Independent Pharmacy Research Study

January 2021

A view of the channel which includes point-of-sale data and the perspectives of independent community pharmacists and their shoppers

HAMACHER
RESOURCE GROUP

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About This Study

Purpose

With the industry partners recognized on page 2, Hamacher Resource Group, Inc. (HRG) conducted this study in late summer and fall of 2020 – an update of the research conducted in 2012 resulting in the report, *Independent Pharmacy Shoppers: Who, What, and Why?*. The objectives of the study were twofold: 1) understand those shopping at independent pharmacies, what they purchase from the front end, and why they patronize the independent pharmacy retail channel, and 2) learn about the pharmacists' perspective on threats they face, advantages they have, the types of products and services they rely on for a successful front end, and future opportunities. The insights revealed will provide the industry a better understanding of the independent pharmacy channel and those who shop it, and will aid in providing direction for the development of targeted programs to support it.

Objectivity

In its role as an objective source of retail supply chain intelligence and programs, HRG designed and coordinated the digital surveys and analyzed the data that informs the final results of this study.

Methodology

The information presented in this report is based on a survey of independent pharmacists, point-of-sale (POS) data, and a survey of independent pharmacy shoppers. As HRG kicked off this study, the health and wellbeing of participants and researchers was top priority. HRG subsequently altered shopper interviews from face-to-face to an online approach.

Pharmacist surveys: 21,000+ invited to participate in August 2020; multiple outreaches in August and September; 404 completed

Shopper interviews: Between September and November 2020, 22 pharmacies in a mix of urban, suburban, and rural locations were provided a tablet computer with links to the shopper survey, and they asked their customers to complete the online questionnaire. In most pharmacies, at least twelve shoppers participated in interviews. 323 shoppers participated

Point-of-sale (POS) data: 136 stores shared 52 weeks of their sales data from August 1, 2019 through July 31, 2020, representing 675,590 unique transactions

Collaboration

A cross-functional team of HRG associates with backgrounds in category management, data management and analysis, strategic marketing, project management, and product and pricing management created the project scope and analyzed respective portions of the data.

Supporters

Executive Summary

Independent community pharmacies are privately held small businesses with various footprints and practice formats. They include single and multiple store operations. At the end of the first quarter of 2020, there were 21,683 independent community pharmacies in the United States.[1]

No single pharmacy chain has more stores than all independents combined, which represent 35% of all retail pharmacies in the U.S. and a $73.7 billion marketplace.[1]

The insights throughout this report will be useful to independent pharmacies, as well as drug wholesalers, manufacturers, and service providers looking to build on the strong heritage of this channel and continue delivering value to the patients served by this vital segment of the market.

As expressed in the About This Study section, this is an update of the research conducted in 2012 resulting in the report, *Independent Pharmacy Shoppers: Who, What, and Why?*. Constituents across the retail supply chain expressed interest in learning how the independent pharmacy landscape had changed since the previous research, wanting to understand specifically:

- How prosperous are independent pharmacies today?
- How are stores using services to differentiate?
- Who is the greatest threat to independent pharmacies today?
- What are customers seeking in the pharmacy front end?
- Which categories are performing well?
- Who shops at independent pharmacies in 2020?
- What are the front-end growth trends?

With the supporting partners listed on page 2, HRG committed to undertake a comprehensive study in spring 2020. As the pandemic spread across the U.S. and restrictions were imposed to slow and control the spread of the COVID-19 virus, the means in which the shopper survey was to be administered had to be altered, which is detailed in About This Study. In addition, a section, Pandemic Implications, has been added to highlight how COVID-19 affected sales in certain categories based on the POS data collected.

[1]Source: *NCPA Annual Digest*, 2020 https://ncpa.org/sites/default/files/2020-10/2020-Digest.pdf

Key Highlights

- Sixty-seven percent of independent pharmacies indicated their non-prescription business was either growing or holding steady.

- POS data analysis revealed the cold & allergy, vitamins & dietary supplements, and pain relief categories represent nearly 43% of unit sales in health and wellness.

- Fifteen percent of independent pharmacies indicated developing an e-commerce offering of non-prescription products as a priority in the next 18 months. (Nineteen percent of respondents indicated they currently have this capability available.)

- Customer service is overwhelmingly rated as the most important competitive advantage — three times as many pharmacists selected this factor than in the 2012 survey.

- Facebook is the clear leader as the social media channel of choice among pharmacies — nearly eight in 10 indicated they currently have a presence on this platform.

- Independent pharmacy shoppers indicated prevention as their primary reason for shopping the day they took the survey (44%), followed by maintaining (25%), caregiving (21%), and recovering (10%).

- Independent pharmacists indicated online stores (from 1% to 8%), specialty stores (from 0 to 5%), and dollar stores (from 6% to 9%) have become more prominent competitors since 2012.

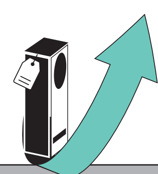
- Skin care was identified by shoppers as a category in which they'd like to see the assortment expanded.

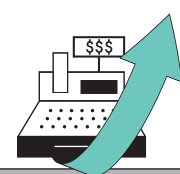
- Forty-nine percent of shoppers indicated the pharmacist's recommendation was the biggest factor in their non-prescription purchase decisions.

Pandemic Implications

Pharmacists, already highly valued and trusted, saw the public's regard for them grow even greater in light of their commitment to their essential work during the coronavirus pandemic. Independent pharmacies are often the most accessible and trusted healthcare resource within their communities, particularly those situated in rural and underserved areas. According to the 2020 *NCPA Annual Digest*, more than three-quarters of community pharmacies serve population areas of 50,000 or fewer.[1]

With the pandemic reaching the U.S. in early 2020, POS data collected from independent pharmacies revealed a number of very intriguing implications. The categories shown below over-indexed during the March/April timeframe compared to the January/February timeframe. Shown as both unit increases and dollar increases, this suggests strong results in these product groups for manufacturers, wholesalers, and retailers.



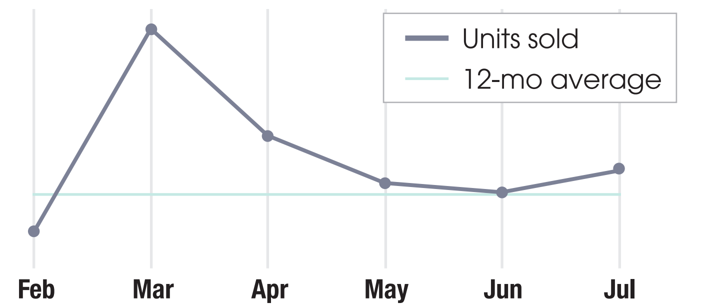


Category	Unit Increase	Dollar Increase
Household Products	**122%**	**48%**
Skin Care	**91%**	**100%**
First Aid	**45%**	**44%**
Vitamins & Dietary Supplements	**45%**	**41%**
Home Diagnostics*	**44%**	**77%**
Baby Care	**37%**	**49%**
Pain Relief	**36%**	**33%**
Oral Care	**19%**	**25%**
Cold & Allergy	**14%**	**25%**

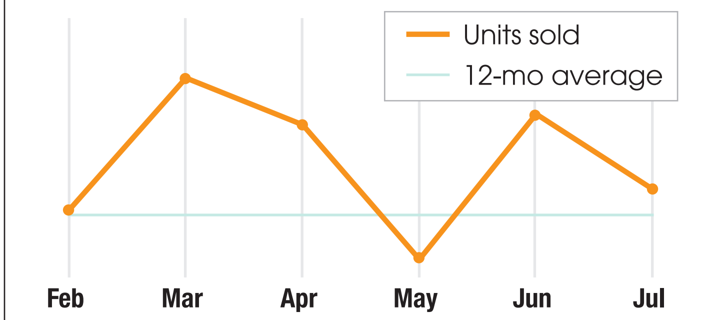
POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.
[1]Source: *NCPA Annual Digest*, 2020 https://ncpa.org/sites/default/files/2020-10/2020-Digest.pdf
*Home diagnostics and personal diagnostics are used interchangeably for the same category in this report.

Following the initial surge, the sales of certain categories, such as household products and first aid, remained higher than the 12-month average. Pain relief and cold & allergy fell sharply after an initial spike in March, and, as of July, had not yet recovered to their average.

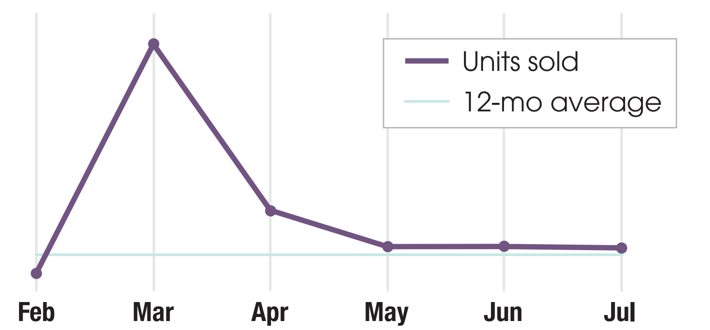
Household Products



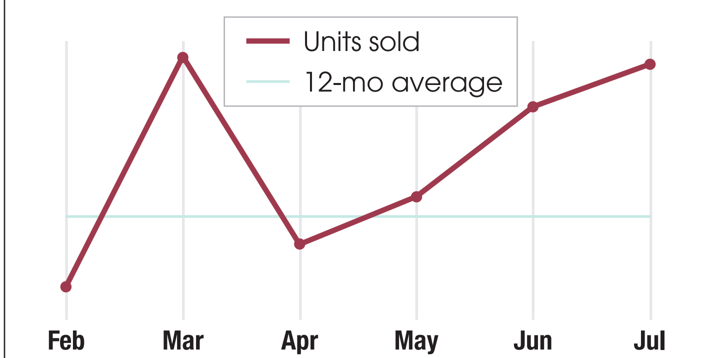
Oral Care



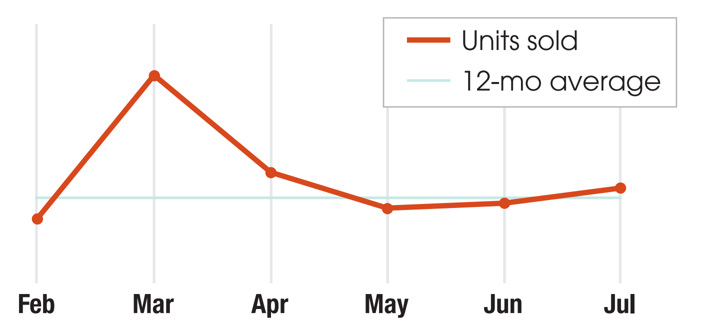
Skin Care



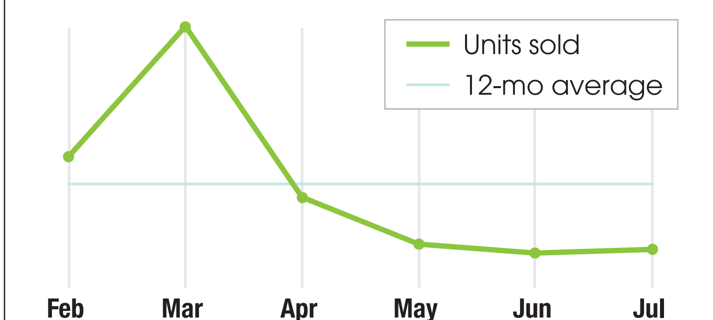
First Aid



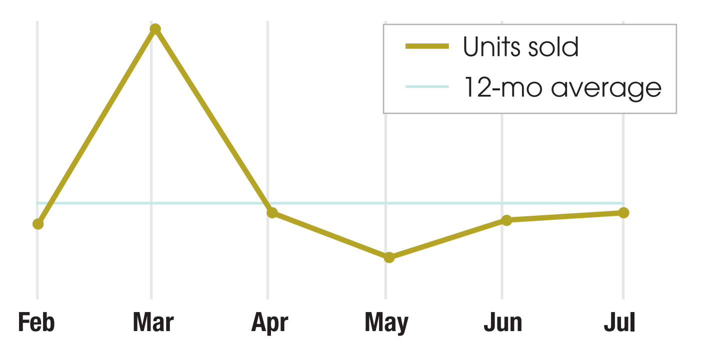
Vitamins & Dietary Supplements



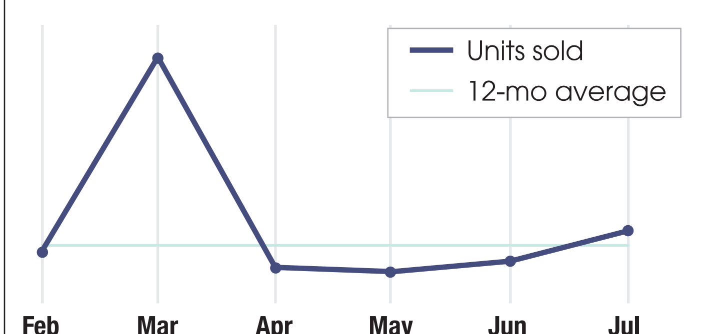
Cold & Allergy



Pain Relief



Home Diagnostics



POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.

Section 1:
Channel Overview

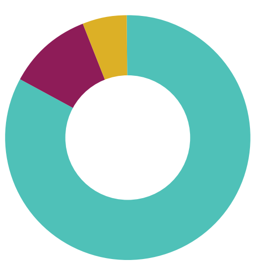
Independent community pharmacies are privately held small businesses with various footprints and practice formats. They include single and multiple store operations. At the end of the first quarter of 2020, there were 21,683 independent community pharmacies.[1]

With a primary interest in these community pharmacies' front-of-store, pharmacists were asked whether their front-end sales were increasing, decreasing, or holding steady. Sixty-seven percent responded that sales were either increasing or holding steady, which is down slightly from respondents to the 2012 research, at which time 73% reported sales increasing or holding steady.

No single pharmacy chain has more stores than all independents combined, which represent 35% of all retail pharmacies in the U.S. and a $73.7 billion marketplace.[1]

Independent pharmacists were also asked to indicate how their total sales dollars are divided among general merchandise (GM); health, beauty, and wellness (HBW) products, including over-the-counter (OTC) medications; and prescriptions (also known as Rx). As expected, prescriptions account for the majority of sales (83%), and this percentage is slightly higher than the 2012 responses (81%). In comparison, the 2020 *NCPA Annual Digest* reported that Rx represented 94% among their respondents.

Independent Pharmacy Sales Contribution — by Dollars



83% Prescriptions

11% Health, Beauty, and Wellness Products (including OTCs & personal care)

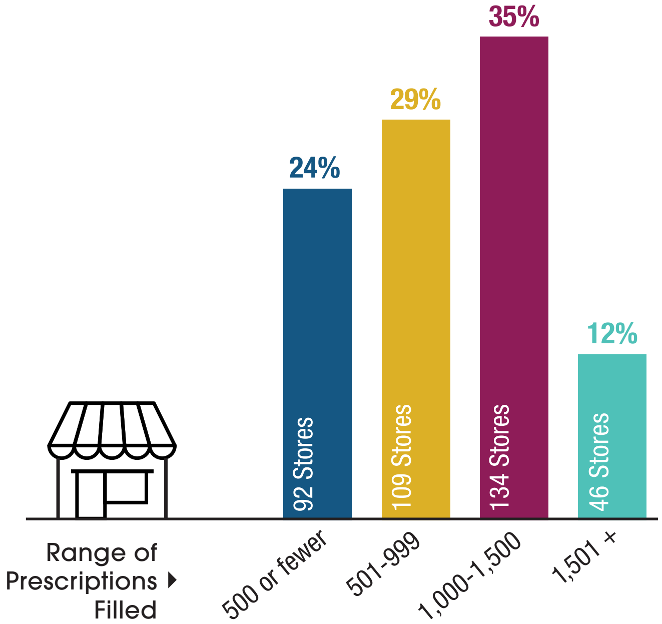
6% General Merchandise (greeting cards, food, etc.)

Based on 401 independent pharmacist respondents.

Net margins continue to be challenging for independent pharmacies due to low reimbursements, performance incentives, restricted access networks, and direct and indirect remuneration (DIR) fees. This became evident when pharmacists were asked to identify their biggest challenges facing their business, covered in Section 2, starting on page 9.

[1]Source: *NCPA Annual Digest,* 2020 https://ncpa.org/sites/default/files/2020-10/2020-Digest.pdf

Number of Prescriptions Filled in a Week

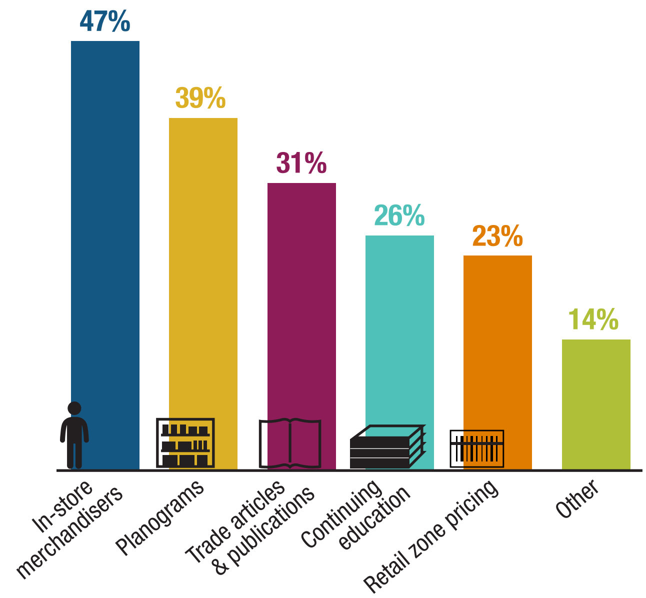


Based on 381 independent pharmacist respondents.

The highest percentage of pharmacists responded that they fill between 1,000-1,500 prescriptions on a weekly basis. The next largest percentage reported filling 501-999 prescriptions a week.

Realizing that pharmacies are generally not open seven days — in fact, the average is 5.89 days — the average number of prescriptions per day is 175.

Services Relied on to Manage Front-of-store

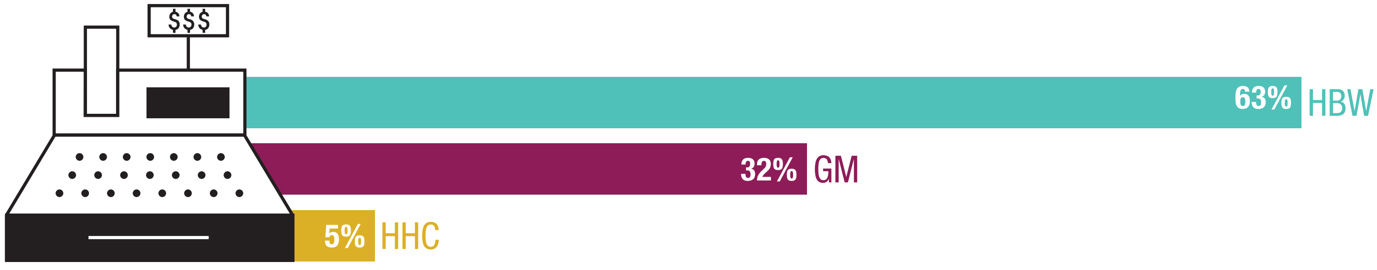


Based on 393 independent pharmacist respondents. Respondents could select all that apply.

When asked to select all the services pharmacists rely on to help them manage the front-end, merchandising services — which includes in-store merchandisers, planograms, and retail zone pricing — was most popular.

Our analysis of POS data indicated that front-end sales are largely attributed to health, beauty, and wellness items.

Where Sales are Coming From — in Units



POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.

Market Basket

Average number of items = **1.94**

Average dollar size of basket = **$16.82**

POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.

Time of Day

Nearly **60%** of transactions occurred between 11:00 a.m. and 3:00 p.m., with the **single largest hour being noon**, suggesting customers shop during the lunch hour

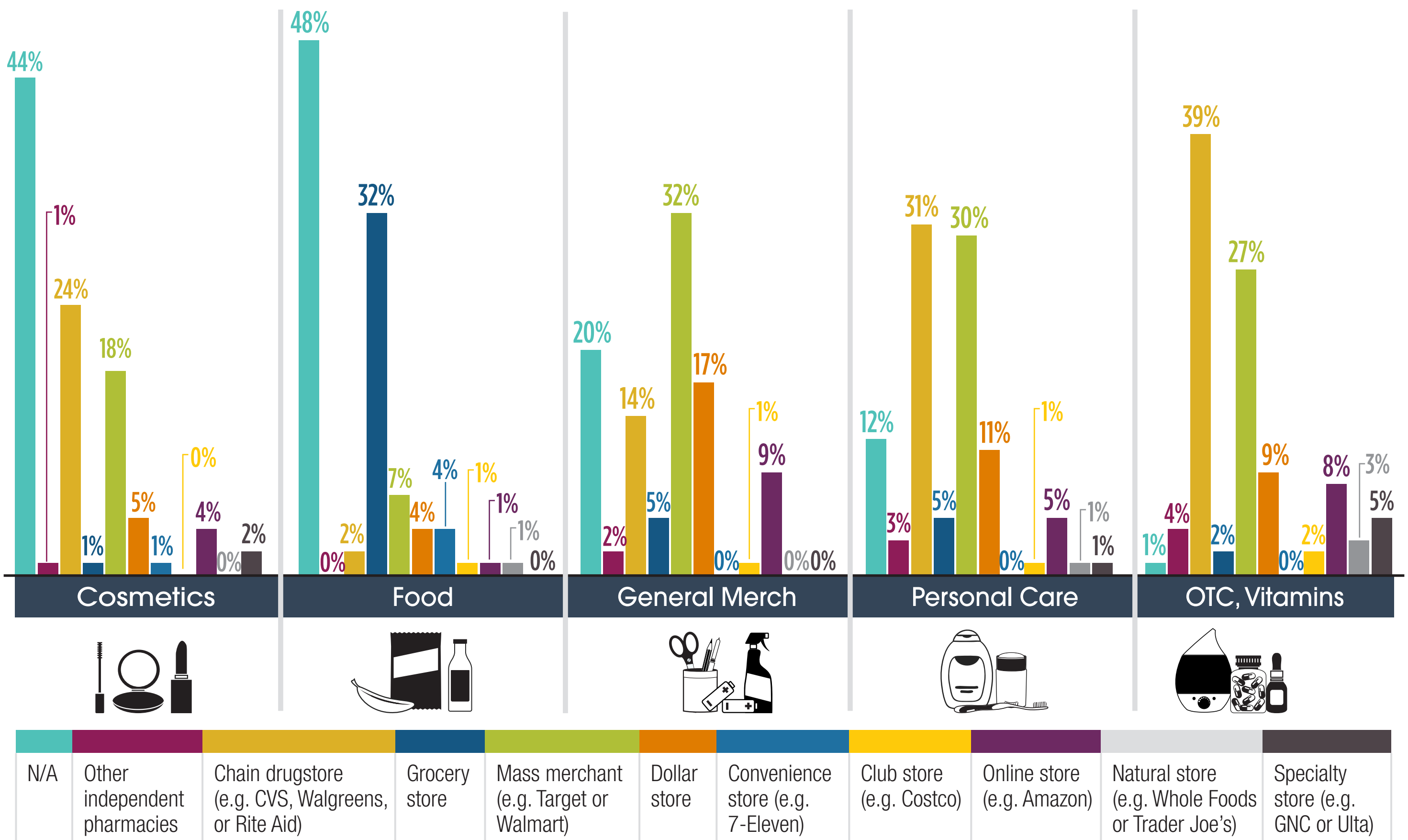
POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.

Section 2: Competitive Environment

Competition is a significant factor for any small business, but the number of outlets that offer the same products and/or services as an independent pharmacy seems to continue to multiply. In November of 2020, Amazon unveiled Amazon Pharmacy, offering customers the option to purchase prescription drugs on its site with Prime members getting unlimited, free two-day deliveries.[2] Two questions were asked of both the pharmacists and independent pharmacy shoppers to understand the threats and opportunities being faced by these community-staple stores.

Independent pharmacists perceive chain drugstores as their primary competitor, citing them in each category, particularly in their mainstays of health and wellness, and personal care categories. They chose mass merchants as their next largest competitor across the categories, with dollar stores and online merchants in the third and fourth positions, respectively.

Biggest Competitor as Perceived by Independent Pharmacists — by Product Group

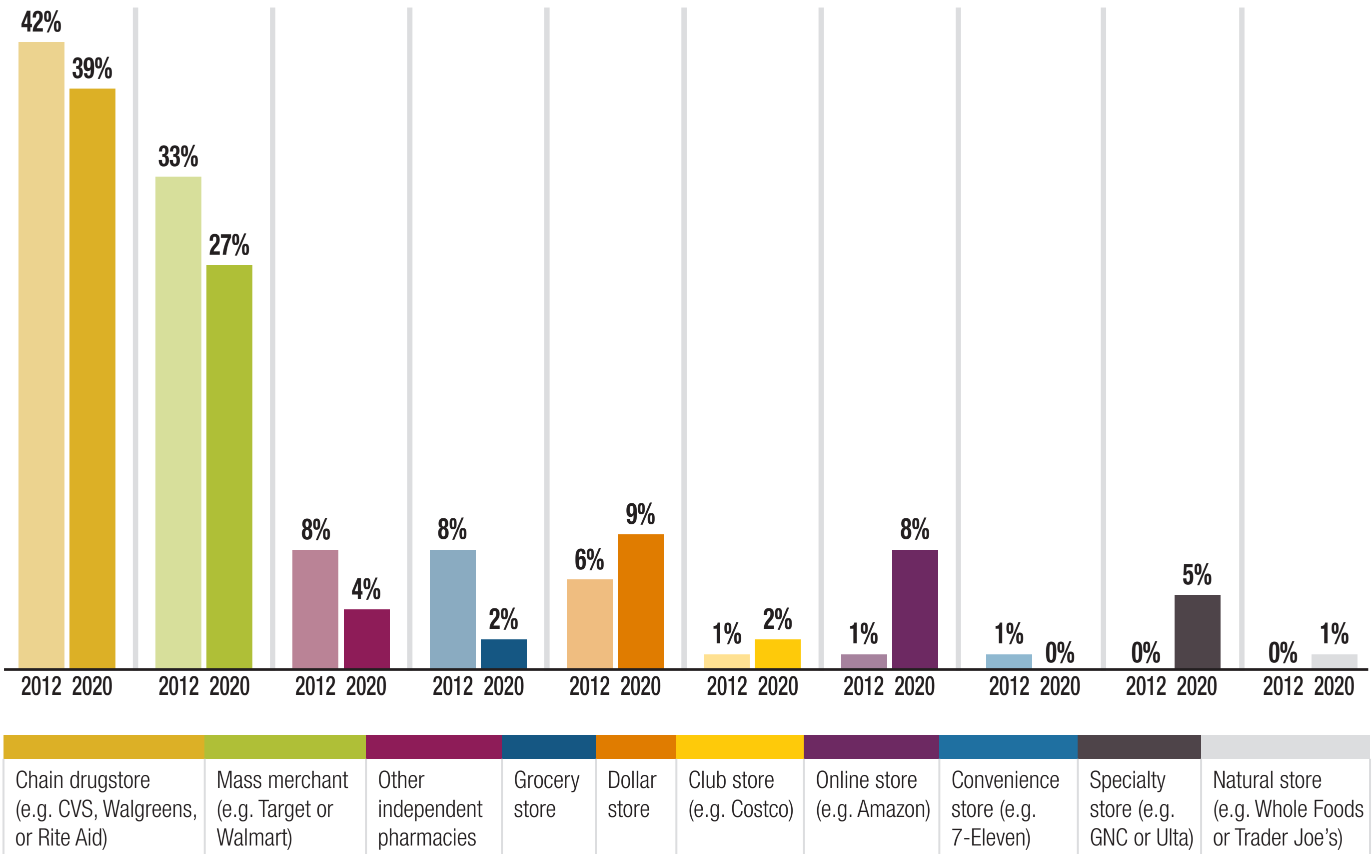


Based on 393 independent pharmacist respondents.

[2] Source: "Why the New Amazon Pharmacy Could Pose A Real Threat To Drugstores," Andria Cheng, *Forbes*, November 17, 2020

Compared to 2012, in 2020 pharmacists feel more pressure coming from dollar stores and online retailers. Specialty stores weren't even a consideration in 2012; however, pharmacists are recognizing increased competition from this channel. As shopper behavior continues to evolve — accelerated by the pandemic — these retail channels will continue to pose a threat to independent pharmacy.

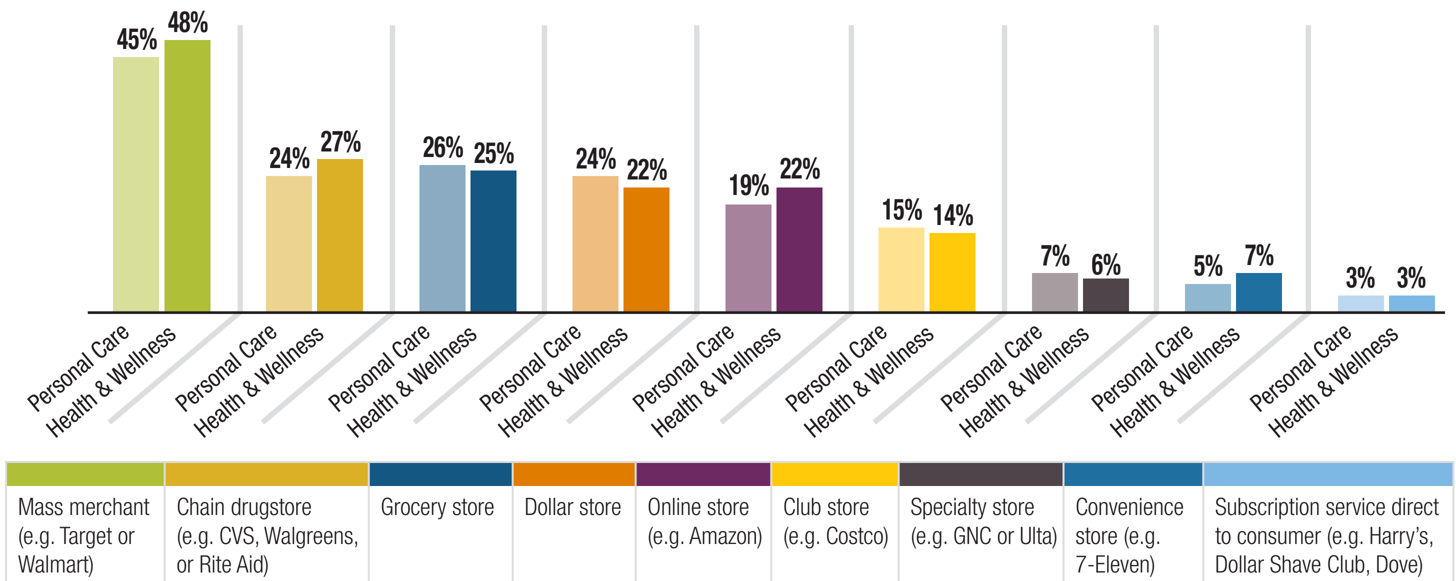
Top Competitors 2012 vs. 2020 in OTC, Vitamins & Supplements



2012 data based on 589 independent pharmacist respondents. 2020 data based on 393 independent pharmacist respondents.

Shoppers were asked what other places they shop for personal care and health and wellness products (selecting all outlets that applied) to compare their responses against the pharmacists' perceived top competitors. Shoppers indicated mass retailers were the main places where they purchase these product types. Unlike pharmacists' perception, chain drugstores were second when it came to health and wellness products and tied for third with dollar stores for personal care items. Grocery stores were the second most shopped outlet for personal care according to respondents.

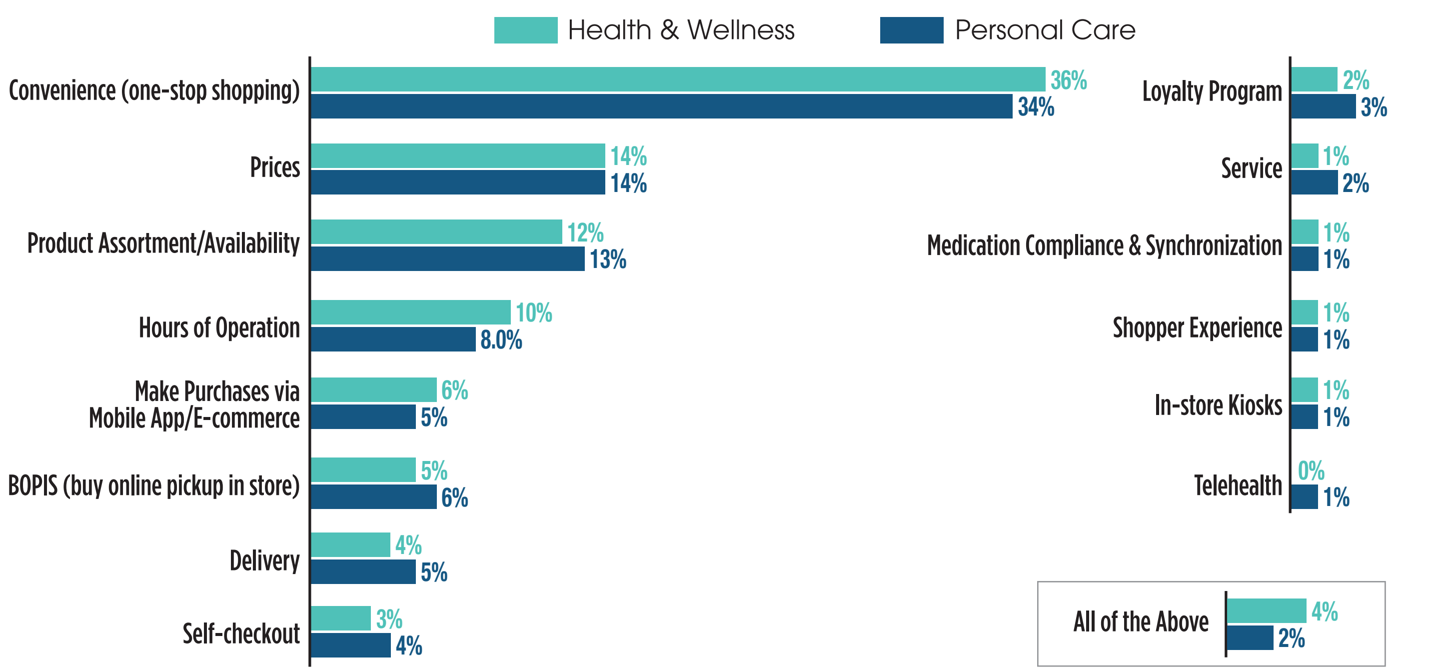
Where Customers are Shopping



Health & wellness data based on 296 independent pharmacy shopper respondents. Personal care data based on 323 independent pharmacy shopper respondents. Respondents selected all that apply.

The reasons selected for shopping at independent pharmacies' competitors were very similar for personal care and health and wellness items. Convenience appears to be most important when looking at why shoppers went elsewhere — one-stop shopping was cited most often. Price was a distant second, then product assortment/availability, and hours of operation.

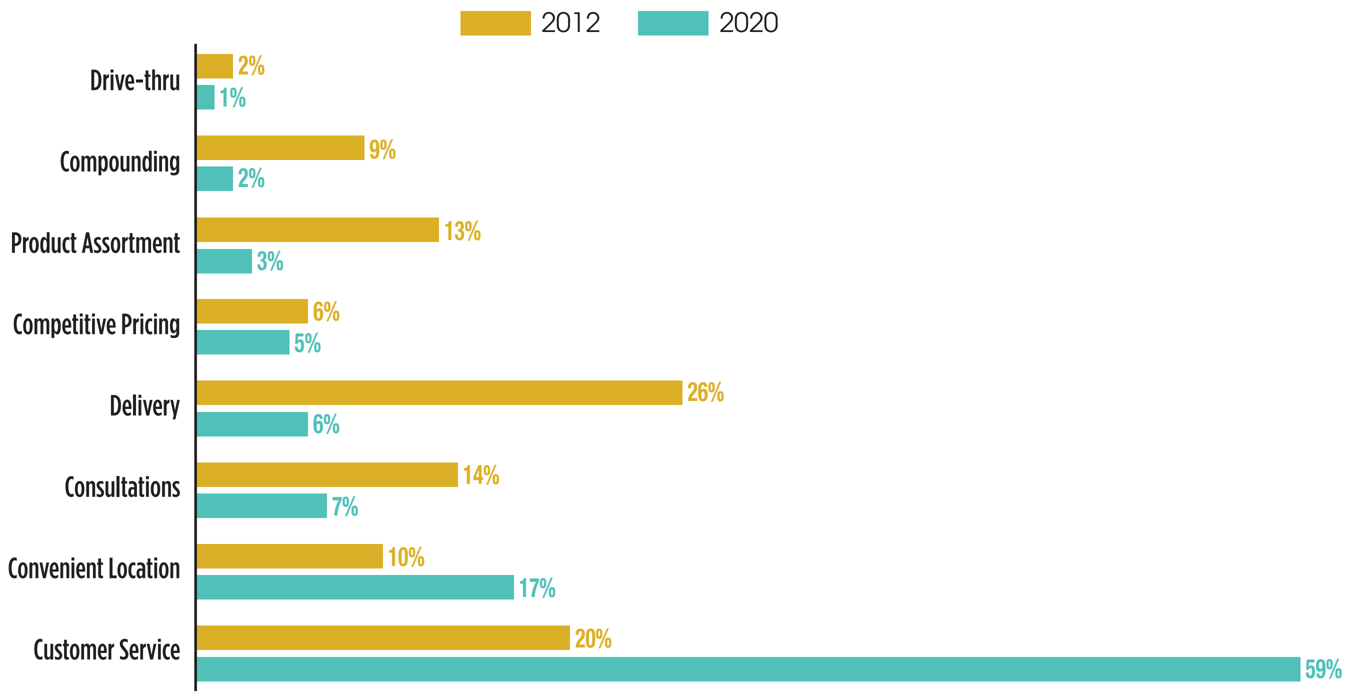
Why Customers Shop Elsewhere



Health & wellness data based on 474 independent pharmacy shopper responses. Personal care data based on 528 independent pharmacy shopper responses.

When asked about the greatest competitive advantage that their pharmacy has, pharmacists overwhelmingly selected customer service — nearly three times more than in 2012. Additionally, location was touted as another competitive edge.

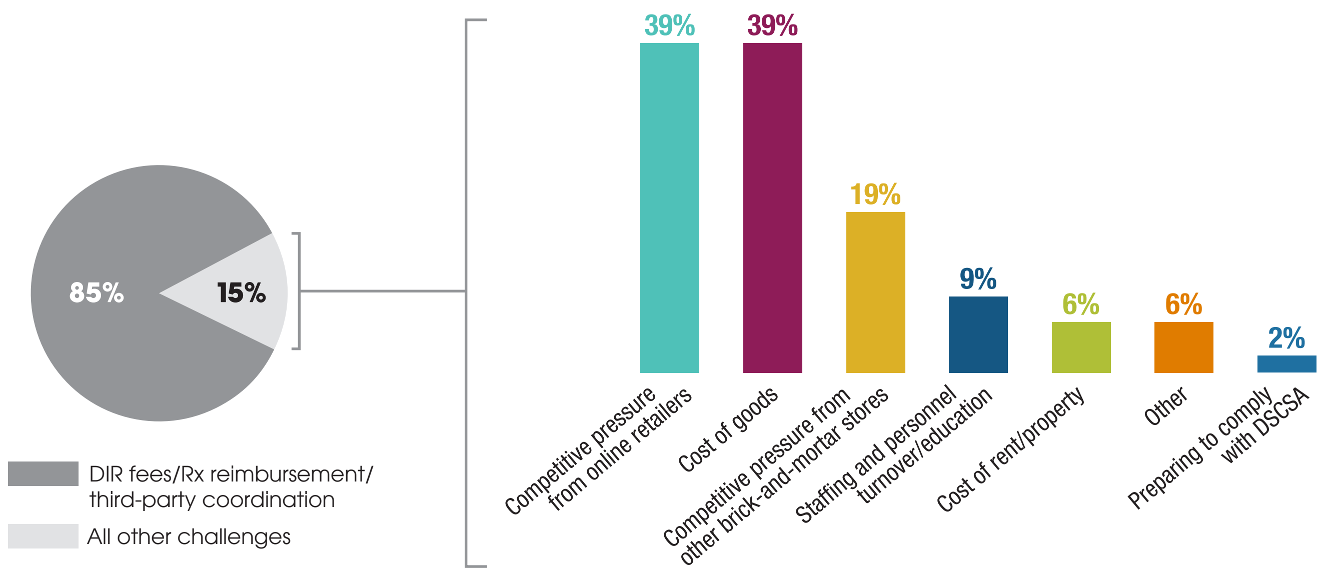
Competitive Advantages 2012 vs. 2020



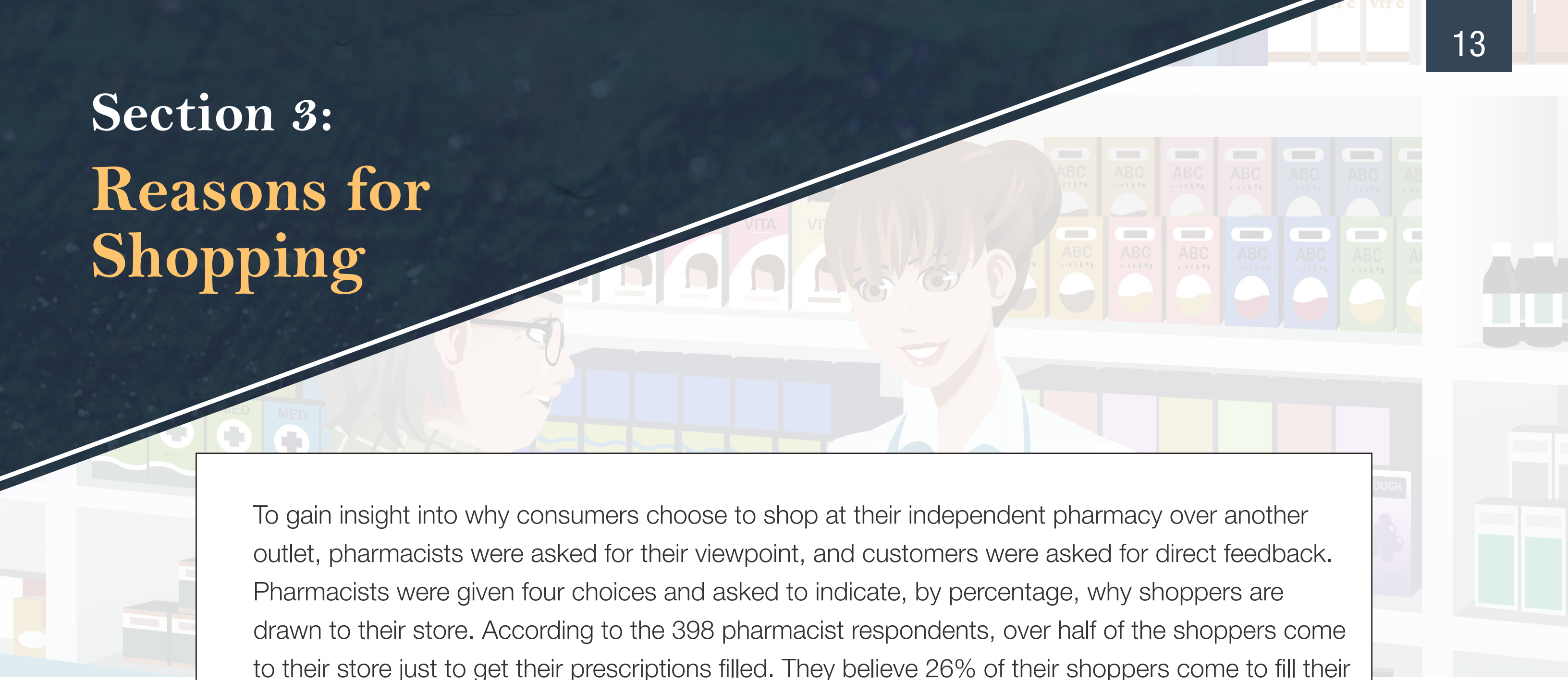
2012 data based on 1,724 independent pharmacist responses, 2020 data based on 345 independent pharmacist respondents.
Note: In 2012 they selected all that applied, 2020 was open-ended or "fill in the blank."

The biggest challenge cited by pharmacists was DIR fees/Rx reimbursement/third-party coordination — 85% of the responses (pharmacists were asked to select their top two). Competitive pressure from online retailers and cost of goods were tied for the next most commonly chosen obstacles.

Biggest Challenges Independent Pharmacies Face



Based on 402 independent pharmacist respondents. Respondents were asked to select their top two.

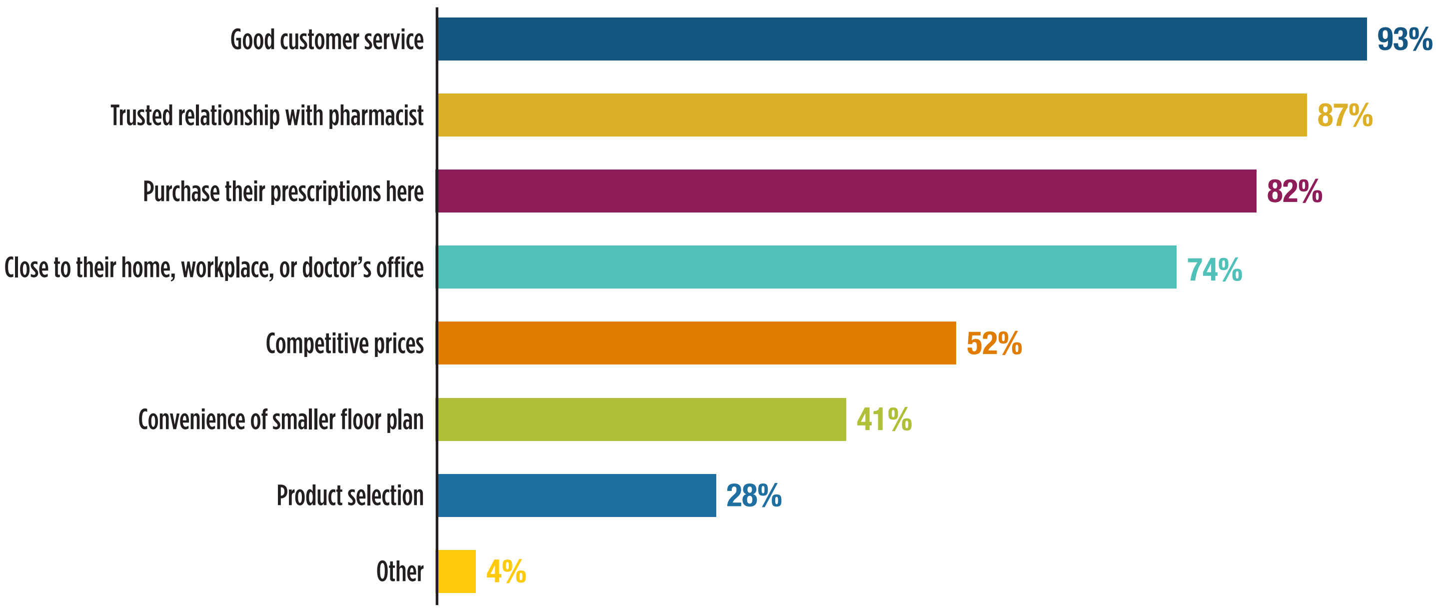


Section 3:
Reasons for Shopping

To gain insight into why consumers choose to shop at their independent pharmacy over another outlet, pharmacists were asked for their viewpoint, and customers were asked for direct feedback. Pharmacists were given four choices and asked to indicate, by percentage, why shoppers are drawn to their store. According to the 398 pharmacist respondents, over half of the shoppers come to their store just to get their prescriptions filled. They believe 26% of their shoppers come to fill their prescription and counsel with the pharmacist as an extension of their healthcare regimen; just under 17% of shoppers fill their prescriptions and purchase front-end merchandise; and just under 10% of shoppers only purchase front-end merchandise.

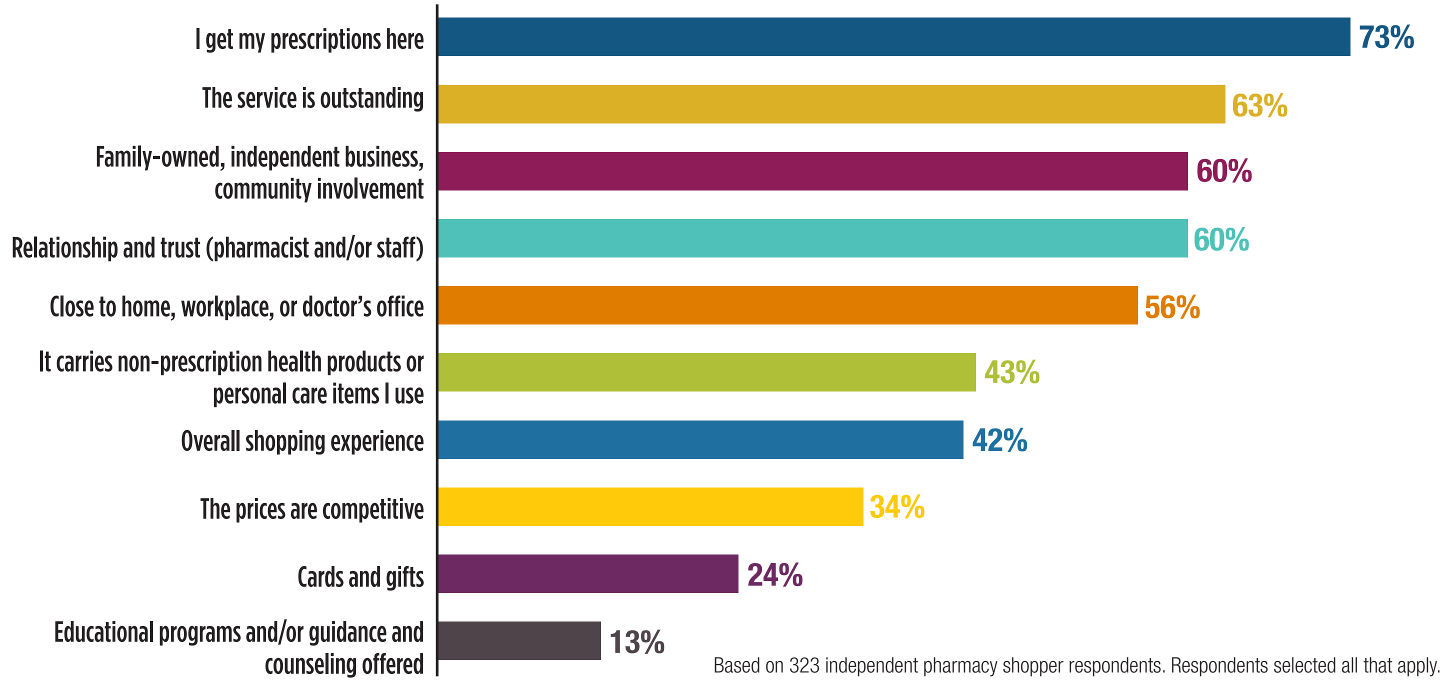
When pharmacists were asked why they think customers *continue* to shop in their store, choosing all reasons they felt applied, 93% chose “customer service,” 87% selected “trusted relationship with the pharmacist,” and 82% indicated they “get their prescriptions” there.

Why Customers Continue to Shop at Their Pharmacy — Pharmacists’ Perceptions



Based on 401 independent pharmacist respondents. Respondents selected all that apply.

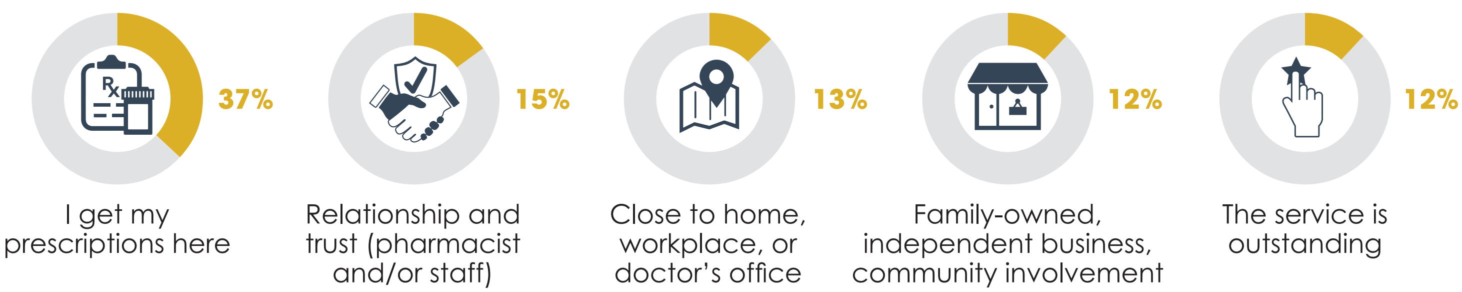
Why Customers Shop at Their Pharmacy — Shoppers' Feedback



Based on 323 independent pharmacy shopper respondents. Respondents selected all that apply.

From the same list of reasons customers selected why they shopped at their independent pharmacy, they were asked to select a main reason. These are the five selected most often.

The Main Reason Customers Shop at Their Independent Pharmacy — Top Five



Based on 319 independent pharmacy shopper respondents.

Reasons for Purchasing Non-prescription Products

Shoppers were asked to identify the biggest factor in their purchase decisions for non-prescription products.

Based on 319 independent pharmacy shopper respondents.

Planned vs. Impulse Purchases

72% of purchases are planned

28% are made on impulse

Shoppers were 2.5 times more likely to be visiting their independent pharmacy to make an intentional purchase rather than buy an impulse item.

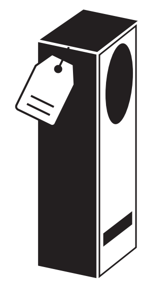
Based on 319 independent pharmacy shopper respondents.

Section 4:

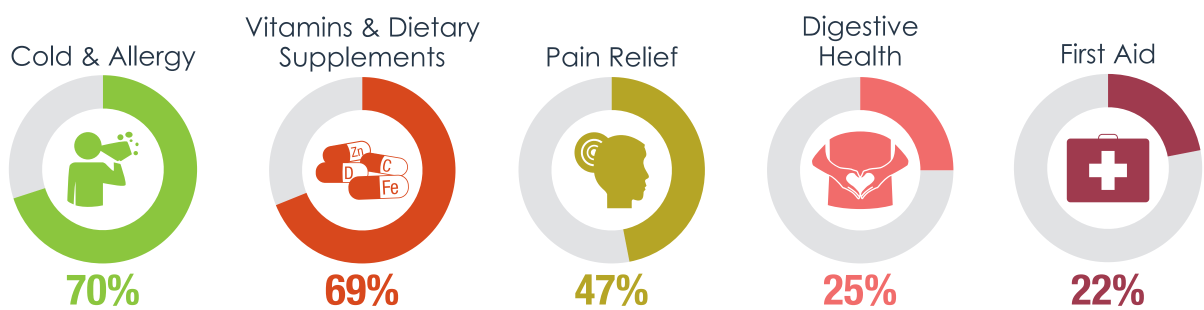
Category Performance

To understand the top-performing categories in independent pharmacies and get a multi-faceted view, pharmacists were asked what they believe to be their high sales categories, shoppers were asked which categories they shop in their independent pharmacy, and POS data was analyzed.

Pharmacists were asked which three front-end departments they believe generate the most sales in terms of units moved.



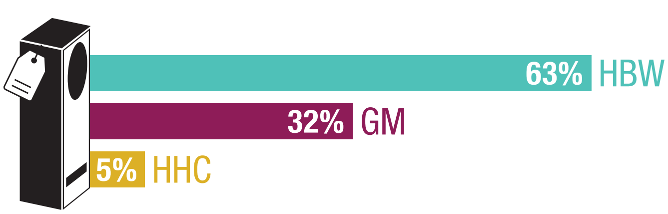
Top 5 Categories by Units Sold — According to Pharmacists



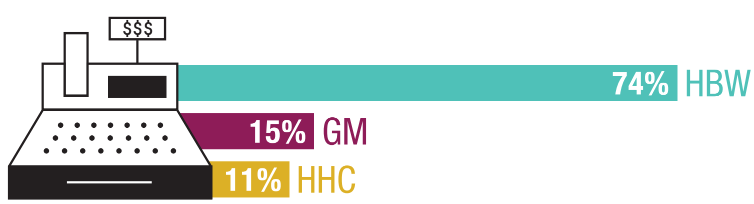
Based on 1,214 independent pharmacist responses. Respondents were asked to select only three.

Health, beauty, and wellness products make up the majority of non-prescription sales at independent pharmacy. Accounting for 63% of units and nearly three-quarters of dollar sales, independents with retail space rely on HBW as a cornerstone of their operation. Note that despite the small unit count contributed by home healthcare, larger dollar sales result. Similarly, despite high transactions associated with general merchandise items, the resulting dollars generated are quite small.

POS Data — Units by Department



POS Data — Dollars by Department



POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.

Top Categories From POS Data — by Units

GM

Top 10 GM categories by unit sales

1. Confections
2. Food & Beverages
3. Household Products
4. Greeting Cards, Associated Items
5. Sports & Recreation
6. School & Office
7. Cosmetics
8. Batteries
9. Hair Accessories
10. Toys

These 10 categories contribute **95%** of GM unit sales

HHC

Top 6 HHC categories by unit sales

1. Diabetes Care
2. Home Diagnostics & Patient Aids
3. Incontinence
4. Assorted Home Healthcare
5. Compression Support
6. Patient Skin Care

Diabetes care accounts for **31%** of unit sales

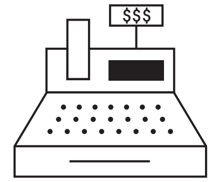
HBW

Top 10 HBW categories by unit sales

1. Cold & Allergy
2. Vitamins & Dietary Supplements
3. Pain Relief
4. First Aid
5. Oral Care
6. Digestive Health
7. Skin Care
8. Baby Care
9. Eye & Ear Care
10. Hair Care

These 10 categories contribute **87%** of HBW unit sales

Top Categories From POS Data — by Dollars



GM

Top 10 GM categories by dollar sales

1. Household Products
2. Food & Beverages
3. Greeting Cards, Associated Items
4. Confections
5. Gifts & Novelties
6. School & Office
7. Sports & Recreation
8. Cosmetics
9. Batteries
10. Toys

Top 5 categories contribute **67%** of GM dollar sales

HHC

Top 6 HHC categories by dollar sales

1. Assorted Home Healthcare
2. Diabetes Care
3. Home Diagnostics & Patient Aids
4. Incontinence
5. Compression Support
6. Patient Skin Care

25% of dollar sales are generated by assorted home healthcare items

HBW

Top 10 HBW categories by dollar sales

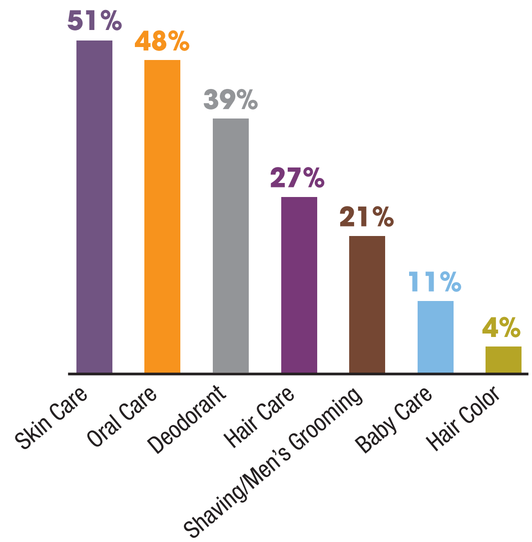
1. Vitamins & Dietary Supplements
2. Cold & Allergy
3. Digestive Health
4. Pain Relief
5. Baby Care
6. First Aid
7. CBD/Hemp*
8. Oral Care
9. Skin Care
10. Eye & Ear Care

Cold & Allergy and Vitamins & Dietary Supplements represent **34%** of HBW dollar sales

POS scan data, 8/1/2019 – 7/31/2020 from 136 stores.
*Accounted for 5% of HBW dollar sales.

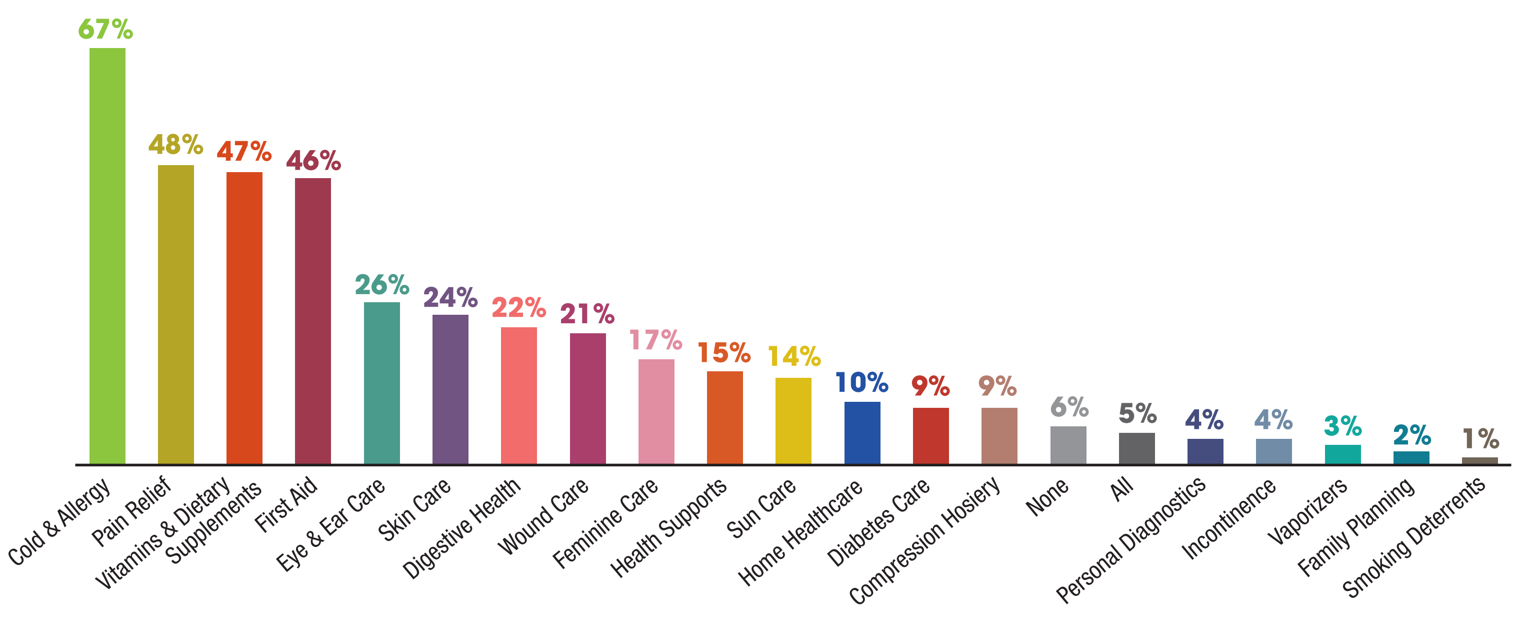
Shoppers indicated which personal care categories and health and wellness categories they purchase at their independent pharmacy. When asked about personal care categories, shoppers chose skin care, oral care, and deodorants most often. Among health and wellness categories they selected cold & allergy, pain relief, and vitamins & dietary supplements most often.

Categories Customers Shop at Their Independent Pharmacy — Personal Care



Based on 323 independent pharmacy shopper respondents. Respondents selected all that apply.

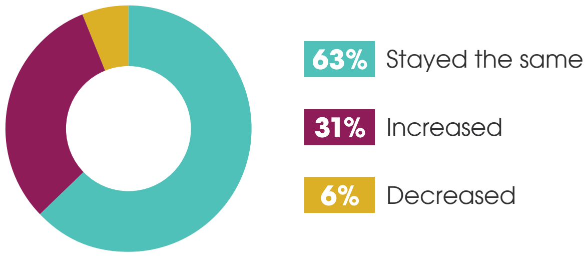
Categories Customers Shop at Their Independent Pharmacy — Health and Wellness



Based on 297 independent pharmacy shopper respondents. Respondents selected all that apply.
Home diagnostics and personal diagnostics are used interchangeably for the same category in this report.

Economic and supply chain challenges may have influenced the power of private brands during the pandemic, and this is reflected in the data wherein three in 10 shoppers increased their purchases of private label products within the past three years.

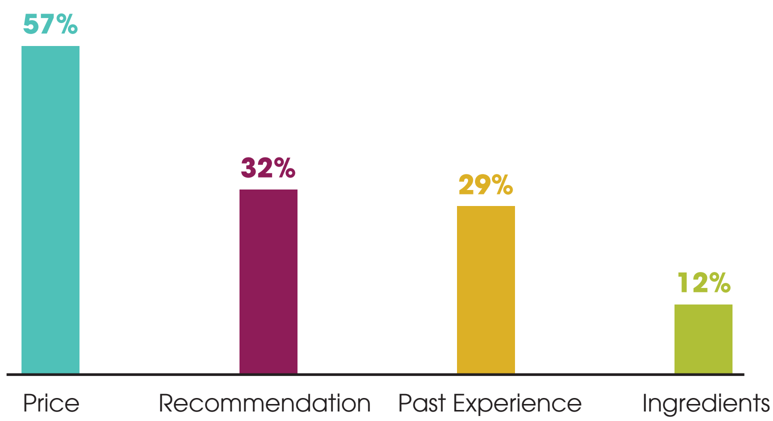
Shopper Likelihood to Purchase Private Label



Based on 317 independent pharmacy shopper respondents.

When those increasing their private label purchases were asked to identify factors contributing to their decision, price was top of mind, with 57% citing that among their primary decision criteria.

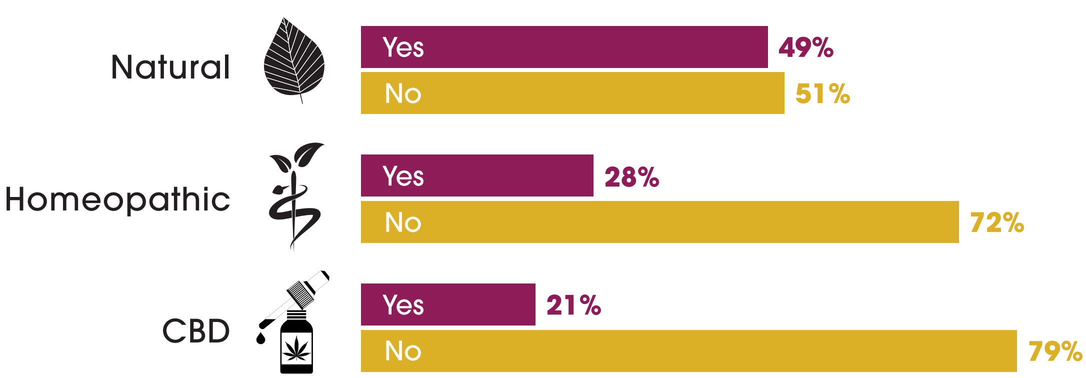
Factors Driving Increased Private Label Purchases



Based on 111 independent pharmacy shopper respondents. Respondents could select all that apply.

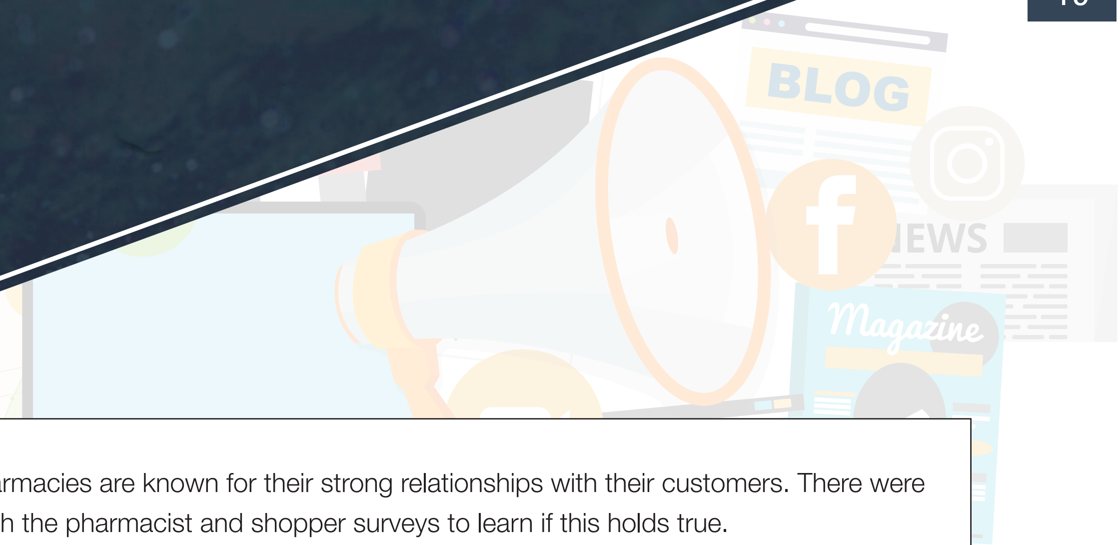
Shoppers were asked about their propensity to shop for natural, CBD, or homeopathic items in general.

Shoppers Purchasing These Product Types



Based on 314 independent pharmacy shopper respondents.

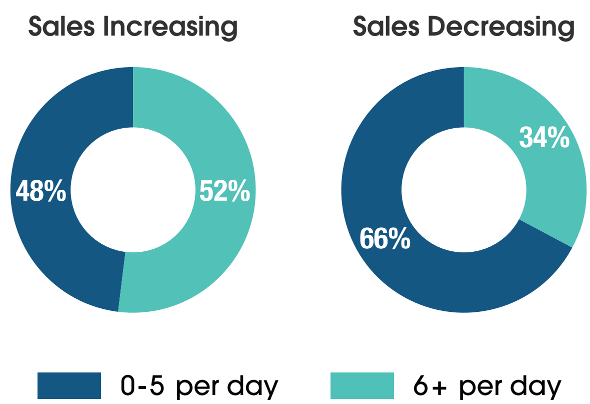
Section 5:
Reaching Consumers



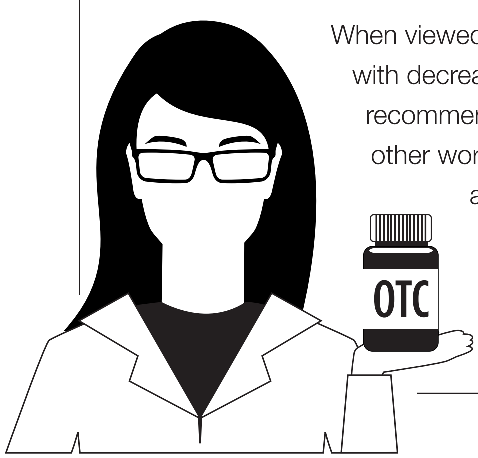
Independent pharmacies are known for their strong relationships with their customers. There were questions on both the pharmacist and shopper surveys to learn if this holds true.

Pharmacists were asked how many OTC, vitamin, or supplement recommendations they make a day. Out of the 404 pharmacists that responded, 60% indicated 1-5 recommendations per day, 32% responded 6-15, 3% said 16-20, and 3% said more than 21. Two percent indicated they make no recommendations per day.

Comparing Front-end Sales Performance — Number of Recommendations per Day



Increasing sales based on 113 independent pharmacist respondents. Decreasing sales based on 134 independent pharmacist respondents.

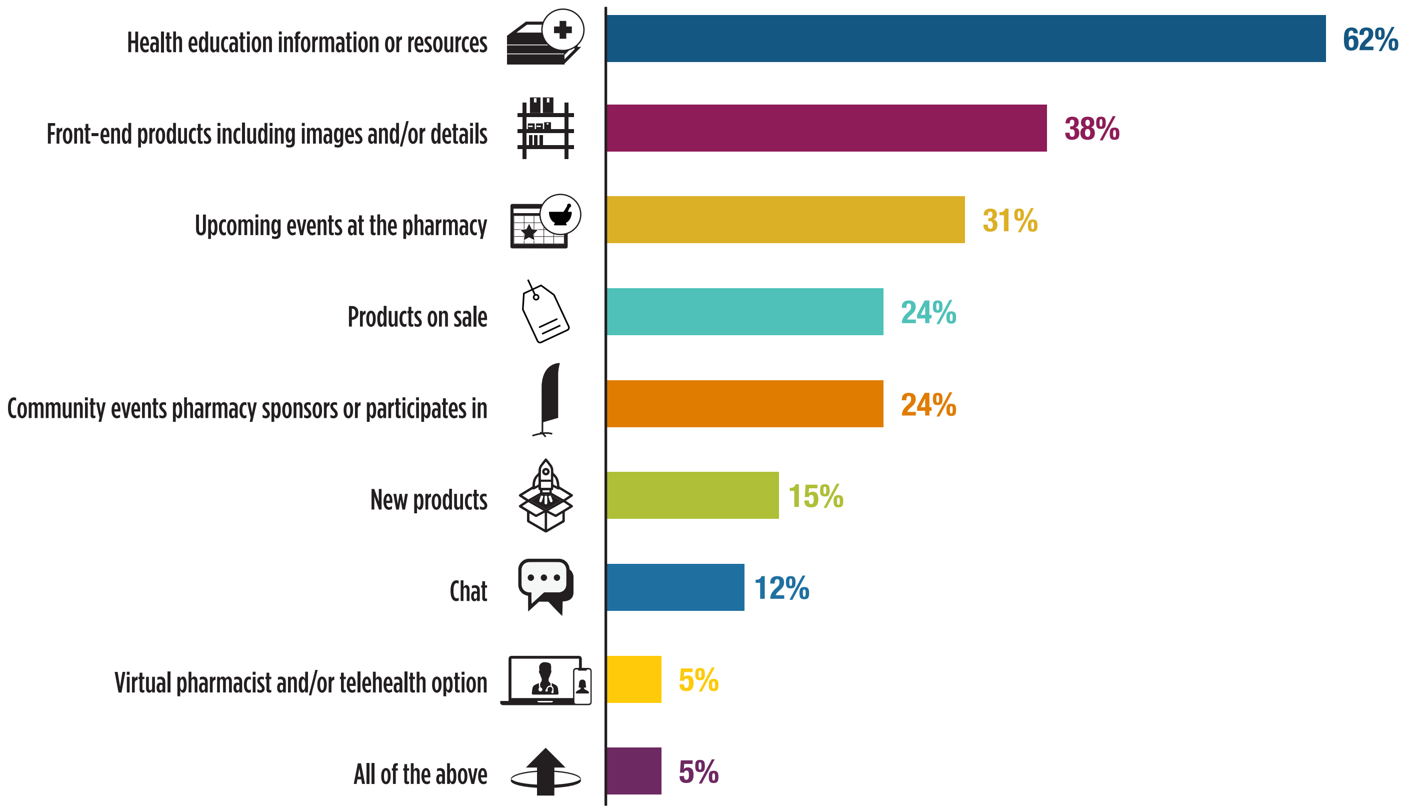


When viewed by those pharmacies with increasing front-end sales against those with decreasing sales, pharmacists making more OTC, vitamin, or supplement recommendations outperform those who do not make the same effort. In other words, pharmacies that make six or more recommendations per day are 58% more likely to have increasing front-end sales. Whereas, pharmacies that cite decreasing sales are about 30% more likely to make five or fewer recommendations per day.

As seen in the graph, 62% of pharmacies include health education information on their site, 38% front-end products with images and/or details, and 31% pharmacy events.

It's worth noting that 121 pharmacists skipped this question, either suggesting they do not currently have a website or do not offer the types of services that were choices for this question.

Information Available on Independent Pharmacy Websites



Based on 285 independent pharmacist responses. Respondents selected all that apply.

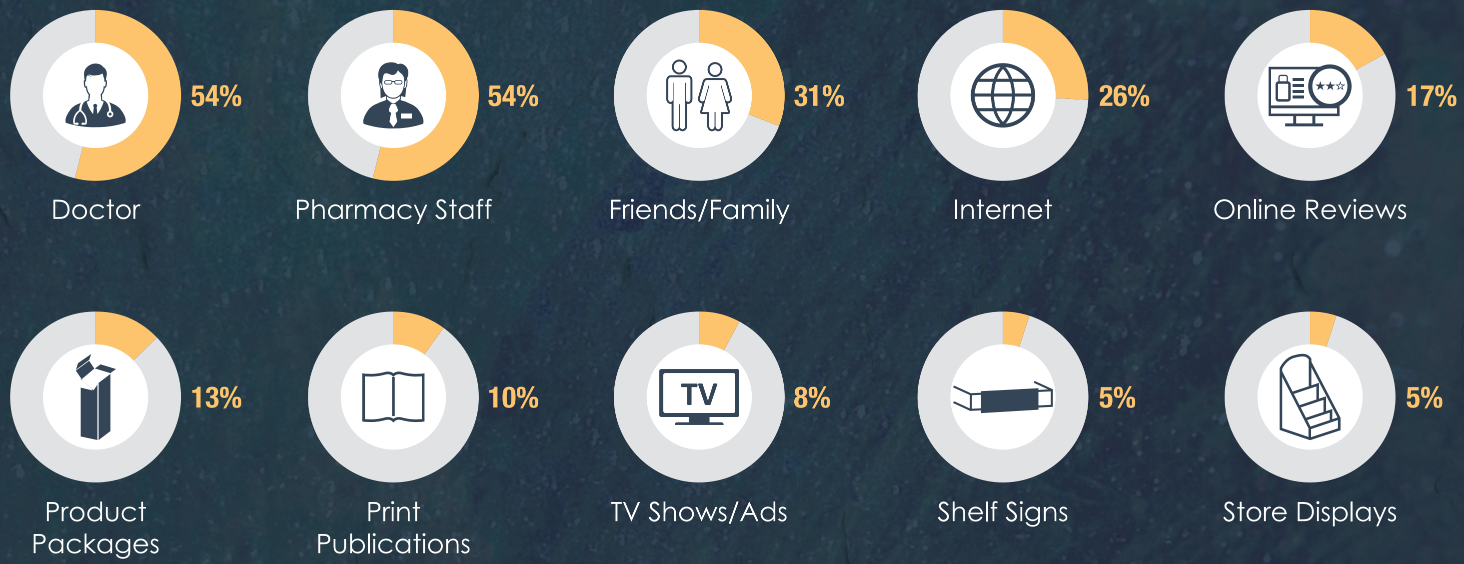
Seventy-nine percent of pharmacies have a presence on Facebook. Instagram is a distant second place at 27%, with no participation on any of the social site choices (Facebook, Instagram, LinkedIn, Pinterest, Twitter) third with 17%. Fourteen percent are on Twitter, 8% have a presence on LinkedIn, 4% selected "other," citing Snapchat, Google Business, and TikTok, and 2% said they are on Pinterest.

Social media platform	Percent of pharmacies with an account
Facebook	79%
Instagram	27%
Twitter	14%

Based on 383 independent pharmacist respondents. Respondents selected all that apply.

To understand independent pharmacy shoppers' primary sources for information about health and wellness products, they were asked where they typically look to understand symptoms treated, side effects, dosage, or efficacy.

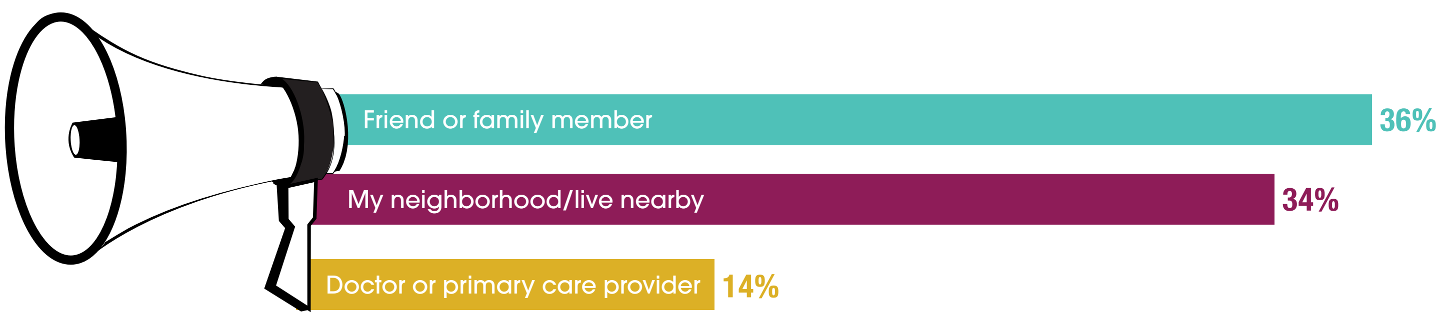
Shoppers' Typical Sources of Product Information



Based on 296 independent pharmacy shopper respondents. Respondents selected all that apply.

Shoppers were asked how they first learned about the independent pharmacy they patronize. Of the top three responses, half were referred to the pharmacy by a friend, family member, or a doctor or primary care provider.

The Top Three Ways People Learned of the Pharmacy



Based on 327 independent pharmacy shopper respondents.

Section 6:
Shopper Profile

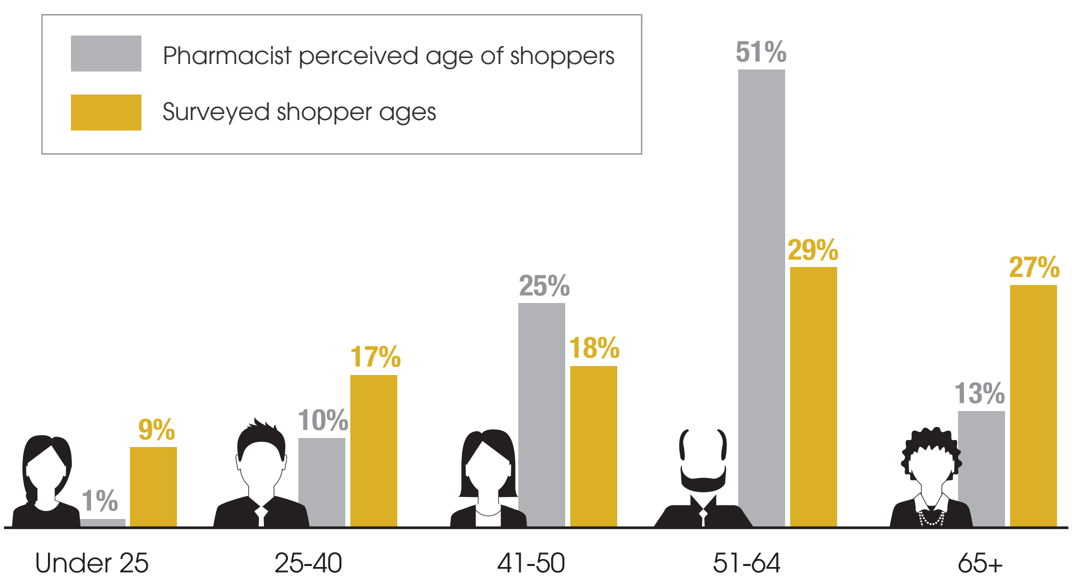
A series of questions were asked of both independent pharmacy shoppers and pharmacists to understand the current profile of a typical customer.

Pharmacists believe their shoppers are primarily in the age group 51-64, whereas shoppers completing the survey skewed a bit younger overall. This may have been an anomaly given the pandemic and/or the timing of the survey. Among those surveyed in-store, 9% were younger shoppers under the age of 25 — noteworthy because this is a group not typically thought to shop independent pharmacies.

As anticipated, female shoppers represented nearly seven in 10 shoppers. In the 2012 research, female shoppers represented 67% of those surveyed. In 2012 the majority of shoppers (52%) were aged 51-74, and in 2020 the largest age group is also over 51.

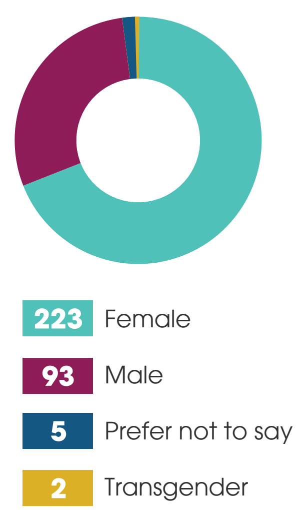
One in four shoppers is age 40 or under.

Shoppers — by Age



Based on 402 independent pharmacist respondents and 323 independent pharmacy shopper respondents.

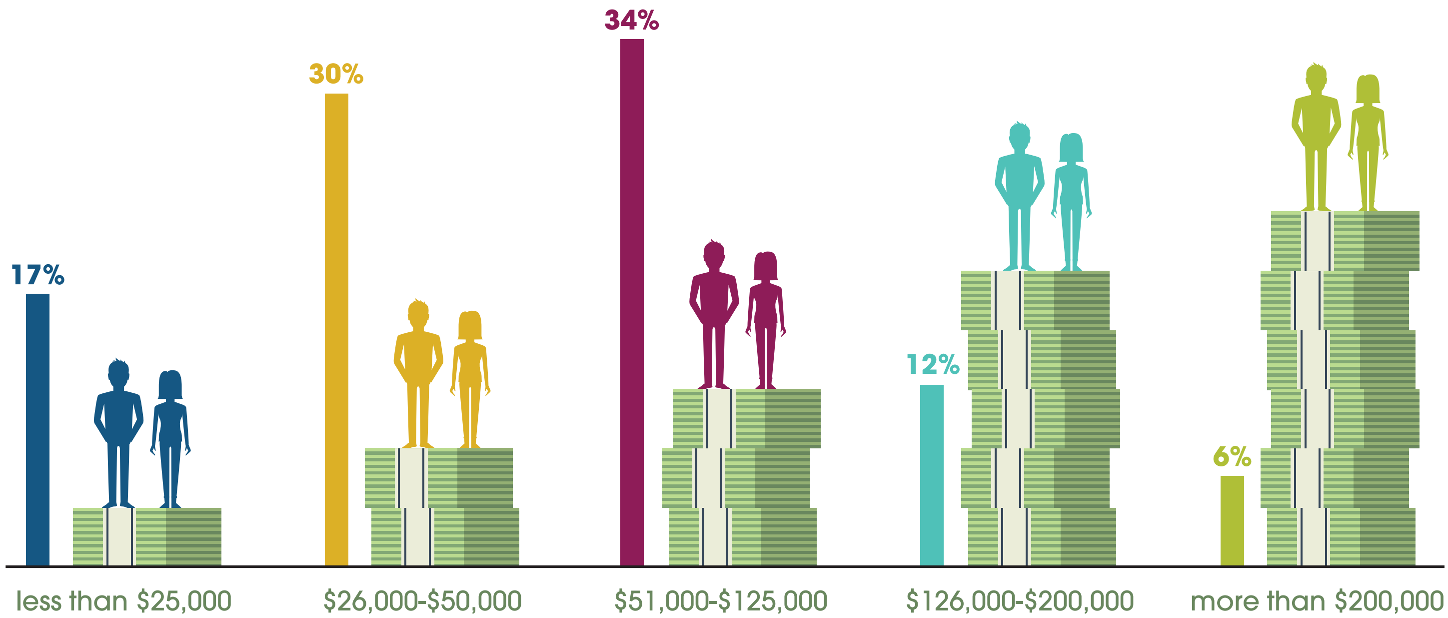
Shoppers — by Gender



Based on 323 independent pharmacy shopper respondents.

According to the U.S. Census Bureau, the average median household income was $68,703 in 2019[3].

Shopper Income Ranges



Based on 221 independent pharmacy shopper respondents.

Loyalty to Pharmacy

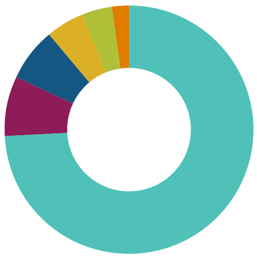
The majority of shoppers surveyed (over 60%) have been frequenting the pharmacy for seven or more years. Twelve percent — which isn't surprising given changing neighborhood dynamics and the rate of relocation across the country[4] — represented shoppers frequenting the location one year or less.

Based on 318 independent pharmacy shopper responses.

[4]According to new Census data, nearly 31 million people moved in the United States in 2019. That's 9.8% of all Americans moving every year.

[3]Source: "Current Population Survey, 2020 Annual Social and Economic (ASEC) Supplement" conducted by the Bureau of the Census for the Bureau of Labor Statistics. U.S. Census Bureau [producer and distributor], 2020

Who Customers are Shopping for



- **75%** Self
- **8%** Spouse/Partner
- **7%** Children
- **5%** Parent
- **3%** Friend or Neighbor
- **2%** Other

Based on 318 independent pharmacy shopper respondents.

The majority of shoppers – three-quarters – were there to pick up items for themselves with less than one in 10 shopping for their spouse/partner.

Time Spent Shopping for Non-prescription Items

- **40%** Less than 15 minutes
- **29%** Approximately 15 minutes
- **22%** Approximately 30 minutes
- **9%** Don't shop non-prescription items here

Based on 319 independent pharmacy shopper respondents.

The majority of customers who shop for non-prescription items – about seven in 10 – spend 15 minutes or less shopping for those products. For those picking up a prescription, this correlates to the amount of time spent waiting for a prescription in a typical independent pharmacy.

Reasons for Shopping

- **44%** Prevent
- **25%** Maintain
- **21%** Care
- **10%** Recover

Based on 351 independent pharmacy shopper responses.

Considering shopping trips in the context of potential self-care journeys – preventing, maintaining, recovering, or caregiving – shoppers were asked whether they were shopping for non-prescription items the day they were surveyed to:

- Prevent illness and/or stay well
- Maintain an ongoing health condition
- Care for someone other than themselves
- Recover from a short- or long-term condition

Forty-four percent indicated their intent was prevention, which may be over-indexing due to the pandemic. In 2018, HRG analyzed self-care research on behalf of the Global Market Development Center (GMDC), including the intended shopper journey. At that time, among the consumers surveyed, 37% indicated prevention as their primary purpose, 31% maintaining, 24% caring for someone else, and 8% recovering from a short- or long-term condition.

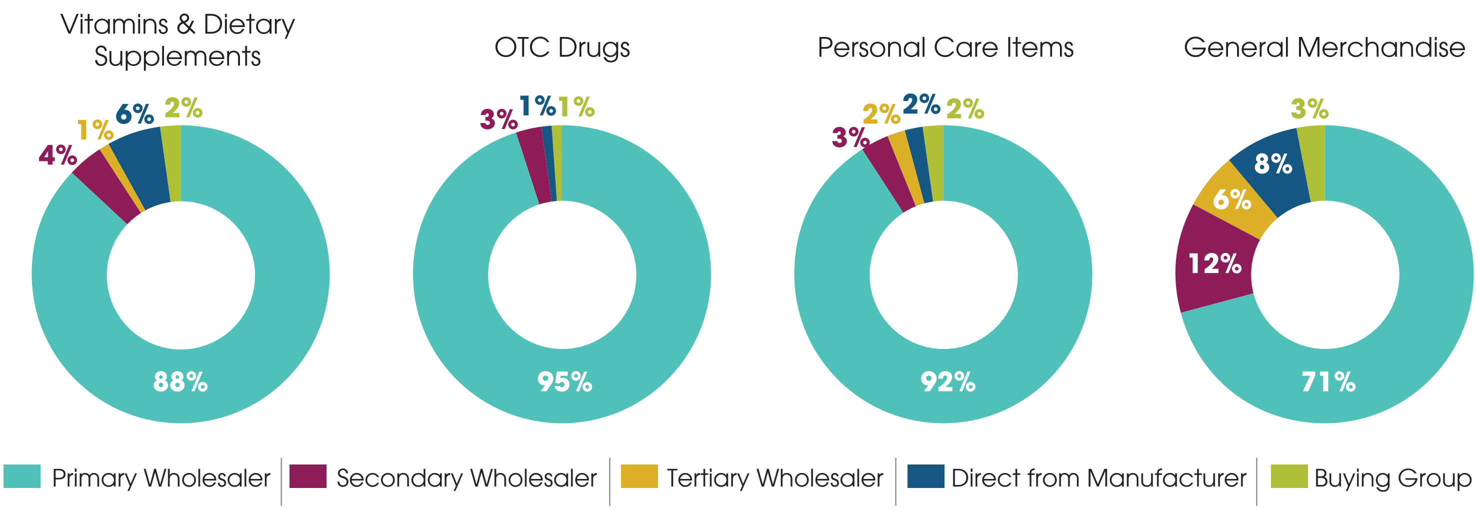
Section 7:
Industry Support

Independent pharmacies are under competitive pressure and, as illustrated earlier in the Competitive Environment section, are finding it increasingly more difficult to generate a profit with reimbursement fee inequities and the increasing cost of goods. This opens an opportunity for partner companies to assist. In addition to identifying primary suppliers, the survey responses in this section shed light on tools and information that pharmacists suggested wholesalers and manufacturers can offer to lend support to independent pharmacies.

Pharmacists were asked about their reliance on their primary wholesaler/distributor, buying groups, or manufacturers for purchasing items from the following categories: cosmetics, food, general merchandise, home healthcare, OTC drugs, personal care items, and vitamins & dietary supplements. The categories in the charts below were most broadly indicated among the pharmacy respondents and show where pharmacists purchase more than half of those items.

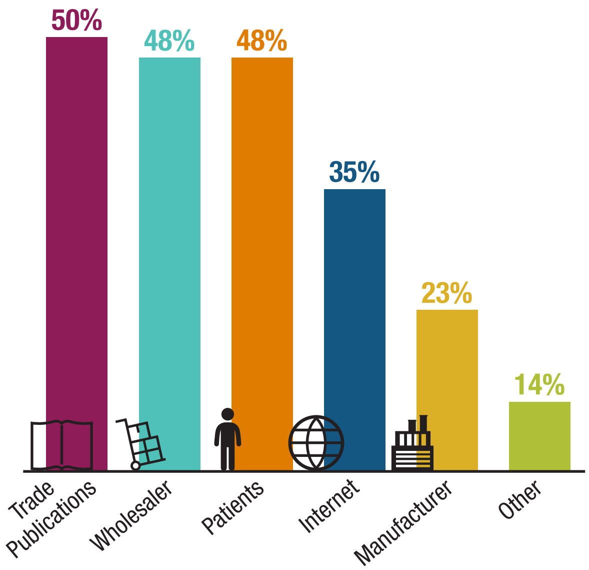
Pharmacists rely on their primary drug wholesaler for OTC drugs, vitamins & dietary supplements, and personal care products on average, 90+% of the time.

Where Pharmacies are Buying the Majority of These Product Types



Based on 388 independent pharmacist responses.

Most Common Ways Pharmacists Learn About New OTCs



Based on 405 independent pharmacist responses. Respondents selected all that apply.

Interestingly, pharmacists answered they hear about new items as often from patients as they do their primary drug wholesaler. Popular answers for those that selected "other" included TV and magazines.

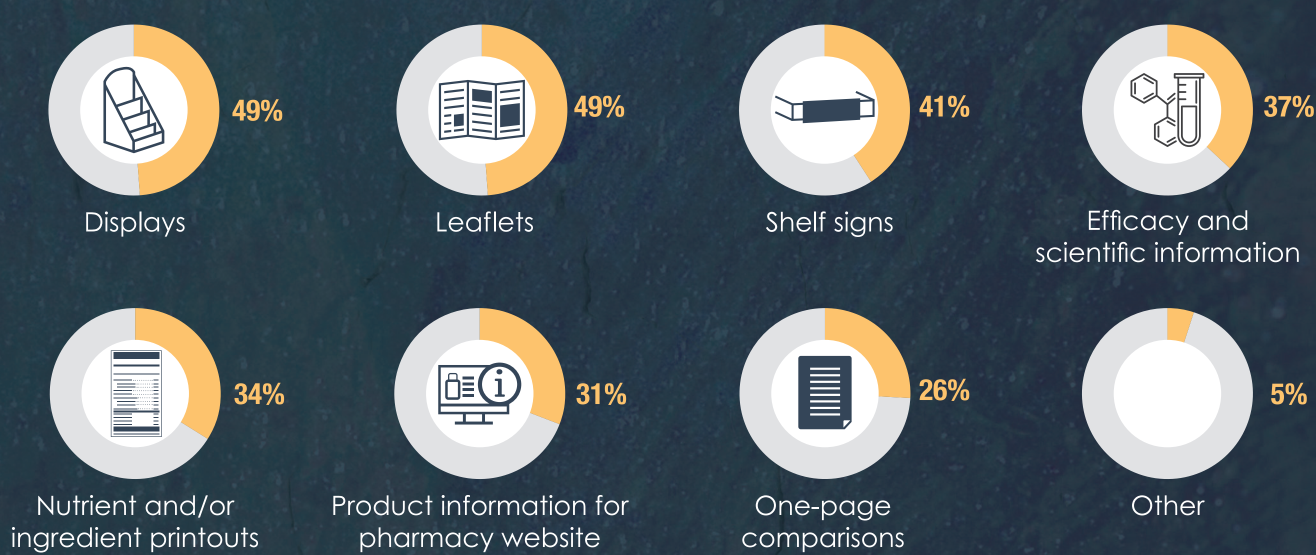
Few new items are communicated or first heard about from manufacturers with less than one in four pharmacies citing that as a common source.

Largest Barriers to Stocking New OTCs

Based on 400 independent pharmacist respondents.

When pharmacists were asked what the largest barrier to stocking new OTC products is, the most prevalent answer was their wholesaler didn't carry it. That, combined with lack of awareness of new products, equates to two-thirds of the barriers to pharmacies stocking these important traffic-driving items.

Tools Manufacturers Can Provide to Help Pharmacists Educate Patients on a Holistic Approach to Health Needs



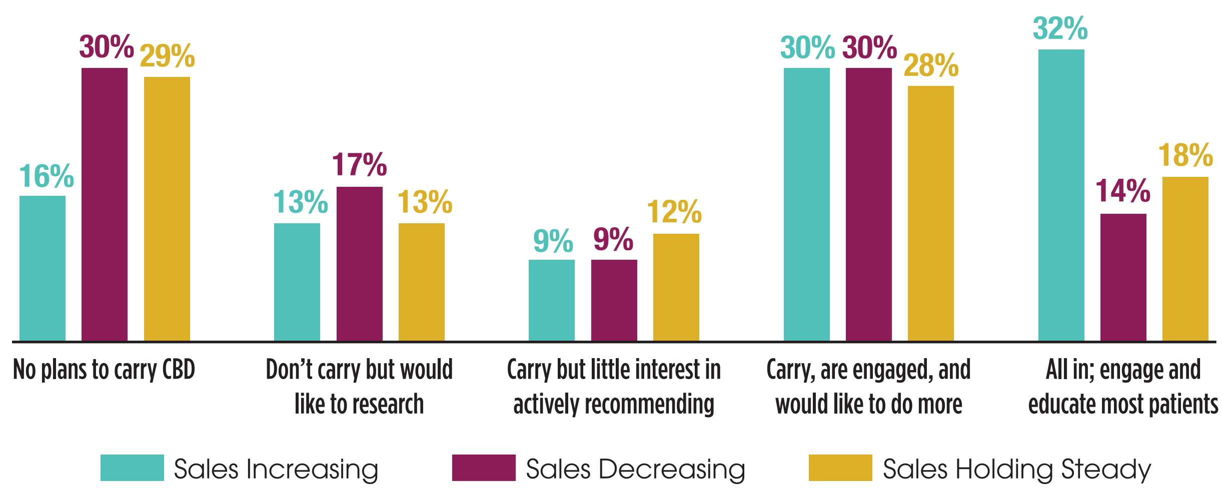
Based on 399 independent pharmacist responses. Respondents selected all that apply.

Section 8:
Future Opportunities

Looking to future opportunities in the independent pharmacy channel, pharmacists were asked whether they would be adding, expanding, leaving as is, or would not carry three specific product types that HRG has seen expanding across various channels: food and/or fresh food, natural, and pet. Eighteen percent responded they would be adding natural and pet categories; 41% of those currently stocking these categories have plans to expand their product assortments. Nearly 60% said they would not carry food, while 31% said they would leave it as is.

A separate question was posed to pharmacists to gauge their interest or commitment to selling products with cannabidiol (CBD) as an ingredient. While 26% said they had no interest in carrying products containing CBD, 14% were interested in further learning about the opportunity and 30% carry it and would like to grow that segment of their business. One in five currently carries products featuring CBD and actively educates their patients about them.

Comparing Front-end Sales Performance — Interest in CBD Products

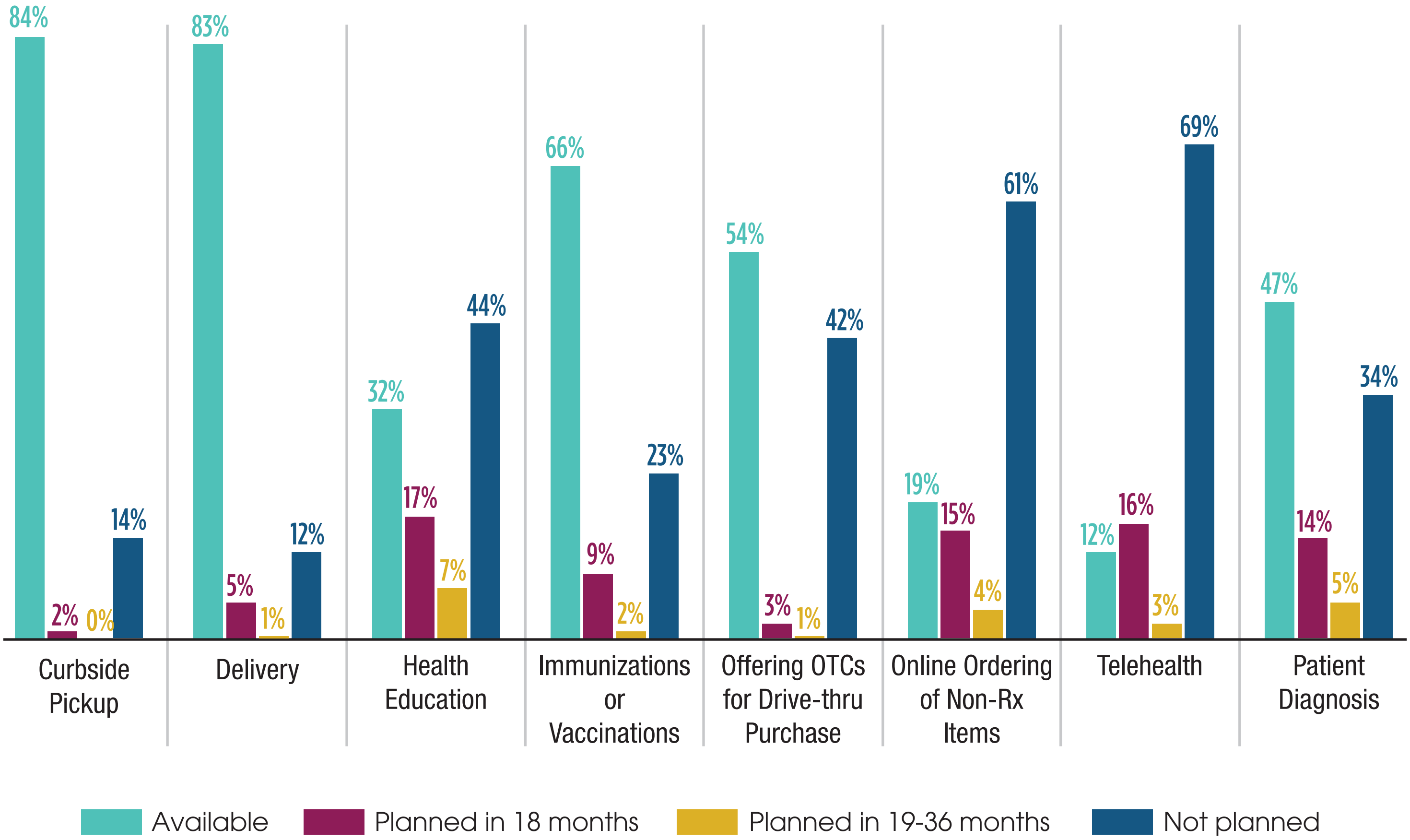


Based on 398 independent pharmacist respondents.

Through the lens of those pharmacies experiencing increased front-end sales, the data indicates those stores are more likely to carry CBD products and are "all in" on educating patients about these items. Pharmacies indicating sales are holding steady or decreasing are nearly twice as unlikely to stock and sell CBD products than those stores with increasing sales.

Pharmacists were asked which services they plan on adding over the next few years. Not surprising in light of shopping dynamics attributed to the global pandemic, curbside pickup and delivery are services over 80% of these pharmacies already offer. The most cited planned addition in the next 18 months was health education sessions, followed by telehealth.

Services Planned for the Future

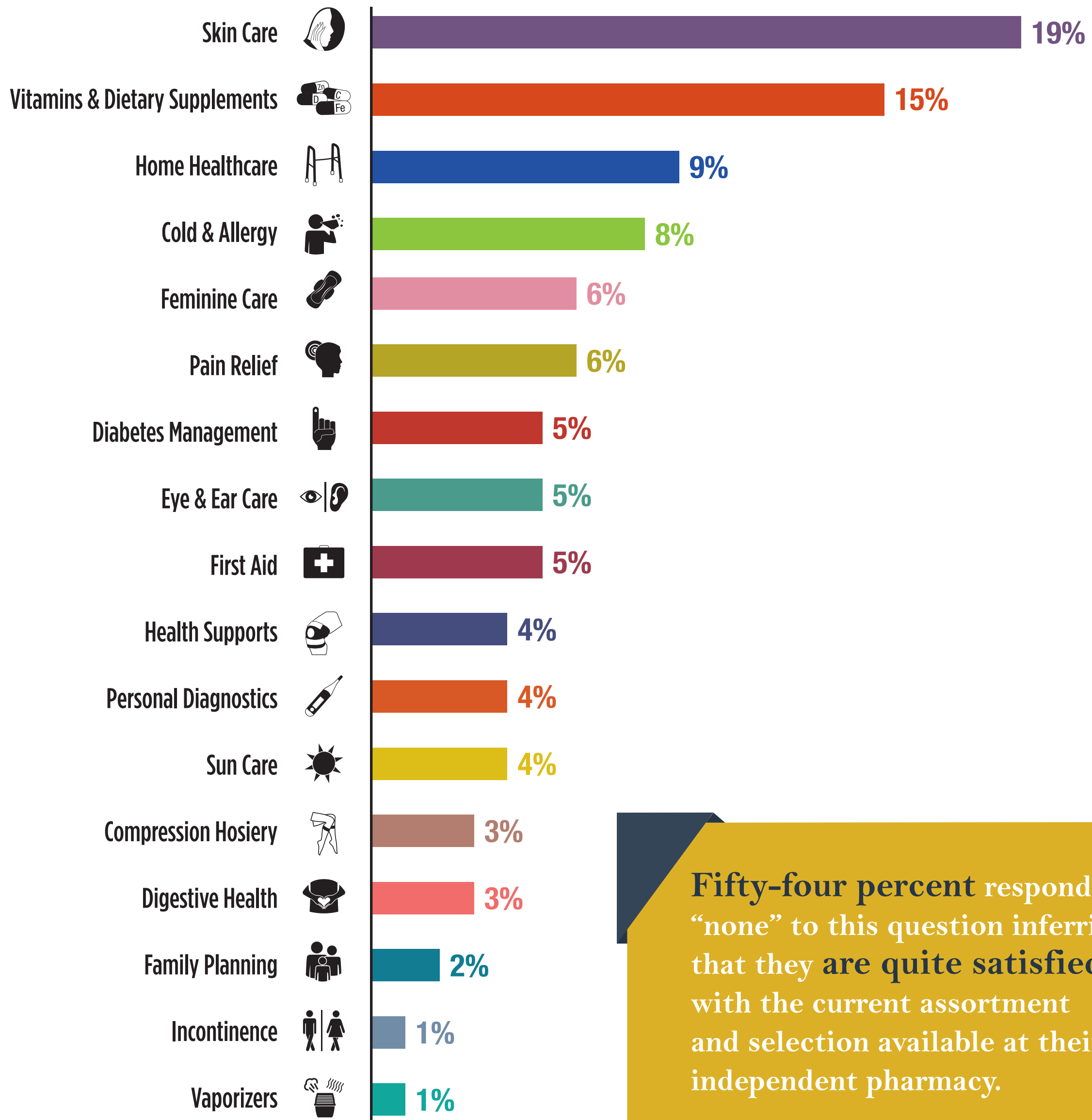


Based on 402 independent pharmacist respondents. Respondents selected all that apply.

Supply chain partners (e.g., wholesalers, CPG manufacturers, technology vendors, and other service providers) can help pharmacies by providing health education materials for the counter or shelf and product information and images for the website.

Skin care, vitamins & dietary supplements, and home healthcare are the top three categories shoppers wish contained more products to choose from in their independent pharmacy. Skin care and vitamins & dietary supplements overshadow all other categories quite significantly. These departments have historically been demonstrated differentiators for independent pharmacies.

Categories Shoppers Wish Contained More Products* — Health and Wellness



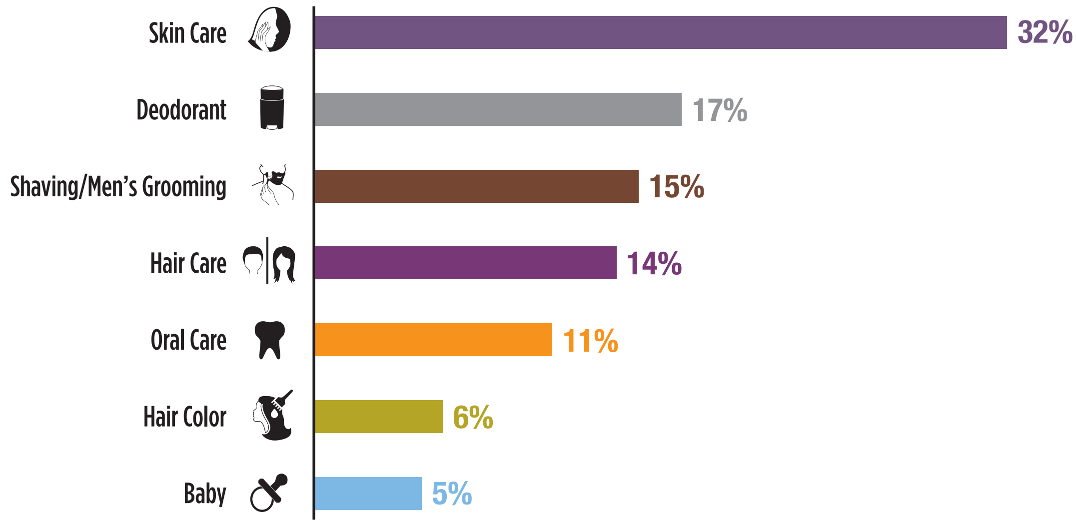
Fifty-four percent responded "none" to this question inferring that they are quite satisfied with the current assortment and selection available at their independent pharmacy.

Based on 111 independent pharmacy shopper responses.

*7% of shoppers indicated an expansion of "all" categories was preferred. Percentages in chart were calculated excluding "none" and "all" responses. No respondents selected wound care, smoking deterrents, or CBD.

In addition to expanded assortment in skin care for health and wellness, shoppers were interested in more variety in the personal care skin care selection at independent pharmacy.

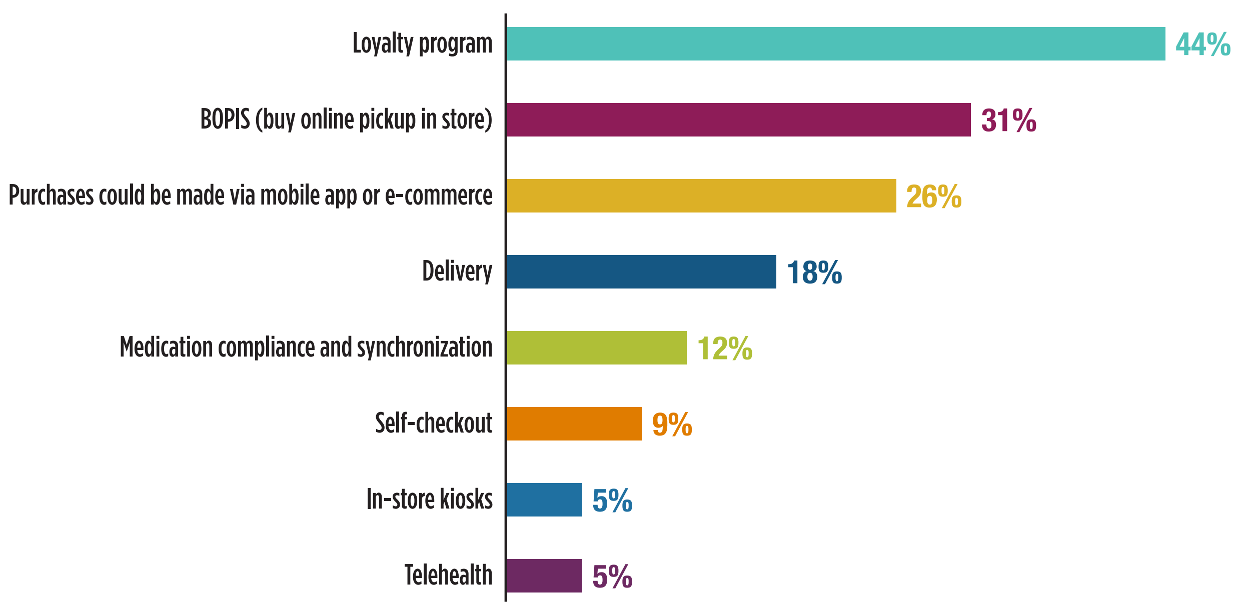
Categories Shoppers Wish Contained More Products* — Personal Care



Based on 111independent pharmacy shopper responses.
*54% responded "none" to this question, 9% of shoppers indicated an expansion of "all" categories was preferred. Percentages in chart were calculated excluding "none" and "all" responses.

Shoppers were asked to select the services that would encourage them to shop more often at their independent pharmacy, selecting all that applied. Interest in a loyalty program and expanded convenience of pickup were the most popular choices. Interest in purchasing products through a mobile app or the pharmacy website was also strong among shoppers.

Services That Would Encourage Shoppers to Visit More Often



Based on 229 independent pharmacy shopper respondents. Respondents selected all that apply.

Concluding Thoughts

Just like other independently-operated retailers, independent pharmacies must be customer-focused to compete with larger outlets that are selling similar goods. This study confirms once again that customer service and a trusted relationship with their pharmacist are top reasons consumers continue to shop at their independent pharmacy.

HRG pioneered drugstore category management 40+ years ago to help retailers and distributors optimize the front-of-store. With roots firmly planted in providing services to help independent pharmacies succeed, today that expertise is used to offer data & analysis, shopper experience, brand development, and fixture coordination and management solutions for the entire retail supply chain. All HRG solutions are developed with the same goal in mind: dynamically shaping the shopping experience at retail.

For a deeper dive into this research study or a collaborative strategy session to determine how your organization can better meet the needs of this unique retail channel, contact us at domoretoday@hamacher.com.

Appendix

2020 Independent Pharmacist Survey

Thanks for participating in this research study conducted by Hamacher Resource Group (HRG). The purpose for this study is to provide insight into your challenges and needs to educate manufacturers, wholesalers, and the entire retail supply chain to better serve you and your patients. Please do your best to consider the state of your pharmacy prior to the pandemic when answering these questions.

It will take approximately 10 minutes to complete. Your participation in this study is completely voluntary and your responses will be strictly confidential. Data from this research will be reported only in aggregate. If you have questions at any time about the survey or the procedures, you may contact the HRG project manager for the study, Megan Moyer, at 800-888-0889 or by email at megan_moyer@hamacher.com. Thank you very much for your time and support!

***The only contact information required is your 5-digit ZIP Code.**

1. Think about your **front-end sales** over the last 2 years (2018-2019, 2019-2020). Are they:

   ◯ Increasing

   ◯ Decreasing

   ◯ Holding steady

2. Please indicate by percentage which buckets your total sales fall into. (Please use numerals, e.g. 30, not "thirty." You do not need to include a % sign.) **Total must equal 100.**

General Merchandise (greeting cards, food, etc.)	
Health, Beauty, and Wellness Products (including OTCs)	
Prescriptions	

3. On average, how many OTC, Vitamin, or Supplement recommendations do you make per day? (Select one.)

   ◯ 0

   ◯ 1-5

   ◯ 6-10

   ◯ 11-15

   ◯ 16-20

   ◯ 21-25

   ◯ 26+

4. For the product types listed which type of retailer do you consider to be your biggest competitor? (Select main competitor for each product type.)

	Biggest competitor
Cosmetics	
Food	
General Merchandise	
Personal Care	
OTC, Vitamins	

5. What is your greatest competitive advantage? (List one competitive advantage.)

6. Please indicate by percentage (%) your reliance on your wholesaler/distributor, buying group, or purchasing direct from manufacturers for the following: (Fill in the pertinent source(s) for the product types you carry.)

	Primary Wholesaler	Secondary Wholesaler	Tertiary Wholesaler	Direct from manufacturer	Buying Group	Not Applicable
Cosmetics						
Food						
General merchandise						
Home health care						
OTC drugs						
Personal care items						
Vitamins & supplements						

7. What are the most common ways you hear about <u>new</u> over-the-counter medications? (Select all that apply.)

- [ ] From the internet
- [ ] From the manufacturer
- [ ] From trade publications
- [ ] Other (please specify)
- [ ] From my wholesaler
- [ ] From my patients

8. What is the largest barrier to stocking new OTC products?

- My wholesaler doesn't carry it
- I wasn't aware of the new item
- My customers prefer existing products and new items don't sell as well for me
- Other (please specify)

9. What type of services do you rely on to manage your front-of-store? (Select all that apply.)

- Continuing education & seminars
- In-store merchandisers
- Planograms
- Retail zone pricing
- Trade articles/publications
- Other (please specify)

10. What can manufacturers do to assist you in educating your patients on the importance of a holistic approach to their health needs? (Explaining how OTCs and health and wellness items can support condition or illness prescription medications. Select all that apply.)

- Leaflets
- Shelf-signs
- One-page comparisons
- Efficacy and scientific information
- Other (please specify)
- Displays
- Nutrient and/or ingredient printouts
- Product information for your store's website

11. What are the **two biggest challenges** facing your operation today? (Select two.)

- Competitive pressure from other brick-and-mortar stores
- Competitive pressure from online retailers
- Cost of goods
- Cost of rent/property
- Other (please specify)
- DIR fees/Rx reimbursement/third party coordination
- Preparing to comply with DSCSA regulations
- Staffing and personnel turnover/education

12. Think about all of your customers. What would you guess the average age is for your front-end shoppers? (Select one option.)

- Under 25
- 25-40
- 41-50
- 51-65
- over 65

13. What are the top **THREE** front-end departments in your store in terms of units sold? (Select only three.)

- Baby Care
- Batteries
- Cold & Allergy
- Cosmetics
- Deodorants
- Diabetes Care
- Digestive Health
- Eye & Ear Care
- Family Planning
- Feminine Care
- First Aid
- Foot Care
- Hair Care
- Health Supports/Hosiery
- Home Health Care
- Incontinence
- Oral Care
- Pain Relief
- Shaving & Mens Grooming
- Skin Care
- Smoking Deterrents
- Sun Care
- Tobacco and Liquor
- Vitamins/Dietary Supplements
- Weight Control/Nutritional Foods
- Other (please specify)

14. What criteria does a therapeutic hand & body lotion product have to meet for you to recommend it? (Select all that apply)

- Proven efficacious by third party
- Quality ingredients
- Personal use experience
- Patient's doctor recommended
- Other (please specify)
- Trusted brand or manufacturer
- Unique or differentiated medicine, treatment, or solution
- Competitive retail price

15. Will you be adding, expanding, leaving as is, or not carrying the following product types or categories in your front end? (Answer for each product type.)

	Add	Expand	Leave it as it is	Not carrying
Food and/or Fresh food	◯	◯	◯	◯
Natural	◯	◯	◯	◯
Pet	◯	◯	◯	◯

Other (please indicate which niche product types or categories and whether you plan to add or expand)

16. As a cash business with significant margins, how committed are you to making CBD a revenue stream for your pharmacy?

- ◯ Not at all; no plans of carrying CBD
- ◯ We do not carry CBD but would like to research the opportunity
- ◯ We carry CBD but have little interest actively recommending it
- ◯ We carry CBD and are somewhat engaged and would like to do more
- ◯ We're all in; we engage and educate most patients

17. Which of the following services do you offer or plan to add? **Please check one box per row.**

	Currently Available	Not Planned	Planned in the next 18 months	Planned in the next 19-36 months
Curbside Pickup	◯	◯	◯	◯
Delivery	◯	◯	◯	◯
Health Education Sessions (diabetes care counseling, weight management counseling, etc.)	◯	◯	◯	◯
Immunizations or Vaccinations	◯	◯	◯	◯
Offering OTCs for drive-thru purchase	◯	◯	◯	◯
Online ordering of non-Rx items	◯	◯	◯	◯
Telehealth	◯	◯	◯	◯
Patient diagnostics (blood pressure monitoring station, point of care testing)	◯	◯	◯	◯

18. Do you have space in your store for small floorstand displays, checkout displays, or display trays for endcaps?

19. Which information is available on your website? (Select all that apply.)

- [ ] Chat
- [ ] Front-end products including images
- [ ] Front-end products including images and package information such as ingredient listing, uses, warnings, directions
- [ ] Health education information or resources
- [ ] New products
- [ ] Products on sale
- [ ] Upcoming community events we sponsor or participate in
- [ ] Upcoming events at the pharmacy
- [ ] Virtual pharmacist and/or telehealth option
- [ ] All of the above

20. Which of the following social media sites is your pharmacy active on? (Select all that apply.)

- [ ] We do not participate on any of these sites
- [ ] Facebook
- [ ] Instagram
- [ ] Other (please specify)
- [ ] LinkedIn
- [ ] Pinterest
- [ ] Twitter

21. On average, how many prescriptions do you fill **in a week**? (Please use numerals, e.g. 1500, not "one thousand five hundred.")

22. How many days a week is your store open? (Select one.)

- ( ) 7 days
- ( ) 6 days
- ( ) 5 days
- ( ) 4 days
- ( ) 3 days
- ( ) 2 days
- ( ) 1 day

23. Please indicate what percentage of your shoppers you think are drawn to your store for the following reasons. (Please use numerals, e.g. 30, not "thirty.") **Sum of answers should equal 100.**

To fill a prescription only

To fill a prescription and seek pharmacist counseling

To fill a prescription and purchase front-end merchandise

To purchase front-end merchandise only

24. Why do you think your customers continue to shop in your store? (Select all that apply.)

- Purchase their prescriptions here
- Close to their home, workplace, or doctor’s office
- Competitive prices
- Good customer service
- Other (please specify)
- Product selection
- Convenience of smaller floor plan
- Trusted relationship with pharmacist

* 25. Please enter your 5-digit ZIPCODE

Shopping at an Independent Pharmacy

General information and shopping preferences

This questionnaire is about your shopping habits as they relate to the personal care and health and wellness products you purchase here at this independent pharmacy. It isn't about your prescription purchases and there aren't any questions that ask about specific products you buy. Your answers are anonymous and won't be shared with the pharmacy owner except in aggregate with other responses from this research study.

The study is being conducted by Hamacher Resource Group, a service provider to and advocate of independent pharmacies for 40 years. The information you share will help us and other suppliers to independent pharmacies ensure we are providing them helpful tools, services, and products so they can best serve their customers like you.

The survey should take approximately 10 minutes and there are four sections: two sections of general questions about your shopping preferences, a section about personal care products, and a section about health and wellness products. Questions with an asterisk (*) are required.

* 1. Please indicate your age range.

- Under 25
- 25-40
- 41-50
- 51-64
- 65-74
- 75+

* 2. Please indicate your gender.

* 3. Do you speak any language other than English at home?

4. Are you shopping for yourself or someone else today? Think about the **primary** purpose of today's trip. (Select one.)

- Self
- Children
- Spouse/partner
- Parent
- Neighbor
- Friend
- Other (please specify)

5. Are your purchases for non-prescription items today to help you: (Select all that apply.)

- ☐ Care for someone other than yourself
- ☐ Recover from a **short-term** condition
- ☐ Maintain an ongoing condition
- ☐ Recover from a **long-term** condition
- ☐ Prevent illness and/or stay well

6. How did you **first** learn about this pharmacy? (Select one.)

- ○ Doctor or primary care provider
- ○ My neighborhood / live nearby
- ○ Friend or family member
- ○ Drive by here / work nearby / doctor nearby
- ○ Advertisements
- ○ A special coupon or offer
- ○ Other (please specify)

7. How long have you been shopping here? (Select one.)

- ○ First time in this store
- ○ 4-6 years
- ○ 1-5 months
- ○ 7-10 years
- ○ 6-12 months
- ○ 10+ years
- ○ 1-3 years

8. Select the reasons why you shop at this pharmacy. (Select all that apply.)

- ☐ I get my prescriptions here
- ☐ Overall shopping experience
- ☐ Close to home, workplace, or doctor's office
- ☐ Family-owned, independent business, community involvement
- ☐ The prices are competitive
- ☐ Relationship and trust (pharmacist and/or staff)
- ☐ The service is outstanding
- ☐ Cards and gifts
- ☐ It carries non-prescription health products or personal care items I use
- ☐ Educational programs and/or guidance and counseling offered
- ☐ Other (please specify)

9. What is the **primary reason** you shop at this store? (Select one.)

- ◯ I get my prescriptions here.
- ◯ Close to home, workplace, or doctor's office.
- ◯ The prices are competitive.
- ◯ The service is outstanding
- ◯ It carries non-prescription health products or personal care items I use
- ◯ Overall shopping experience
- ◯ Family-owned, independent business, community involvement
- ◯ Relationship and trust (pharmacist and/or staff)
- ◯ Cards and gifts
- ◯ Educational programs and/or guidance and counseling offered
- ◯ Other (please specify)

10. How much time do you typically spend shopping for **non-prescription** items (in minutes) in this store? (Select one.)

- ◯ Approximately 30 minutes
- ◯ Approximately 15 minutes
- ◯ Less than 15 minutes
- ◯ I don't typically shop for non-prescription items here

11. When shopping here, what is the biggest factor in your purchase decision for **non-prescription** products? (Select one)

- ◯ Pharmacist recommendation
- ◯ Price
- ◯ Noticed product on endcap/display
- ◯ Other (please specify)

12. Are the majority of your non-prescription purchases planned or made on impulse? (Planned means you come in with intent or shopping list; Impulse purchases are unplanned, like when you spot something on the shelf or on a display that you then decide to purchase.) (Select one.)

13. In the last 3 (three) years has the amount of private label or store brand products you purchased at this pharmacy increased, decreased, or stayed the same? (Select one.)

14. If "increased" why is that? If you answered "decreased" or "stayed the same" you may skip this question. (Select all that apply.)

- ☐ Price
- ☐ Recommendation
- ☐ Ingredients
- ☐ Past experience

15. Do you ever purchase these product types (here or elsewhere)? (Indicate "Yes" or "No.")

	Yes or No
Natural	
CBD	
Homeopathic	

16. On a scale of 1-10 — 1 = "unlikely" and 10 = "already purchase" — how likely are you try a CBD product in the next year? (Use the slider to indicate your likelihood of trying CBD in the next year or whether you already use it.)

Unlikely Already Purchase

Shopping at an Independent Pharmacy

PERSONAL CARE PRODUCT PURCHASES

17. Which PERSONAL CARE categories do you purchase here? (Select all that apply.)

- ☐ Baby Care/Diapers/Formula
- ☐ Deodorants
- ☐ Hair Care
- ☐ Hair Coloring
- ☐ Oral Care
- ☐ Shaving & Men's Grooming
- ☐ Skin Care

18. Which product category do you wish had more products to choose from in this store? (Select one)

- ○ Baby Care/Diapers/Formula
- ○ Deodorants
- ○ Hair Care
- ○ Hair Coloring
- ○ Oral Care
- ○ Shaving & Men's Grooming
- ○ Skin Care
- ○ All of the above
- ○ None of the above

19. If you don't currently purchase skin care products at this pharmacy, what would make you more likely to purchase them here? (Please specify or type in NA for "not applicable" if you do purchase skin care products here)

20. What percentage of your overall PERSONAL CARE product purchases are made here?

21. When you're not shopping here, where else do you shop for PERSONAL CARE products? (Select all that apply.)

- ☐ Chain drug stores (e.g. Walgreens, Rite Aid, CVS)
- ☐ Convenience stores
- ☐ Dollar stores
- ☐ Grocery stores/Supermarkets
- ☐ Mass retail stores (e.g. Target, Walmart)
- ☐ Online only stores (e.g. Amazon)
- ☐ Specialty stores (e.g. Vitamin Shoppe, GNC)
- ☐ Subscription service direct to consumer (e.g. Harry's, Dollar Shave Club, Dove)
- ☐ Warehouse clubs (e.g. Sam's Club or Costco)

22. Why do you shop at other locations for PERSONAL CARE products? (Select all that apply.)

- ☐ Buy online pick up in store
- ☐ Convenience when making other purchases (one-stop shopping)
- ☐ Delivery
- ☐ Can make purchases via a mobile app or e-commerce site
- ☐ Hours of operation
- ☐ In-store kiosks
- ☐ Loyalty program
- ☐ Medication compliance and synchronization
- ☐ Prices
- ☐ Product assortment/availability
- ☐ Self-checkout
- ☐ Service
- ☐ Shopper experience
- ☐ Telehealth
- ☐ All of the above

23. What would make you switch to buying PERSONAL CARE items here at this pharmacy?

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Shopping at an Independent Pharmacy

HEALTH AND WELLNESS PURCHASES

24. Which HEALTH AND WELLNESS categories do you purchase here at this pharmacy? (Select all that apply.)

- ☐ Cold & Allergy
- ☐ Compression Hosiery
- ☐ Diabetes Care
- ☐ Digestive Health
- ☐ Eye & Ear Care
- ☐ Family Planning
- ☐ Feminine Care
- ☐ First Aid
- ☐ Health Supports
- ☐ Home Health Care
- ☐ Incontinence
- ☐ Pain Relief
- ☐ Personal Diagnostics
- ☐ Skin Care
- ☐ Smoking Deterrents
- ☐ Sun Care
- ☐ Vaporizers
- ☐ Vitamins/Supplements
- ☐ Wound Care
- ☐ All of the above
- ☐ None of the above

25. Which product category do wish had more products to choose from in this store? (Select one.)

- ○ Cold & Allergy
- ○ Compression Hosiery
- ○ Diabetes Care
- ○ Digestive Health
- ○ Eye & Ear Care
- ○ Family Planning
- ○ Feminine Care
- ○ First Aid
- ○ Health Supports
- ○ Home Health Care
- ○ Incontinence
- ○ Pain Relief
- ○ Personal Diagnostics
- ○ Skin Care
- ○ Smoking Deterrents
- ○ Sun Care
- ○ Vaporizers
- ○ Vitamins/Supplements
- ○ Wound Care
- ○ All of the above
- ○ None of the above

26. What <u>percentage</u> of your HEALTH AND WELLNESS purchases are made here?

27. When you're not shopping here, where else do you shop for HEALTH AND WELLNESS items? (Select all that apply.)

- ☐ Chain drug stores (e.g. Walgreens, Rite Aid, CVS)
- ☐ Convenience stores
- ☐ Dollar stores
- ☐ Grocery stores/Supermarkets
- ☐ Mass retail stores (e.g. Target, Walmart)
- ☐ Online-only stores (e.g. Amazon)
- ☐ Specialty stores (e.g. Vitamin Shoppe, GNC)
- ☐ Subscription service direct to consumer (e.g. Harry's, Dollar Shave Club, Dove)
- ☐ Warehouse clubs (e.g. Sam's Club or Costco)

28. Why do you shop at other locations for HEALTH AND WELLNESS products? (Select all that apply.)

- ☐ Buy online pick up in store
- ☐ Convenience when making other purchases (one-stop shopping)
- ☐ Delivery
- ☐ Can make purchases via a mobile app or e-commerce site
- ☐ Hours of operation
- ☐ In-store kiosks
- ☐ Loyalty program
- ☐ Medication compliance and synchronization
- ☐ Prices
- ☐ Product assortment/availability
- ☐ Self-checkout
- ☐ Service
- ☐ Shopper experience
- ☐ Telehealth
- ☐ All of the above

29. What would make you switch to buying HEALTH AND WELLNESS items here?

30. Where do you typically look for information or recommendations about health and wellness products? **Not coupons or offers, but information about what symptoms it treats, side effects, or dosage and how effective it is**. (Select all that apply.)

- ☐ Doctor or primary care provider
- ☐ Friends and family
- ☐ Internet (blogs, websites, social media)
- ☐ Online reviews
- ☐ Pharmacist or pharmacy staff
- ☐ Print publications
- ☐ Product package
- ☐ Shelf signs in store
- ☐ Store displays
- ☐ Television shows or advertisements

Shopping at an Independent Pharmacy

General Questions

31. Which of the following services would encourage you to shop more often at this pharmacy, if not already offered? (Select all that apply.)

- ☐ Buy online pick up in store
- ☐ Delivery
- ☐ Purchases could be made via a mobile app or e-commerce site
- ☐ In-store kiosks
- ☐ Loyalty program
- ☐ Medication compliance and synchronization
- ☐ Self-checkout
- ☐ Telehealth

32. If comfortable, please share your annual household income range.

- ○ Under $25,000
- ○ $26,000-50,000
- ○ $51,000-125,000
- ○ $126,000-200,000
- ○ Over $200,000
- ○ Not comfortable

33. Any additional comments or thoughts about shopping here versus other stores? (Fill in below)

Your trusted resource partner.