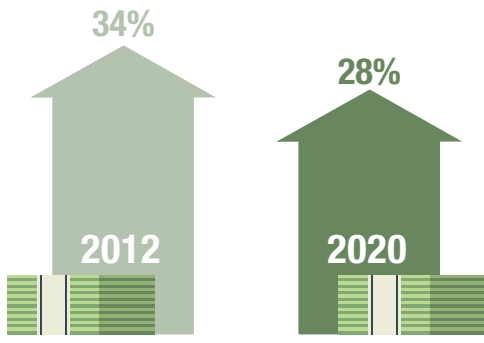


# Channel Overview

## Independent Pharmacy Research Study Independent Pharmacy Market in U.S.

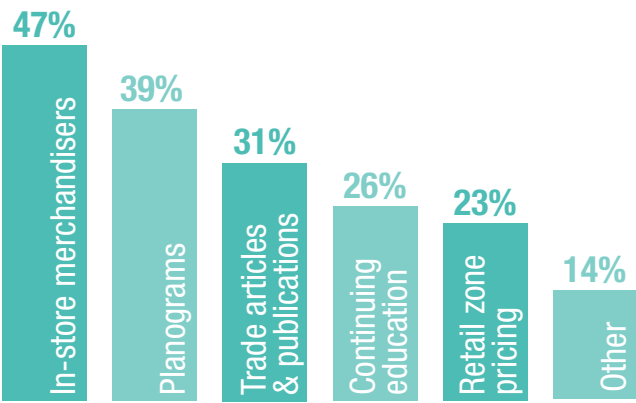
**NEW**  
Information +  
Insights & Actions

### Percentage of Stores with Increasing Sales



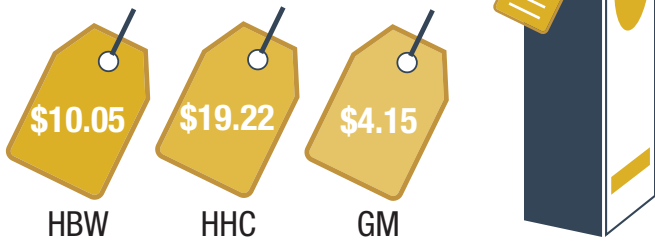
2012 data based on 589 independent pharmacist respondents.  
2020 data based on 401 independent pharmacist respondents.

### Services Relied on to Manage Front-of-store



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

### Average Retail Price of Item in Segment

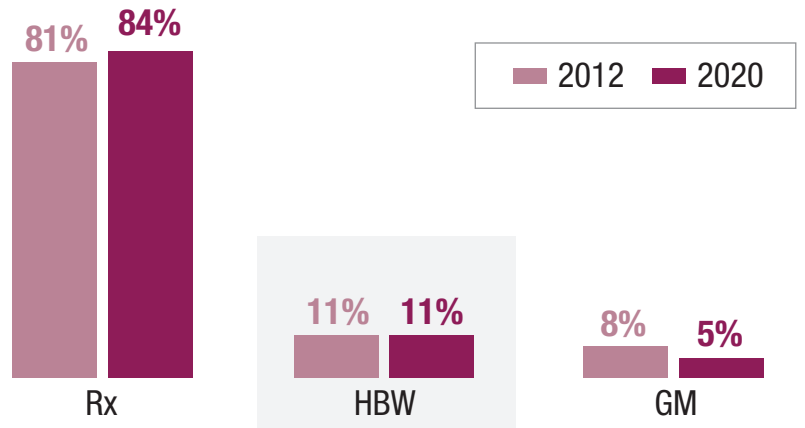


#### Insights & Actions

Retail prices for GM items are 2.5 times less than HBW items and 4.5 times less than HHC. Utilize wholesaler-provided merchandising tools and services to boost the sales of HBW and HHC products.

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

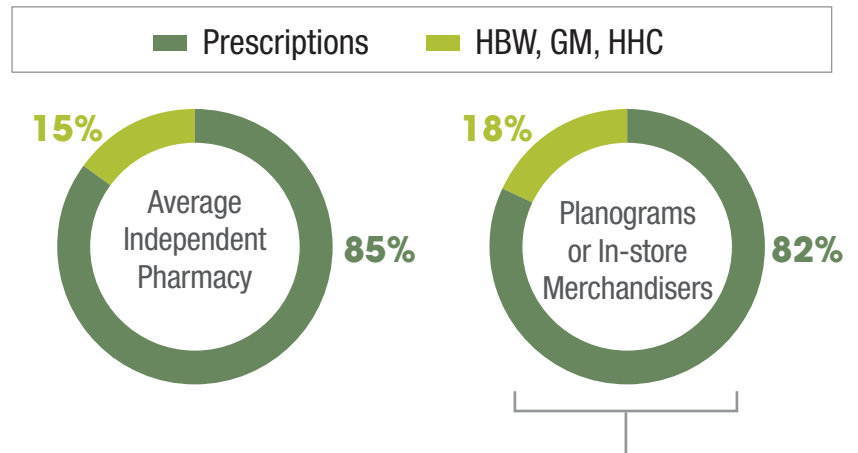
### Percentage Sales Contribution



HBW remains at an estimated **11% of overall sales** while GM has decreased

2012 data based on 589 independent pharmacist respondents.  
2020 data based on 401 independent pharmacist respondents.

### Merchandising Tools Bolster Front-end Sales



**20% INCREASE IN CONTRIBUTION OF SALES FOR HBW, GM, AND HHC**

For pharmacies using planograms or relying on in-store merchandisers, a higher percent of their sales contribution is coming from the **front-end** (HBW, GM, and HHC).

Based on 394 independent pharmacist respondents.

### Market Basket

Average number of items = **1.94**  
Average dollar size of basket = **\$16.82**

Number of different categories:

1 category – **78%**      3 categories – **4%**  
2 categories – **16%**    > 3 categories – **2%**

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

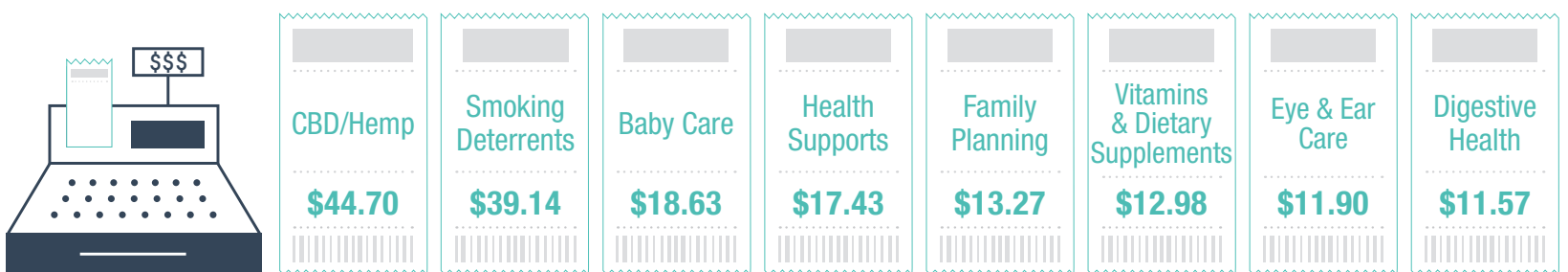
#### Insights & Actions

Over three-quarters of front-end purchases contain only one category – a great opportunity to build baskets using these strategies:

- ✓ Cross-merchandise items in different departments
- ✓ Use shelf signs to cross-promote complementary products in other categories
- ✓ Create curated solutions endcaps featuring a variety of products that may help treat seasonal or chronic conditions

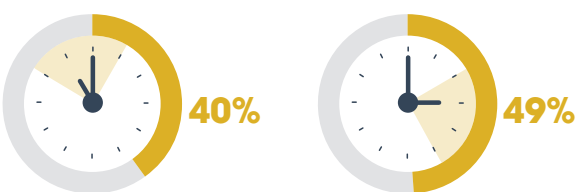
Pharmacists can also make an effort to recommend items that may ease symptoms or mitigate prescription side effects.

### Categories with the Highest Average Retail Prices



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

### Confections Sales by Time of Day



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

### Most Shopped Time of Day



11:00 a.m. - 3:00 p.m.

**60%** of transactions occurred between 11:00am and 3:00pm, 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.

#### Insights & Actions

Understanding when pharmacies are the busiest can help the pharmacy manage staffing and inform wholesalers and manufacturers the times to avoid deliveries and/or marketing messaging.