

Chapter 1

Introduction

1.1. Background

The Covid-19 pandemic outbreak caused global businesses to struggle with revenue decreases and cash flow issues. In addition, many countries apply social distancing like lockdown and mobility restrictions to decrease the Covid-19 virus spreading that affects the people to be more independent on the online platform in fulfilling their daily needs and activities. It is believed that the shifting consumer behavior will continue long after the crisis. Also, this pushes businesses to rapidly become more digital faster. Meanwhile, most enterprises may discover confusion and dilemmas in dealing with this occurrence to find the potential to survive and regain strength (Kotler et al., 2021; Statista, 2022). It also occurs in the pharmacy store business sector.

Before being required to use technology because of the impact of the Covid-19 pandemic, some software that can be used to support sales at drugstores was already available such as Qasir, Point of Sales (POS), and Bukukas. Also, there are still many drugstores that only use manual systems using Microsoft Excel, Microsoft word, or freeware which can be downloaded directly from the internet but are not directly connected to the available e-commerce or are not directly connected to the online sales application. The use of software like this is quite helpful in the pharmacy stores' business because there are still plenty of customers who come directly to the pharmacy store to meet their pharmaceutical needs before the pandemic hits.

In 2020 when the Covid-19 entered many countries, the pharmacy community faced challenges like the increased pharmaceutical demand in telehealth and e-prescription utilization. Also, drug shortages and foot traffic declined, effected in a revenue decrease (Parata, n.d). The demand for generic drugs and prescriptions that go to pharmacies is minimal in Indonesia because the impact of the mobility restriction has reduced visits to pharmacies. In contrast, the sales of these OTC drugs are increasing, especially vitamins and minerals. Moreover, it is predicted to continue to rise until 2027

(KenResearch, 2020; Statista, 2022). In addition, many innovative OTC drugs were introduced to be sold freely through online platforms or e-commerce to increase the pharmacy store revenue, which has continued until now.

Nowadays, many health information technology companies have developed technology to facilitate pharmaceutical activities at the drugstores not only for sales but also for pharmaceutical preparation management to support pharmacy store businesses. For example, Apotek Digital and Vmedis (Apotek digital, 2022; Vmedis, 2022). However, the use of the upstream to the downstream drugstore system has not been evenly distributed. Many pharmacies are still lagging in using technology, which can lead to a revenue decline in the pharmacy business with changes in customer spending behavior especially for independent pharmacies.

Independent pharmacy stores have limited costs in developing their own service application systems. So they use social media to improve pharmaceutical services online and pharmaceutical supply providers online, such as through WhatsApp, Instagram, Facebook or using e-commerce service providers such as the Shopee digital application. In addition, pharmacy stores that use marketplaces such as Shoppe can only sell OTC classes of drugs as is done by Guardian pharmacy stores. While prescription drugs should not be sold in e-commerce unless, before checking out the basket, it is asked for a prescription before payment and sent by the owner of the e-commerce account. However, this can risk the invalidity of the prescription, which can result in the irrational use of the drug. Therefore, the sale of this drug must be on an official application that can be directly connected to a doctor's practice like clinic and hospital, such as Halodoc mobile application (Halodoc, n.d).

However, out of 20,000 registered pharmacies at the Indonesian Ministry of Health, only around 4,000 health partners, such as hospitals, clinics, and pharmacy stores, have joined Halodoc (GoApotek, 2021; Halodoc, n.d). This circumstance is unfortunate for most pharmacy communities in Indonesia with around 80% are independent pharmacies or individual pharmacies from small and high-end classes (GoApotek, 2021).

Meanwhile, the biggest chain pharmacy in Indonesia, Kimia Farma pharmacy retail, are developing their business towards digital 4.0 such as the Kimia Farma Mobile digital application to provide digital health services for the community which has been downloaded by more than 80,000 users since its launch in August 2020 (Kimia Farma, 2021). This makes it easier for customers to get online services or get medicine at the nearest Kimia Farma Pharmacy wherever the user is. Likewise, with other chain pharmacies such as Century drugstore which has Century Marketplace digital services.

By following the dynamic of consumer behavior, the pharmacy should not only change its sales from offline to online but also it has to be done by improving the operation inside the drugstore. Because pharmacists play an essential role in improving the drugstore business by adopting the new technology systems that integrate from the upstream to the downstream, it is necessary to increase and change the behavior of pharmacists in dealing with customer needs. In addition, it is also needed to provide healthcare service information, pharmaceutical preparations, medical devices, and medical consumables to customers. It is primarily for independent pharmacy businesses with limitations in developing digital technology as set out in the health government number seven 2016 about the standard pharmacy in Indonesia (Health government, 2016).

In addition, pharmacists have an essential impact on the pharmacy business because a pharmacist directly interacts with patients to convey drug information and counseling with patients regarding medication. In pharmaceutical practice, pharmacists can also provide self-medication treatment to patients by giving medicines with the same ingredients but different brands with varying prices according to indications and the right choice of vitamins for the patient's needs.

1.2. Formulation of research problem

Based on the background of the problems written above, the formulation of the research question can be written as follows:

"What factors can influence pharmacists' acceptance of technological innovation (electronic-integrated Pharmacy Operational Systems, e-iPOS) to improve the pharmacy practice in drugstores and manage it from upstream to downstream as well as increase sales from offline to online."

1.3. Research objective

The objective of this study is to find out the variable of the UTAUT 2 model that can influence in the acceptance of new digital technology systems by pharmacists in pharmacy retail

1.4. Benefits of research

This research is expected to have academic and practical benefits, as follows:

- It is expected to be able to expand the study of social science and material for further research related to factors that can affect the use of technology by health professionals in improving performance in professional practice
- It is expected to provide a contribution and reference for information technology companies in developing a technology that can be accepted and adopted by pharmacists in carrying out pharmacy practices in drugstores from upstream to downstream and increasing sales.