

Competitive Threats and Advantages

Independent Pharmacy

Independent pharmacists and their shoppers vary on their views of biggest competitor

While chain drugstores and mass merchants hold the top two spots, it diverges from there

Competitor for Health, Beauty & Wellness

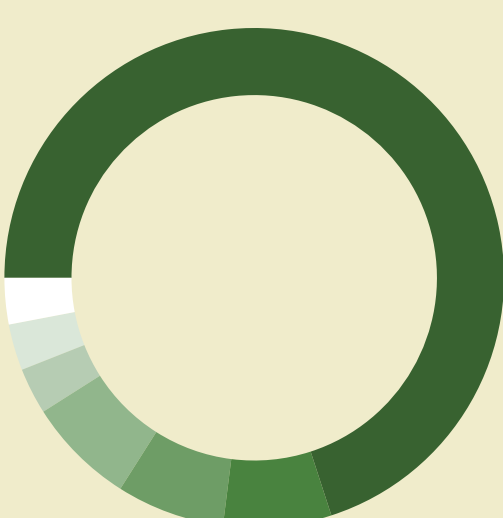
Pharmacist Shopper

Competitor for Health, Beauty & Wellness	Pharmacist	Shopper
Chain Drugstore	1	2
Mass Merchant	2	1
Another Independent	3	N/A
Grocery Store	4	3
Club	5	5
Dollar	6	4
Online Store	7	7
Convenience Store	8	8
Natural Products/Specialty	9	6

Data Nugget

Competitors come in **all** shapes and sizes

Pharmacists' Biggest Perceived Challenge



- Rx reimbursement/third party coordination
- Competitive pressure from other brick-and-mortar stores
- Cost of goods
- Other
- Competitive pressure from online retailers
- Staffing and personnel turnover/education
- Cost of rent/property

Consumers shop elsewhere for personal care and OTCs for varying reasons



- One-stop shopping
- Prices
- Product assortment/availability
- Hours of operation
- Services
- Other



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The **biggest** potential for independent pharmacies may reside in **front of the pharmacy counter**. While competitors may carry same or similar items, independent pharmacies are known for their personalized service and **trusting relationships** with their patients. Carry that out into the front-end and profits will follow.

Ranking of pharmacists' perceptions of and shoppers' actual answers to "why do you shop at independent pharmacy?"

Reason for shopping	Pharmacist	Shopper
Service	1	1
Relationship with RPh	2	4
Prescriptions	3	2
Close to home	4	3
Competitive price	5	9
Convenience	6	5
Product Selection	7	8
Other	8	7
Family-owned	9	6

Whether a shopper had patronized the pharmacy for one year or ten, **"service"** was the chief reason named for their **repeat business**.

The independent pharmacy shoppers interviewed verified their strong preference for the **independent's customer service, convenience, personal relationships, and speed of service**.