



Inside Nigeria's community pharmacies

How Moniepoint drives healthcare
access with payments and funding



Content

Introduction

2

What healthcare access looks like in Nigeria

4

- Distribution of healthcare facilities by location
 - Inside the business of community pharmacies
-

Growth opportunities for Nigeria's community pharmacies

10

- Seamless payments for better customer and supplier relationships
 - Funding opportunities to expand the business
 - Improvements to supply of quality drug
-

How Moniepoint empowers pharmacies for a healthier future

17

- We prepare pharmacies for a digital future with payments and data
 - Our distribution network makes pharmacies more accessible
 - We help pharmacies grow sustainably with working capital loans
 - Ultimately helping to drive access to healthcare
-

References

22



01. Introduction

Like many budding civil servants in Nigeria, Kome and her family left the comfort of the big city to take up a teaching job in a fairly rural community. They learnt that the community had the basic amenities: clean water, power, a school for the kids, and a health care centre two villages away. The first few weeks were great until one of her sons fell ill.

Unlike hospitals in oil-rich Warri where she just left, this health centre had just one doctor, and there was usually a long queue of people waiting whenever they were around. Another 30-minute bike trip would have taken her to another community with a health centre, but its doors hadn't opened in years. With few options, she turned to the friendly face of a pharmacist just down the road from her house. "Kids can be running around one minute and come down with something the next, so you have to buy basic drugs so it doesn't catch you unawares. In a village like this, you must be extra prepared, and pharmacies were my plug for drugs or advice on what to do or not to do" she says.

“You can say you want to take your child to the hospital and see a doctor, but what choice do you have?” she asks. “At first, the doctor they brought came once a week, but you’d be lucky to see them in a month these days.”

Kome and her family are among 10,000 people who have to fight for medical attention at a single healthcare facility in her local government. The World Health Organisation (WHO) recommends a minimum of one doctor for 600 people, but in Nigeria, one doctor serves 4,000 - 5,000 people.

About 5200 people battle for medical attention in one healthcare facility in Nigeria

Source: Nigeria Health Facility Registry (HFR)

This is significant, as common ailments like malaria contribute to maternal mortality and poor child development. Consequently, many Nigerians, especially in rural and urban slum areas, prefer visiting pharmacies over hospitals, making community pharmacists a crucial resource for people like Kome.

Recent policies, such as the Ministry of Health's WHO Treatment Policy 2015, have expanded the role of pharmacies from merely dispensing over-the-counter drugs to diagnosing and treating minor ailments.

As pharmacies gain importance, opportunities for growth in payments and technology adoption have surged. Data from Salient Advisory, a leading health research firm, indicates that Moniepoint POS terminals are the preferred payment devices for most pharmacies in Nigeria.

Interestingly, our analysis revealed that Moniepoint has been the business banking partner for thousands of pharmacies across the country, with our products, such as payments and working capital loans, playing a critical role in enhancing healthcare access in Nigeria.

This case study leverages data from global and national sources to highlight the essential role of community pharmacies in healthcare, the challenges they face, and how we are addressing them.



02. What healthcare access looks like in Nigeria

Unlike Kome, John moved from a rural setting to Lagos, Nigeria, searching for greener pastures. In the course of his hustle, he dreads falling ill as that typically means waiting hours at the general hospital to see a doctor. For someone earning less than the minimum wage of \$20 monthly, he can't afford to pay for a private hospital's registration card, much less treatment.

When he finally meets the doctor and gets a prescription, the dispensary rarely ever has the prescribed drugs available, so he ends up going to a community pharmacy nearby to get them.

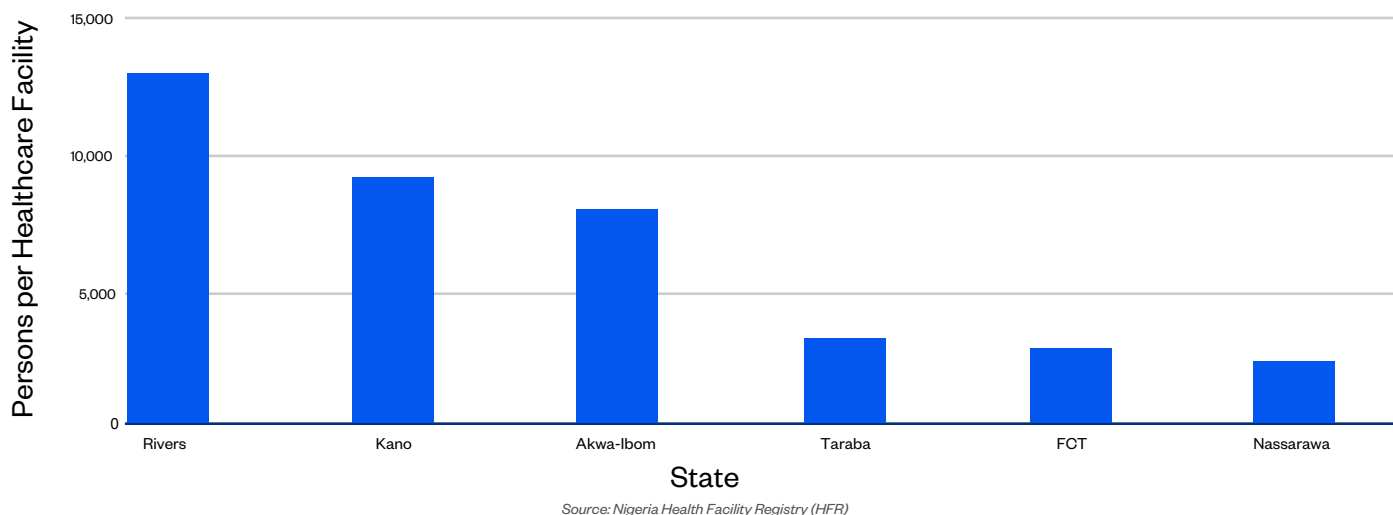
John is currently experiencing the side effects of massive urban migration in Nigeria. This migration has taken attention away from rural healthcare facilities and put huge pressure on those in the cities.

Distribution of healthcare facilities by location

Even though few health facilities and doctors serve the nation, access is quite uneven. First, Nigeria has over 35,000 primary healthcare centres (PHCs), but only 50% are fully registered, licensed, and operational.

Rivers State has the highest number of people (13,500) battling for one hospital, followed by Kano (9100) and Akwa-Ibom (8000). These are much higher than Nassarawa, which has just 2,325 people per hospital, the FCT (2,700) and Taraba (3100). All of these, however, are still far higher than the recommended/ideal ratio.

Even within urban centres like Lagos, access to healthcare facilities remains uneven. While the nation's commercial hub has 5,300 people per hospital, locations like Mushin and Agege get as high as 9000 people per hospital.



In Rivers State, there is only one Primary Health Centre for every 13,500 people

As we've already established, pharmacies come to the rescue when there's a scarcity of hospitals and clinics, and as we saw with John, even when you find hospitals, they typically help to provide prescribed medications.

Inside the business of community pharmacies

If there's one word to describe community pharmacists, it would be healthcare with a friendly face. When she was in school, Rita*, founder of Rite Life Pharmacy, learnt about the different specialities that exist in pharmacy practice. After graduation, she worked in diverse roles, including hospitals, pharmaceutical sales and marketing. While there were many paths she could have stuck with, she couldn't ignore her passion for community pharmacy.

“Unlike in the hospital setting, where your only relation with the patient is handing over the drugs, in community pharmacy, I like when patients come in and say, 'Oh, thank you for the medication you gave me; my kid is feeling fine.' It gives me that sense of purpose.” says Rita*.

In compliance with government regulations, most community pharmacists have a minimum bachelor's degree. Once they complete their training, our research shows that there's typically some internal motivation for most pharmacists who choose the community route.

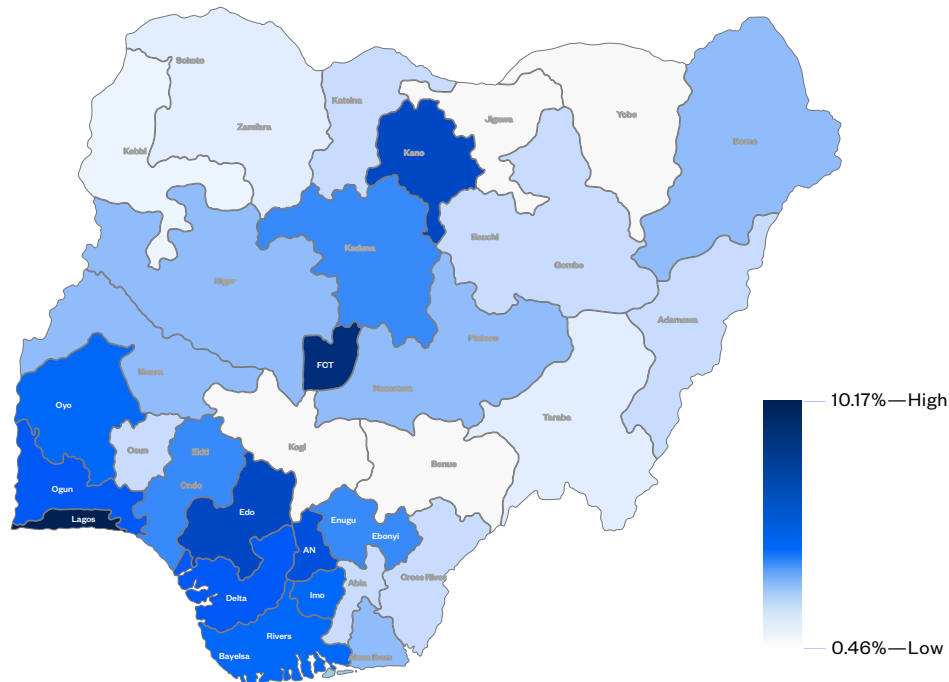
According to the Pharmaceutical Society of Nigeria, there are 25,000 registered pharmacies and patent medicine stores in Nigeria. Many of them are located in communities without functioning healthcare centres, helping to fill an important gap.

“You'd have to travel a while before you see a hospital in some remote places I stayed in Southern and Northern Nigeria. I had this book called ‘Where There is No Doctor’. I would try some remedies there, then go to the local pharmacist for advice.” - Peter*, a retired missionary who now lives in Lagos, Nigeria.

Beyond remote areas, community pharmacies are also important in urban areas. You can find them in standalone stores or malls, where they help provide access to drugs prescribed by doctors.

Fun fact: Pharmacies in Nigeria are legally required to be a minimum 200 meters apart from each other.

Major urban locations like Lagos, Kano, and the FCT still feature the most number of pharmacies in Nigeria.



10.17% of Nigeria's community pharmacies & medicine vendors are in Lagos

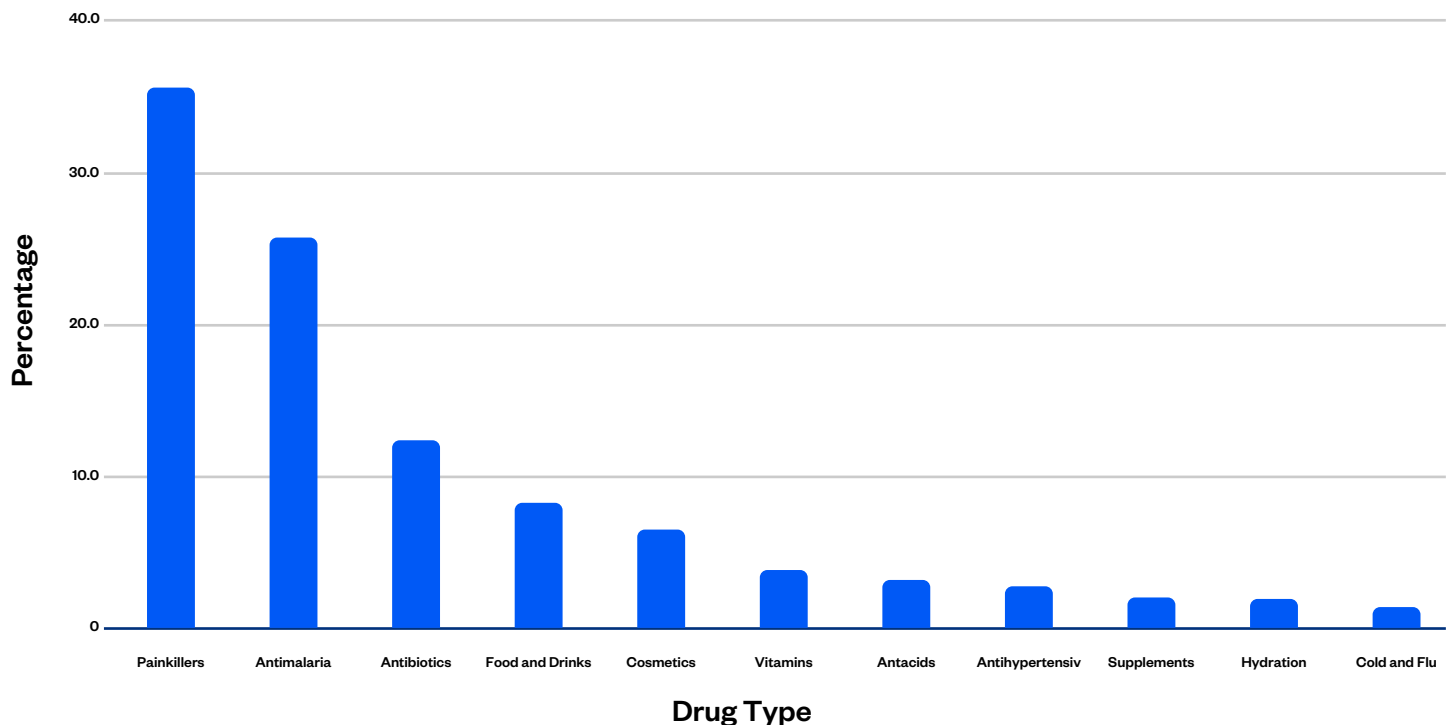
Even though they play a critical role in driving healthcare access, community pharmacies are still businesses, and they employ some tactics to stay in business.

“One way I’ve found is always to stock essential medications and health-related provisions. We live in a tropical climate, so focusing on high-demand products like anti-malaria drugs and antibiotics makes sense,” says Samson.

It’s a similar story for big pharmacy chains. Medplus’s mission is to become the landmark healthcare platform in Africa. Ife Bakare, Head of Strategy and Innovation, reveals that the company plans to build the largest retail chain in Nigeria, before extending to other African markets. Medplus also takes things a step further by defining a clear audience type.

“Our main strategy is to provide Over the counter medicines, prescription OTCs, Vitamins, and supplements to customers at affordable rates. We serve all types of people, but our primary communities are working-class professionals, young millennials and the elderly community.

Painkillers and antimalaria are the most sold items at Nigerian pharmacies

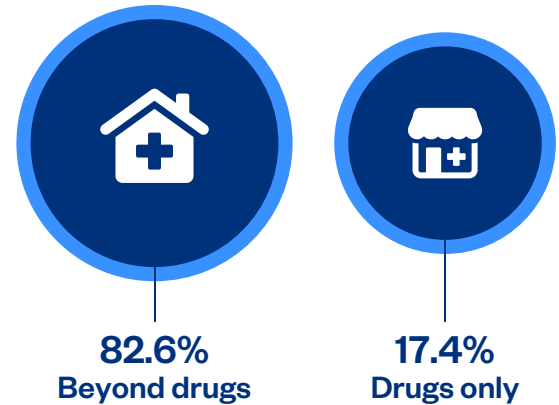


Other businesses extend their services beyond drugs. About 82% of pharmacies offer other health services, such as first aid, diagnostic tests, and wellness-related products. For Chi, the founder of Dexta Pharmacy, customer education and wellness are a strong part of her strategy.

“If you eat well, you don't have to take drugs. We try to educate people on the benefits of superfoods and healthy eating.”

Only 17.4% of Nigeria's pharmacies sell drugs exclusively

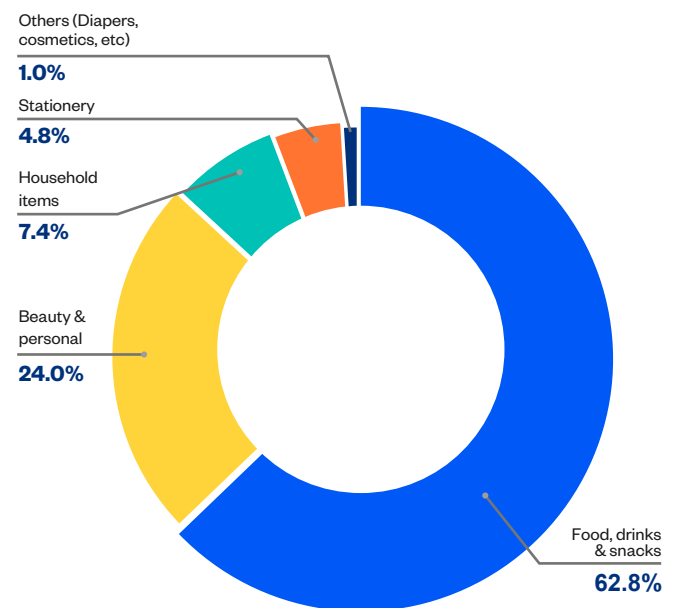
These tactics helps build trust with their local communities, and that trust helps them expand to other products. Cynthia, Co-founder of Healthmate Pharmacy, points to this trust as the critical factor.



“We sell groceries and household items for more profit and to meet customer demand for original products. If they trust we sell original drugs, then they trust we’ll sell original provisions and groceries.”

Food & drinks are the top-selling non-drug products at pharmacies

Kuchari Thlala Kolo, MD of TK Mall, which houses Bodycare Pharmacy, made a strategic decision to drive footfall to the floor when their pharmacy just opened. "We needed to bring in something that would spice up the pharmacy floor, so we moved into the line of cosmetics and skincare products."



Why food & drinks are so popular

While it might look like a business decision, food and drinks are a critical part of the treatment process. A standard instruction doctors and nurses give is for you to eat before taking drugs or an injection.

According to Pharm. Adewale Oladigbolu, the immediate past chairman of the Association of Community Pharmacists of Nigeria (ACPN), explains that food and drinks can be an instant treatment for people who are critically in need of sugar content.



03. Growth opportunities for Nigeria's community pharmacies

As important as pharmacies are to healthcare distribution in Nigeria, there are some key opportunities for growth and improvement. Finding ways to pay and get paid fast, getting capital and funding to run the business, and sourcing quality drugs. We take a look at these opportunities and share some inspiring stories of how pharmacists are overcoming these challenges and driving healthcare access in their communities.

Seamless payments for better customer & supplier relationships

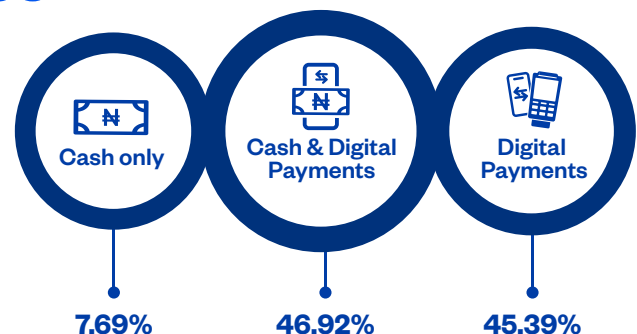
- **Receiving payments from customers**

Any pharmacy serving customers knows they need to get paid seamlessly. According to the Association of Community Pharmacists, almost half a million people daily need to pay for something at pharmacies.

If we ignore the inconvenience of looking for change when someone pays with cash, we have to remember that Nigeria faced a cash crunch in 2023, reducing the number of people who exclusively pay in cash. Currently, digital payments like POS and bank transfers are the dominant methods for receiving customer payments at pharmacies.

Only 7.69% of customers prefer to pay pharmacies exclusively with cash

However, ensuring seamless payments remains a challenge for most pharmacies. Transaction failures and declines can frustrate customers looking for needed medical care.



“The cash scarcity period was not a funny time. Customers would send money, show me a debit alert, and I’d be waiting for hours before seeing the alert on my end” says Rita of Rite Life Pharmacy.

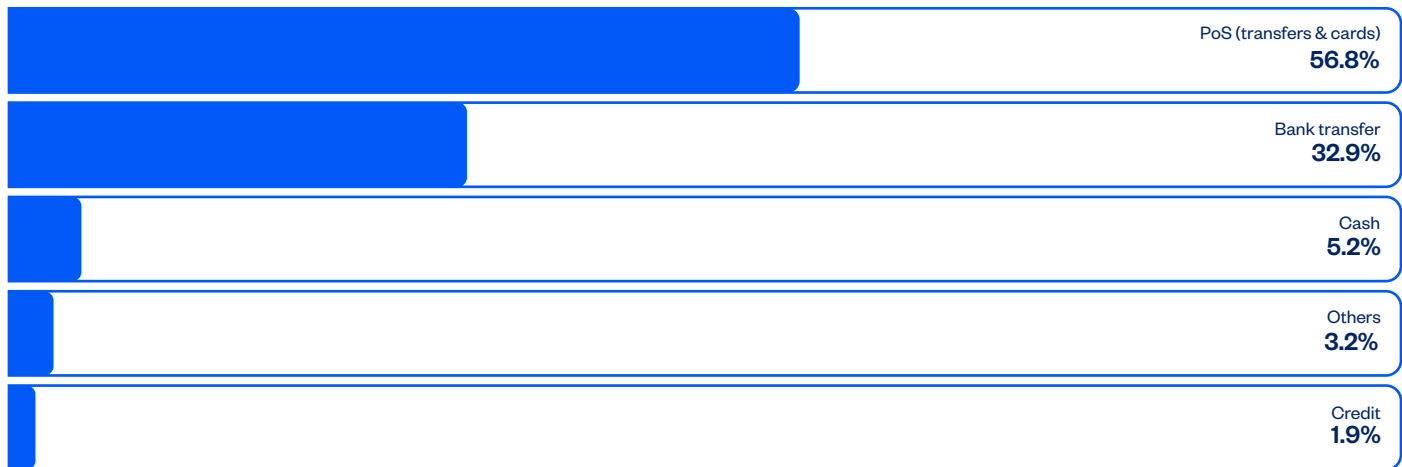
Medplus, one of Nigeria’s largest pharmacy chains does not receive anything less than 2,000 customers a day. According to Ife Bakare the company’s Head of Strategy and Innovation, while payments service providers have improved, there is still a long way to go.

This situation presents a significant opportunity to improve the payment experience for both well-known and new customers at community pharmacies. Adopting reliable payment methods can enhance relationships with existing customers and help to build strong relationships with new ones.

- **Making payments to suppliers**

It's not a great feeling when you lose access to a trusted supplier because of delayed payments, but that's what Chi, founder of Dexta Pharmacy, narrowly escaped when she was just starting the business. She thought her transaction was successful, only to get a call days later that the wholesaler never received the money.

“We typically deal with large sums of money, so it's not wise to carry cash around. When my transaction failed, my supplier was so upset that they even threatened not to work with me again. Since then, I've been paying with my Moniepoint account” Chi explains.



Over 80% of Nigerian pharmacies pay for goods digitally

Since more payments are being made digitally, Pharmacist can ensure trust with suppliers, avoid complaints about unseen payments, and limit supply disruptions to business.

While pharmacies need to pay and get paid seamlessly, they also need funds to stock up on critical items. An important factor, especially when you consider the rising prices of goods in Nigeria.

Funding opportunities to expand the business

“When running a pharmacy, there are two sets of people you must never owe,” says Samson, founder of Taobab Pharmacy. **“Your staff and your suppliers. I can’t go too deep right now, but just know your business will get in trouble. So you need to have money on hand.”**

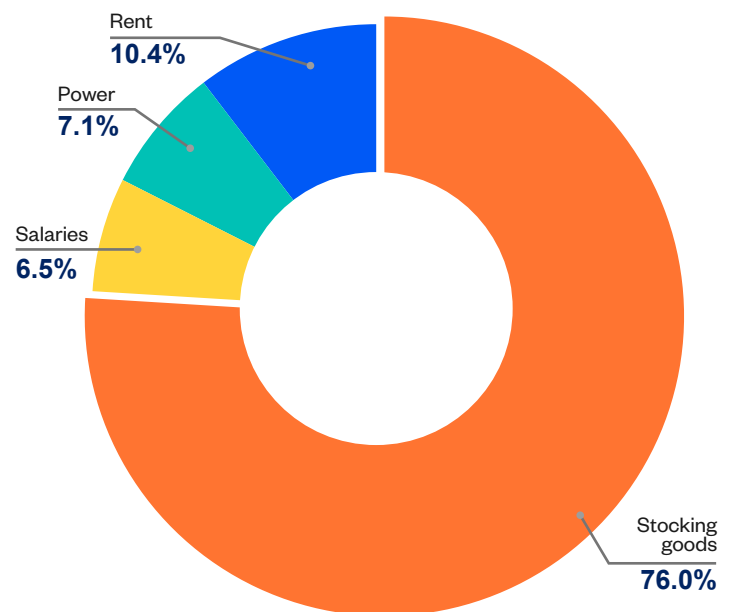
Beyond suppliers and staff, Cynthia and her husband, who run Healthmate Pharmacy, learned that insufficient capital can also send a negative message to customers. “Starting a pharmacy is capital-intensive, especially with the cost of drugs and setting up the facility. You take thousands to the market, and your shop will end up looking scanty. When customers see a scanty shop, they’ll just assume you don’t have what they’re looking for.”

As with many businesses in Nigeria, access to funding for pharmacies is constrained. Expenses range from rent to, most importantly, stocking the necessary drugs for the communities they serve.

Stocking goods is the largest business expense for Nigerian pharmacies

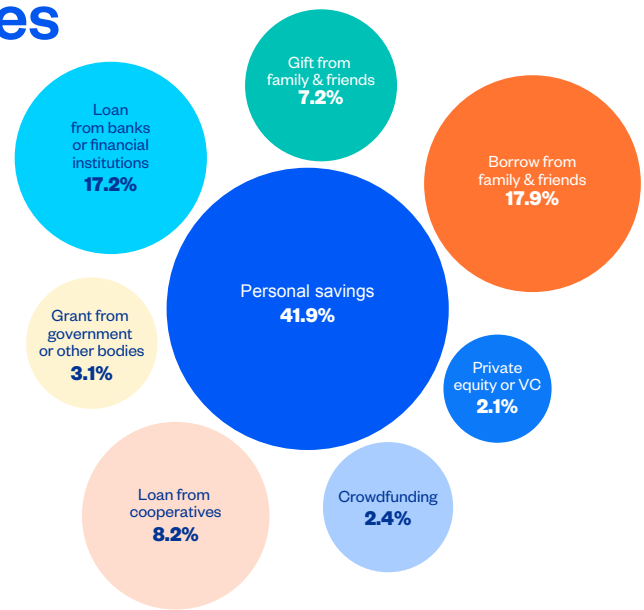
With rising costs, getting drugs on credit directly from suppliers has become more difficult, highlighting the need for reliable funding to ensure pharmacies can meet customer needs.

More than half of Pharmacies use their personal funds or borrow from family and friends to run their business.



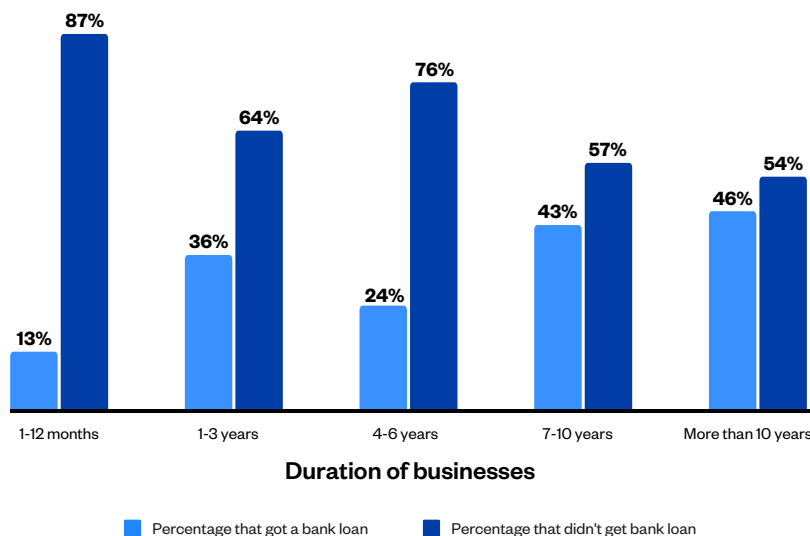
Only 17.2% of Pharmacies get funding from banks and other financial institutions

However, for those who secured bank loans, they were most likely in business for seven years or more. This suggests that banks are more inclined to lend to well-established businesses with clear transaction histories.



Pharmacies that have been in business for over 3 years are more likely to secure bank loans

This presents an opportunity for pharmacies to embrace innovative funding solutions that uses metrics that better reflect their market realities to help them and grow, expand, and focus on what they do best. Providing care for their communities.



Improvements to supply of quality drugs

In 2009, Kunle faced a difficult time when a family brought the police to arrest everyone in his pharmacy. They had bought what they believed to be a genuine anti-diabetic product, Glucophage, but the massive influx of counterfeit drugs meant the patient who bought the week before had increased complications.

“It was a sad year for us in the business, and you couldn’t tell which drug was which,” Kunle recounts. **“Now we have scratch cards to tell fake from original, but I can tell you for free. Getting drugs from the right source is still a concern.”**

Kunle was not the only pharmacist with a tough time on their hands in 2009. That was the year 84 children died in Nigeria from taking a fake teething medicine. The government swiftly swung to combat fake drugs. Between 2019 and 2022, NAFDAC seized \$4.8 billion worth of drugs.

Sourcing quality drugs remains difficult, says Pharm Lolu Ojo, Founder of Merit Health Limited, a major pharmaceutical distributor in Nigeria. This applies to both imported and locally produced drugs, which faces issues with exchange rates and high business costs.

According to the Pharmaceutical Manufacturing Group of the Manufacturers Association of Nigeria, over 70% of Pharmaceutical products are imported. This means fewer people can afford quality drugs and fewer pharmacies are willing or able to stock up on them.

A major hack to minimise the risk of counterfeit drugs is by buying directly from major wholesalers and companies.

“We trust that those bigger wholesalers and pharmacy chains have access to the right products. Other times, we buy from company representatives that come to our shop sometimes,” says Chi, founder of Dexta Pharmacy.

Medplus, is one of the big pharmacy chains several retail pharmacies rely on. Ife Bakare, Head of Strategy and Innovation at Medplus, reveals that the company has built tried and tested relationships with suppliers, manufacturers, and it constantly monitors its supply chain to ensure medications that get to Medplus’ shelves are of high-quality. This process has saved several lives.

“We’ve had customers come in with Asthma attacks and because of the originality of inhalers that we carry, we were actually able to stop those attacks and keep our customers healthy” - Ife Bakare, Head of Strategy & Innovation, Medplus.

Beyond getting the right drugs

When you have scarcity and high prices, Ojo explains, then there’s room for some not-so-nice people to create counterfeit versions or clones of the real thing which is typically cheaper. But even this is a subset of a much bigger problem - the number of unlicensed pharmacies and patent medicine stores in Nigeria.

Per the Pharmaceutical Society of Nigeria, there are over 2 million unlicensed pharmacies and patent medicine stores in Nigeria. This means for every registered pharmacy you go to, you’re likely to find 79 more that are unlicensed.

Fun fact: In 1887, Richard Zaccheus Bailey obtained a licence and opened the first pharmacy shop along Balogun Street, Lagos, Nigeria. Emmanuel Caulcrick became the first Nigerian registered pharmacist in 1902. Since then, pharmacies have since become a staple of Nigerian streets

“Whether the drug is quality or not, it can harm the body if prescribed incorrectly. When I used to run a community pharmacy, I always spoke to my patients before giving them anything. If someone asked for paracetamol, I’d say, ‘Come and talk to me first.’” - Pharm Lolu Ojo, Founder of Merit Health Limited.

With the prevalence of counterfeit drugs and unlicensed pharmacies, there’s a huge opportunity to leverage referrals from communities like the ACPN, which helps members with access to the right distributors with the proper licenses. The ACPN only welcomes trained and licensed pharmacists to their ranks, so there’s a great deal of trust.



04. How Moniepoint empowers pharmacies for a healthier future

Chi, founder of Dexta Pharmacy, has not had to worry about payments since she started using Moniepoint, but hers is just one of the stories of Pharmacies we've been able to support in their mission to drive access to healthcare in their respective communities.

We prepare pharmacies for a digital future with payments and data

Moniepoint is helping pharmacies prepare for a digital future by providing payment services that build customer trust and ensure smooth transactions. “I’ll never forget the period where transactions would decline, and customers would come to complain about being debited,” says Rita of Rite Life Pharmacy.

“Moniepoint has completely changed things for me. Now, you can’t say the payment didn’t go through because it shows up immediately. My staff no longer have to call me to check the alert.”

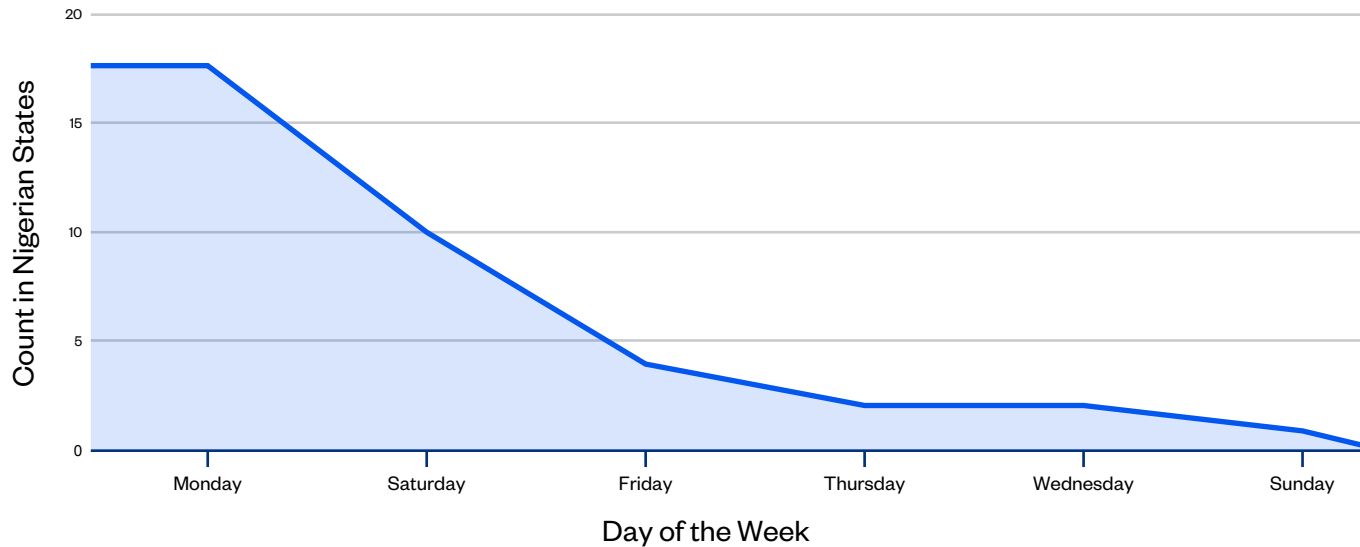
As cash usage continues to shrink, driven by Nigeria’s young and increasingly digital-native population, the need for reliable digital payment solutions has never been greater.

Access to payment services unlocks the door to other business opportunities. Little by little, Pharmacies like Rite Life and others mentioned above are transitioning their operations to become more digital.

Make informed decisions with data

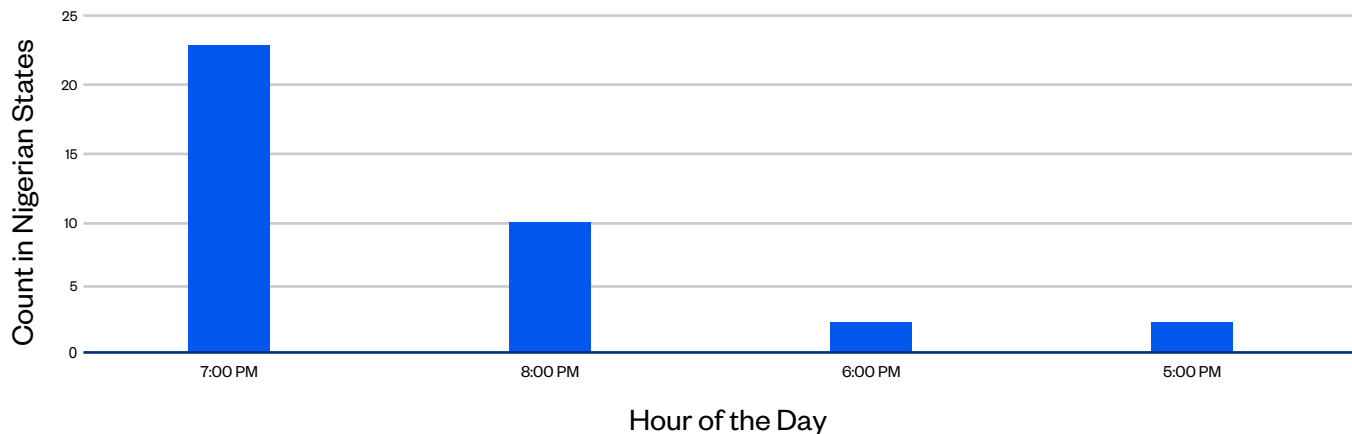
With data on their business transactions and business management tools, these pharmacies can now effectively plan their inventory and availability—knowing exactly when to stock up and ensuring staff are on the ground to serve more customers.

If you run a community pharmacy or plan to open one, here’s a sneak peek of the kind of data we can help you with. We’ve aggregated data from pharmacies and medicine vendors across the Nigeria, and we can offer you more specific details that will help your business grow.



N.B Tuesday doesn't feature as a peak day, but it's also a close second for some states

Nigerian pharmacies are most active on Mondays and Saturdays in 75% of Nigerian states



7pm & 8pm is the peak time for pharmacies in 90% of Nigerian states

As these businesses increase their transactions, they become more eligible for other financial services, such as loans, driving further growth and stability.

Our distribution network makes pharmacies more accessible

Remember Kome from our introduction? When Nigeria faced a cash scarcity in 2023, her community, one of several rural areas with no bank branches, was severely impacted. For context, even people living in cities with multiple banking halls were also affected. Thankfully, the widespread presence of Moniepoint payment terminals was a saving grace.

With only 1 bank branch serving 28,000 Nigerians and roughly 300 out of 774 local governments in Nigeria lacking bank branches, the availability of Moniepoint terminals in all 774 local government areas has been crucial.

The fact that Moniepoint terminals are everywhere has helped people like Kome easily pay for drugs at nearby pharmacies. Leveraging Nigeria's >93% mobile network coverage, these mobile-powered terminals ensure that even in the most remote areas, digital payments are accessible.

We help pharmacies grow sustainably with working capital loans

Credit is critical for most businesses, but many entrepreneurs in Nigeria lack access to credit, and we're helping to bridge this gap for pharmacies.

“When we wanted to open the pharmacy floor, we didn't have enough money for the expansion, and Moniepoint came to the rescue. And I know they'll play a huge part in our pharmacy's future” says Kuchari of TK Mall,

Providing access to capital helps these pharmacies procure drugs from the right sources and help them allocate the resources to either keep their businesses going or expand their business to new offerings.

If loans are not given on the right terms, it could end up harming the business. Our loan qualification process makes sure we don't overleverage businesses by giving them more money than they can realistically handle, or less money than they need.

Ultimately helping to drive access to healthcare

By making payments simple and accessible, we help these pharmacies become more accessible to people that need them. In the process, we've developed key relationships with bodies like the ACPN, which is crucial in helping budding pharmacists find the right sources for quality drugs as well as mentorship.

Without the worries of payments or capital, Chi of Dexta can now focus on what she loves the most. Community outreach – The real reason she became a community pharmacist. To engage with people and help them live better, healthier lives.

“I want to engage youths, especially those still in secondary school, on issues like personal hygiene and drug abuse. Some of them get drugs that harm them, and I want to be able to make a difference in as many communities as possible.” - Chi, Founder of Dexta Pharmacy .

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How the Association of Community Pharmacists of Nigeria (ACPN) drives healthcare with community pharmacies

The Association of Community Pharmacists of Nigeria (ACPN) is a crucial figure in the drug supply market. It has been instrumental in ensuring that only qualified, trained, and licensed pharmacists are part of its network. But ACPN doesn't stop there; it also gives pharmacists pointers on the best practices for sourcing quality drugs.

"There are two types of wholesalers you can source from. Pharmaceutical wholesalers are licensed pharmacies that have sworn an oath, but you also have regular wholesalers you meet at open markets. They're not trained, and don't have an oath on their conscience." - Pharm Mrs Omokhafa Ashore, National Secretary, ACPN.

Beyond drugs, the ACPN has been making crucial moves to drive healthcare access in Nigeria. Over 250 community pharmacies have administered 76,000 COVID-19 vaccine doses. They also play a critical role for TB screening and treatment and have expanded into family planning services.





Moniepoint is Africa's all-in-one financial ecosystem, empowering businesses and their customers with seamless payment, banking, credit, and management tools. In 2023, we processed \$182 billion and are Nigeria's largest merchant acquirer.

To partner: email partner@moniepoint.com

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