

Drug Stores - US - March 2020

Report Price: £3695 | \$4995 | €4400

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

This report looks at the following areas:

- Role of drug stores
- Amazon threat
- Retail health clinics
- BPC Opportunity
- Role of technology

With new partnerships and new management in tow, all traditional drug store chains are in the midst of change. While they are all executing differently, they share a common focus around expanding product offerings and services within and beyond the pharmacy and digitizing operations. Drug stores are trying to stay relevant in the current landscape to mitigate channel leakage, while still looking ahead to prepare for what disruption by Amazon might look like in the future.



"US drug store revenues will exceed \$300 billion this year. While the channel has consistently posted gains, the pace of growth is projected to slow down in light increased competition from outside the channel and a shifting consumer preference toward generic drugs over name brands."

- Diana Smith, Associate Director - Retail & Apparel

Buy this report now

Visit store.mintel.com

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

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
- Role of drug stores
- What you want to know
- What we see
- Amazon threat
- What you want to know
- What we see
- Retail health clinics
- What you want to know
- What we see
- BPC Opportunity
- What you want to know
- What we see
- Role of technology
- What you want to know
- What we see
- What it means

THE MARKET – WHAT YOU NEED TO KNOW

- Big business, but slowed momentum ahead
- Prescriptions by far drug stores’ cash cow
- Aging population presents an opportunity and a threat
- Holistic health and wellness goals on the rise
- Cannabis will shape the future of healthcare

MARKET SIZE AND FORECAST

- Passing the \$300 billion mark
Figure 1: Total US drug store revenues and fan chart forecast, at current prices, 2014-24
Figure 2: Total US drug store revenues and forecast, at current prices, 2014-24

MARKET BREAKDOWN

Figure 3: Share of total US drug store revenues, by segment, at current prices, 2019
Figure 4: Total US drug store revenues and forecast, by segment, at current prices, 2014-24

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
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

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

MARKET FACTORS

- US population gets older**
Figure 5: Median age of the population, 1940-2050
- Consumers seek holistic health and wellness solutions**
Figure 6: Health and wellness goals – continue or start (net), November 2019
- Despite good intentions, obesity worsens**
Figure 7: Prevalence of obesity among US adults aged 20 and over, 2000-17
- Uninsured rates increased in 2018**
- Cannabis legalization has wide-reaching impact**
- Healthcare costs continue upward ascension**
- Anticipated doctor shortage opens opportunities for drug stores**

KEY PLAYERS – WHAT YOU NEED TO KNOW

- Industry in a constant state of flux**
- Walgreens and CVS evolve to become much more than “just a pharmacy”**
- Rite Aid trying to rebound; future remains uncertain**
- Amazon pushes further into healthcare**

WHAT'S HAPPENING?

- Three major players; three different strategies**
- Walgreens**
- Financials**
Figure 8: Walgreens, share of sales by category, Fiscal 2017-19
Figure 9: Walgreens retail pharmacy USA sales, Fiscal 2017-19
- Key initiatives**
Figure 10: Walgreens Facebook post, Kroger Express, September 2019
Figure 11: Walgreens Facebook post, Medicare Part D, December 2019
- Other services**
Figure 12: Walgreens Facebook post, specialty pharmacy, February 2020
- CVS Health**
- Financials**
Figure 13: CVS Health, share of sales by category, 2017-19
- Key initiatives**
Figure 14: CVS Facebook post, presorted Rx packs, February 2020
Figure 15: CVS Facebook post, Rx delivery, February 2020

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
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

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

- **Other services/initiatives**

Figure 16: CVS Facebook post, ExtraCare loyalty program, July 2019

Figure 17: CVS Facebook post, tobacco-free efforts, September 2019

- **Rite Aid**

- **Financials**

Figure 18: Rite Aid revenues, Fiscal 2017-19

Figure 19: Rite Aid revenues, Fiscal 2017-19

Figure 20: Rite Aid, share of revenue by product category, Fiscal 2019

- **Key initiatives**

- **Other services/initiatives**

Figure 21: Rite Aid, wellness+ display ad, February 2020

Figure 22: Rite Aid, wellness store format video, October 2016

WHAT TO WATCH

- **Is this the year of Amazon?**

- **Amazon's latest moves**

- **What do consumers want and why?**

Figure 23: Attitudes toward Amazon, January 2020

- **Who are the most likely Amazon supporters?**

Figure 24: Attitudes toward Amazon, by age – part one, January 2020

Figure 25: Attitudes toward Amazon, by age – part two, January 2020

Figure 26: Attitudes toward Amazon, by gender, January 2020

Figure 27: Attitudes toward Amazon, by household income, January 2020

THE CONSUMER – WHAT YOU NEED TO KNOW

- **More people shop outside the drug channel than within it**

- **Opportunity to grow in non-health categories**

- **Online continues to play bigger role in path to purchase**

- **Digital health will play bigger role in healthcare**

- **In-store retail health clinics aren't top of mind**

- **It's a whole new world in beauty; can drug stores keep up?**

RETAILERS SHOPPED

- **Outside channel leakage seems to have improved**

Figure 28: Retailers shopped – inside versus outside channel (net), 2019 versus 2020, December 2018 and January 2020

- **Don't discount the grocery stores**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

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

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

Figure 29: Select retailers shopped, by select retailers shopped, January 2020

Figure 30: Retailers shopped – 2019 versus 2020, December 2018 and January 2020

- **Drug stores offer something for consumers of all ages**

Figure 31: Retailers shopped – 2019 versus 2020, December 2018 and January 2020

- **Drug stores effectively diversifying customer portfolios**

Figure 32: Retailers shopped, by race and Hispanic origin, January 2020

- **Walmart wins rural residents**

Figure 33: Select retailers shopped, by area, January 2020

ITEMS PURCHASED BY CHANNEL

- **Consumers compartmentalize their shopping trips**

Figure 34: Repertoire of retailers shopped, January 2020

Figure 35: Repertoire of retailers shopped, by age, January 2020

- **Opportunity for drug stores to create stronger associations in non-health categories**

Figure 36: Items purchased (net), by channel, January 2020

- **Signs of weakening in VMS and BPC categories**

Figure 37: Items purchased, by channel, January 2020

Figure 38: Select items purchased, by 25–34 year olds, by channel, January 2020

- **Appealing to the men**

Figure 39: Repertoire of retailers shopped, by gender, January 2020

Figure 40: Items purchased at drug stores, by gender, January 2020

METHOD OF SHOPPING

- **Drug stores adopt omnichannel, consumers shop more online**

Figure 41: Method of shopping, 2019 versus 2020, December 2018 and January 2020

Figure 42: Method of shopping-nets, 2019 versus 2020, December 2018 and January 2020

- **Ensuring optimal online shopping experience just as important as improving in-store experience**

Figure 43: Multichannel shopping, by generation, January 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

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

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

- Online shopping is more prominent outside the drug store channel**

Figure 44: Retailers shopped, by method of shopping, January 2020

- Multichannel shopping at drug stores slightly more pronounced for beauty and household goods**

Figure 45: Items purchased at drug stores, by method of shopping, January 2020

- Digital advertising strategy review for leading drug store chains**

- CVS garners half of digital impressions; mobile is underutilized by all**

Figure 46: Share of impressions, all devices and formats, by retailer, February 2019-February 2020

Figure 47: Impressions by device/format, by retailer, February 2019-February 2020

INTEREST IN TOOLS AND SERVICES

- Digital health tools an important component of future healthcare management**

Figure 48: CVS display ad, Rx delivery, October 2019

Figure 49: Interest in tools and services, January 2020

- Younger consumers most likely to embrace digital health options**

Figure 50: Interest in tools and services, by age – part one, January 2020

Figure 51: Interest in tools and services, by age – part two, January 2020

Figure 52: Interest in tools and services, by gender, January 2020

Figure 53: Interest in tools and services, by race and Hispanic origin, January 2020

- Examples of digital tools and in-store services**

Figure 54: CVS Facebook Post, MinuteClinic Video Visits, August 2018

Figure 55: Noom Facebook post, December 2018

RETAIL HEALTHCARE CLINICS

- CVS forging ahead with clinic service expansion; Walgreens opting out**

Figure 56: In-store retail clinic visitation, January 2020

Figure 57: Healthcare provider interest, by ailment, June 2019

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

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

Report Price: £3695 | \$4995 | €4400

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

- **Clinic visitors are satisfied; challenge lies in getting people in the door initially**

Figure 58: Attitudes toward in-store retail health clinics, January 2020

Figure 59: In-store retail health clinic visitors, by key demographics, January 2020

- **Promotional examples**

Figure 60: CVS Health MinuteClinic, Facebook ad, August 2019

Figure 61: CVS Health MinuteClinic, Facebook ads, February 2020 and November 2019

Figure 62: Walmart Facebook post, Walmart Health Clinic, January 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

THE BEAUTY OPPORTUNITY

- **Drug store retailers aren't standing out in beauty**

Figure 63: Beauty scorecard, January 2020

- **Ingredient transparency and clean beauty other important trends to consider**

Figure 64: CVS Facebook post, beauty products, November 2019

- **Target is winning among young females**

Figure 65: Beauty scorecard, by women 18-34, January 2020

Figure 66: Twitter post featuring Target's enhanced beauty offerings, June 2019

- **Men buy beauty and personal care products too**

Figure 67: Beauty scorecard, by men, January 2020

- **Retailer beauty initiatives**

- **Mass merchandisers bring new, clean beauty options to the masses**

Figure 68: Target Style Instagram post, Goodfellow & Co., May 2019

Figure 69: Twitter post featuring Walmart's Evolution_18 launch, June 2019

- **Amazon snags a big celebrity**

Figure 70: Amazon Facebook post, Lady Gaga's Haus Laboratories, July 2019

- **CVS set to offer full transparency in beauty imagery**

Figure 71: Twitter post featuring CVS' beauty mark initiative, January 2018

Figure 72: Twitter post featuring CVS' beautyIRL initiative, August 2018

- **Walgreens testing innovative store formats**

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

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

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

Figure 73: Birchbox in Walgreens, May 2019

Figure 74: Boots (UK), store of the future, July 2019

APPENDIX – DATA SOURCES AND ABBREVIATIONS

- **Data sources**
- **Sales data**
- **Fan chart forecast**
- **Consumer survey data**
- **Abbreviations and terms**
- **Abbreviations**
- **Terms**

APPENDIX – THE MARKET

Figure 75: Total US drug store revenues and forecast, at inflation-adjusted prices, 2014-24

Figure 76: Drug store sales and forecast of health, beauty and personal care products, at current prices, 2014-24

Figure 77: Drug store sales and forecast of health, beauty, and personal care products, at inflation-adjusted prices, 2014-24

Figure 78: Drug store sales and forecast of food and beverages, at current prices, 2014-24

Figure 79: Drug store sales and forecast of food and beverages, at inflation-adjusted prices, 2014-24

Figure 80: Drug store sales and forecast of general merchandise, at current prices, 2014-24

Figure 81: Drug store sales and forecast of general merchandise, at inflation-adjusted prices, 2014-24

Figure 82: Drug store sales and forecast of other* products, at current prices, 2014-24

Figure 83: Drug store sales and forecast of other* products, at inflation-adjusted prices, 2014-24

Figure 84: Total US drug store revenues, by segment, at current prices, 2017 and 2019

Figure 85: Population by age, 2013-23

APPENDIX – THE CONSUMER

Figure 86: Retailers shopped, by retailers shopped, January 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

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



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.