

Drug Store Retailing - US - February 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"A combination of an aging population and favorable market factors is expected to result in positive growth for the drug store market. However, a number of issues, such as consumers' low loyalty and desire for deals, combined with an increasingly competitive landscape will continue to pose challenges for traditional drug stores."

Alexis DeSalva, Retail & Apparel Analyst

This report looks at the following areas:

- Competition and online shopping play a role in driving trips outside the drug channel
- Lack of awareness and skepticism deter most consumers from using healthcare clinics

Consumers consistently have healthcare needs to address and as a result, drug store sales are expected to grow. However, where consumers are choosing to fulfill those needs is changing, depending on lifestyle factors. Many shoppers view channels outside the drug channel as more convenient and competitive, forcing drug stores to focus on their store brands and offered services to cement their status as healthcare destinations and help consumers to help themselves. Doing so distinguishes them from competition and builds trust with consumers.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Drug Store Retailing - US - February 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

Overview

The issues

Competition and online shopping play a role in driving trips outside the drug channel

Figure 1: Retailers shopped – Drug stores versus other retailers, November 2017

Lack of awareness and skepticism deter most consumers from using healthcare clinics

Figure 2: Retail clinics – Reasons for not visiting, November 2017

The opportunities

Store brands can help drug stores address price and loyalty issues

Figure 3: Attitudes toward drug store shopping, November 2017

Some shoppers turn to drug stores to manage health needs

Figure 4: Influencers to encourage more shopping, November 2017

What it means

The Market – What You Need to Know

Growth is expected, but challenges inside and outside the channel remain

Health and wellness items are a source of growth

Favorable market factors will likely benefit drug stores

Market Size and Forecast

Positive market conditions fueling expected growth

Figure 5: Total US drug store revenues and fan chart forecast at current prices, 2012-22

Figure 6: Total US drug store revenues and forecast, at current prices, 2012-22

Market Breakdown

Drug store growth driven by prescriptions and BPC items

Figure 7: Total US drug store revenues and forecast, by segment, at current prices, 2012-22

Figure 8: Total US retail sales of drug store retailing, by segment, at current prices, 2015 and 2017

Market Perspective

Competitive changes present future challenges for some retailers

Market Factors

Drug stores could reap the benefits of aging population growth

Figure 9: Population by age, 2013-23

Positive market factors could help consumers' pricing sensitivity

Figure 10: Consumer confidence and unemployment, 2000-December 2017

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Drug Store Retailing - US - February 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Key Players – What You Need to Know

- Store brands help drug retailers stay competitive
- Drug stores are not capturing the most drug store related trips
- Opportunities to help shoppers help themselves

What's Working?

- Drug stores are solidifying their spots as health and wellness destinations
 - Figure 11: Attitudes toward and influencers to encourage more drug store shopping, by select demographics, November 2017
- The price is right: store brands are appealing to deal-seeking shoppers

What's Struggling?

- The most shopped retailer is not a drug store
 - Figure 12: Retailers shopped – Drug stores versus other retailers, November 2017

What's Next?

- New drug store concepts innovate the market
- Helping consumers combat opioid addictions
 - Figure 13: Attitudes toward drug store shopping, November 2017

The Consumer – What You Need to Know

- More consumers are shopping outside the drug channel, while online shopping is on the rise
- Drug stores are a destination for health and wellness, even online
- Drug stores should leverage loyalty programs and better pricing to drive traffic
- Clinic visits positively influence store perception, but few utilize them

Retailers Shopped

- Most consumers are doing more shopping outside the drug channel
 - Figure 14: Retailers shopped, November 2017
- Women are likely fulfilling their drug store needs during other shopping trips
 - Figure 15: Retailers shopped, by select demographics, November 2017
- Who's shopping for drug store needs online?
 - Figure 16: Retailers shopped online, by gender and age, November 2017
- Hispanic consumers shop around
 - Figure 17: Retailers shopped, by Hispanic origin, November 2017

Items Purchased

- Medication still a top priority, but other health related categories are popular purchases
 - Figure 18: Items purchased, November 2017
- Online is a destination for health and wellness items, especially for women
 - Figure 19: Items purchased – Online, by gender and age, November 2017
- Single shoppers are buying more than just medicine
 - Figure 20: Items purchased, by gender and marital status, November 2017
- Hispanic shoppers are fulfilling grocery needs on drug store trips

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
 APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Drug Store Retailing - US - February 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 21: Items purchased, by Hispanic origin, November 2017

Attitudes Toward Drug Store Shopping

Lack of loyalty among drug store shoppers

Figure 22: Attitudes toward drug store shopping, November 2017

Parents likely choosing to shop other retailers for convenience and price

Figure 23: Attitudes toward drug store shopping, by parental status, November 2017

Using store brands to engage more shoppers

Figure 24: Attitudes toward drug store shopping, by select demographics, November 2017

Figure 25: CVS e-mail campaign, October 2017

Figure 26: Walgreens e-mail campaign, January 2018

Influencers to Encourage More Shopping

What consumers want: fewer coupons, more rewards

Figure 27: Influencers to encourage more shopping, November 2017

Parents are highly influenced by price and rewards

Figure 28: Walgreens e-mail campaign, January 2018

Figure 29: Influencers to encourage more shopping, by select demographics, November 2017

Men are seeking healthier options

Figure 30: Influencers to encourage more shopping, by select demographics, November 2017

Better delivery options could engage Black and Hispanic consumers

Figure 31: Influencers to encourage more shopping, by race and Hispanic origin, November 2017

Retail Clinics

Visitation is low, but drug stores see highest visitation

Figure 32: Retail clinics visited, November 2017

Young men most likely to visit, while older women appear less inclined

Figure 33: Retail clinics visited, by select demographics, November 2017

Reasons for not visiting retail clinics

Figure 34: Retail clinics – Reasons for not visiting, by select demographics, November 2017

Influence on store perception

Figure 35: Influence on store perception, November 2017

Older consumers likely to show favoritism to clinics, younger adults could increase frequency and spend

Figure 36: Influence on store perception, by age, November 2017

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Fan chart forecast

Consumer survey data

Direct marketing creative

Turf analysis methodology

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Drug Store Retailing - US - February 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Abbreviations and terms

Abbreviations

Terms

Appendix – The Market

Figure 37: Total US sales and forecast of market, at inflation-adjusted prices, 2012-22

Appendix – The Consumer

Figure 38: Retailers shopped, in-store versus online, November 2017

Figure 39: Items purchased – In-store versus online, November 2017

Figure 40: TURF analysis – Influencers to encourage more shopping, November 2017

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com