP4H is exploring options with major commercial partners to further scale-up the impact of Pharmnet and its potential to reach millions of people.

As the crisp blue and white Pharmnet brand spreads through bustling Nairobi and Mombasa, and expands nationwide, low-income consumers will be able to clearly identify where to access affordable, quality-assured medicines and healthcare. They will avoid having to pay multiple times for substandard treatment, freeing up more out-of-pocket spending for other necessities, reducing poverty and ensuring a healthier, more productive society.



Miss Rachel Njeri, a pharmaceutical technologist, branded her store Super Mirema Pharmacy as Pharmnet. Rachel was attracted to Pharmnet because of advertisement the brand receives which she expects to increase her sales, and the pooled procurement which will enable her to get authentic medicines at competitive prices. Already, she says the branding has ‘qualified people’ to be confident in her store, and reports that her customer base of middle and low-income people has increased, and, that they are also receiving better value and service.



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