

Chain pharmacy: A growing and vital retail sector

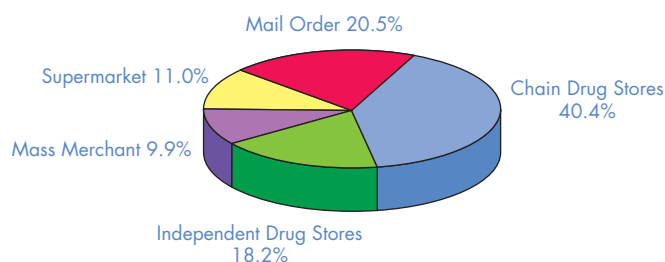
The National Association of Chain Drug Stores (NACDS) recently published its 12th annual edition of the **2008-2009 Chain Pharmacy Industry Profile**. This publication supplies a wealth of information regarding chain drug industry trends, financial performance, and operational characteristics.

Community pharmacy plays an ever-expanding role in the health-care and well-being of Americans. According to the study, two out of three patients who visit a doctor leave with a prescription. **In 2007, more than 3.5 billion of those prescriptions were filled in retail pharmacy** – a 52% increase since 1997.

Chain pharmacy represents the largest component of pharmacy practice, composed of more than 22,000 traditional chain drug stores and an additional almost 17,000 pharmacies within supermarkets and mass merchant stores. Together, these outlets

account for 79.5% of all retail prescription drug sales. The remainder, 20.5%, takes place in mail order sales transacted through retail.

Retail Pharmacy Prescription Drug Sales, \$259.4 Billion, by Type of Store, 2007



Source: IMS HEALTH and NACDS Economics Department.

The Pharmacist is Viewed as a Valued Advisor

If you ask people whom they trust most in the professional world, many will tell you it's their pharmacist. In fact, year after year, pharmacists rank high in polls related to trust in community professionals. The chart below summarizes a 2007 Gallup poll on professional honesty and ethics in which pharmacists ranked second—behind nurses—as the most trusted healthcare professionals.

Honesty and Ethical Ratings of People in Different Professions, 2007 Gallop Poll

	Very High/High	Average	Low/Very Low
Nurses	83%	15%	1%
Grade-School Teachers	74%	20%	4%
Druggists or Pharmacists	71%	26%	3%
Military Officers	65%	28%	5%
Medical Doctors	64%	29%	7%
Clergy	53%	33%	10%
Policemen	53%	38%	9%
Judges	46%	41%	12%
Day-Care Providers	44%	43%	7%
Bankers	35%	49%	15%
Auto Mechanics	25%	56%	17%
TV Reporters	23%	49%	26%
Newspaper Reporters	22%	52%	26%
Nursing Home Operators	21%	50%	25%
Local Officeholders	20%	56%	23%
Lawyers	15%	49%	35%
Business Executives	14%	54%	30%
State Officeholders	12%	55%	33%
Congressmen	9%	45%	45%
Advertising Practitioners	6%	46%	42%
Car Salesmen	5%	39%	53%
Lobbyist	5%	33%	58%

Pharmacists as Information Source

When consumers are asked who they use as a **source of information on medications**, doctors (94%) are the most commonly-referenced, followed by pharmacists (80%) and nurses (57%).

(WilsonRx/Boehringer Ingelheim Pharmaceuticals, Inc. 2007 Pharmacy Satisfaction Digest)

Why do people trust their pharmacists so much?

Consumers have confidence in their pharmacists not just because they are medication experts, but because they supply unbiased, knowledgeable advice about the drugs they dispense. **They are viewed as healthcare professionals who are readily available to answer questions**, an important consideration for consumers who are seeking information about conditions and treatments.

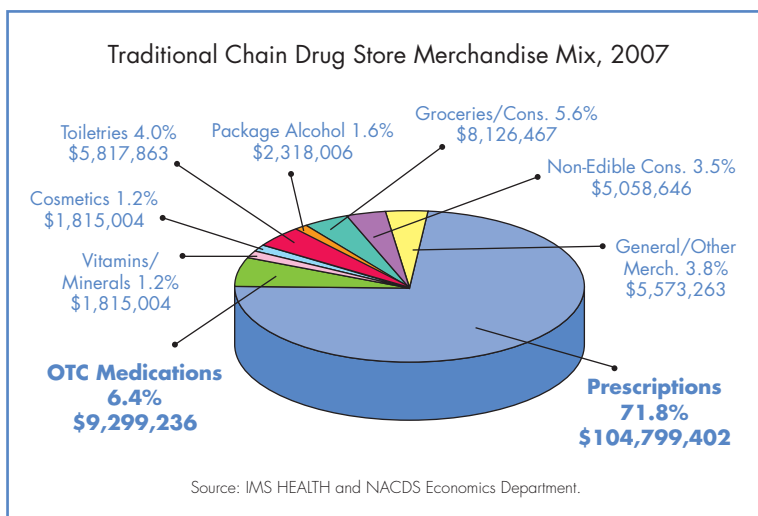
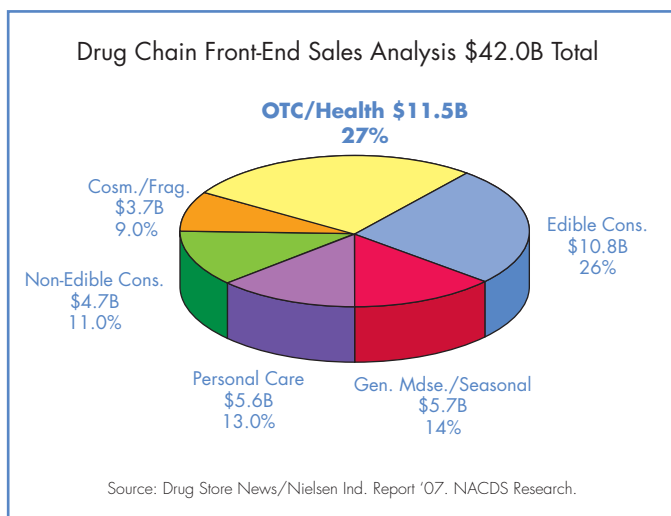
Pharmacists are highly trained, accessible professionals who do much more than count tablets and pour liquids—they help patients get the most from their therapy.



"Be sure to take this drug exactly as directed: tilt your head to the right at a 37 degree angle, extend your tongue precisely 4.93182 inches past the furthest point of the upper lip, place the pill directly between the 48th and 49th taste bud on the left side of the tongue..."

Where Consumers Are Shopping

Prescription purchases represent the largest share of the chain drug store merchandise mix, with 71.8% of total dollar sales. The "front end" of the store—which represents all non-prescription shopper transactions—accounts for \$42 billion in annual sales. **Over-the-counter/health products command the largest share of front-end sales.**



Put the Pharmacy to Work for You

In a preface to the annual *Chain Pharmacy Industry Profile*, NACDS stated that "pharmacies are the face of neighborhood healthcare...for most Americans, **the community pharmacy is their community health resource center, offering easy, convenient access to a trusted health professional.**"

The retail pharmacy sector is robust and growing. Pharmacies today are more than places where drugs are dispensed and where consumers can pick up a few necessities. They are a convenient destination whenever health concerns are top of mind and remedies are being sought. Pharmacies are responding to these positive trends by providing screenings and other programs focused on healthy lifestyles. Retail clinics are also expanding significantly, further reinforcing the pharmacy's role in delivering total wellness solutions.

Promoting a pharmaceutical brand in this thriving environment is a powerful way to connect with involved, engaged consumers who are actively seeking products and information.

For more information, visit rx-edge.com

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