PULSE SURVEY

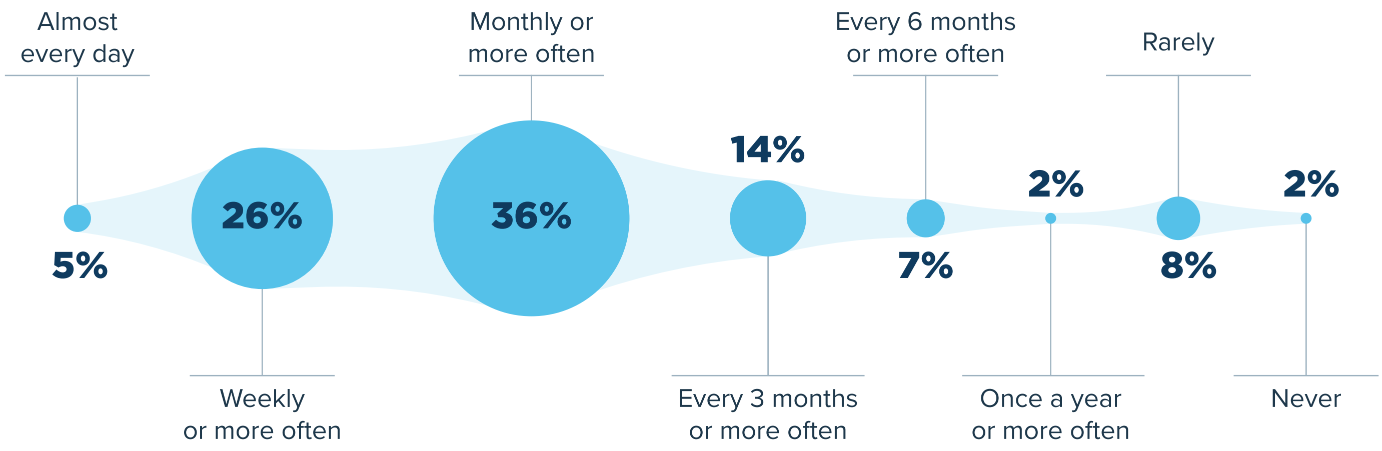
BEYOND THE PHARMACY

Consumers weigh in on their drugstore shopping behavior and intentions

Two-thirds of drugstore shoppers are stopping into chain stores like CVS, Walgreens, Rite Aid or independent drugstores for merchandise other than prescription drugs at least once a month — with 26% of those shopping weekly or more and 5% shopping "almost every day," according to results of a March 2023 survey of 1,102 U.S. adults, split equally male and female, by Advantage Solutions.

More than one-fourth of drugstore shoppers are stopping in for merchandise other than prescription drugs at least weekly.

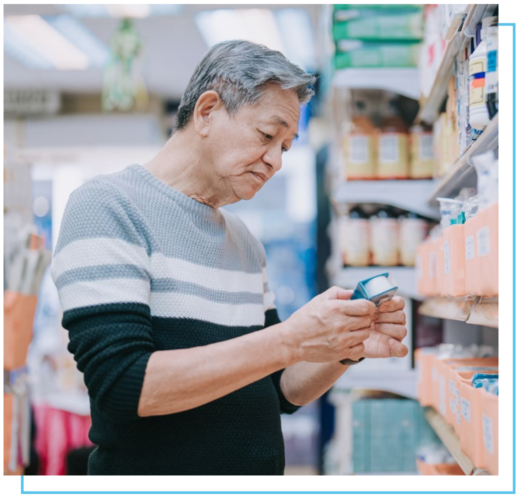
SHOPPING FREQUENCY AT DRUGSTORES
(For purchases other than prescribed drugs)



* Percent of U.S. adults surveyed.

Still, with the inflation rate at the end of February at 6% vs. a year prior, nearly 40% of U.S. shoppers said they expected to make more trips to deal-offering mass merchandisers like Walmart, Target and others in the next six months. If shoppers' behavior mirrors their intention, other channels, including drugstores, won't experience significant net gains in trips. Specialty grocery stores as a segment may experience a bit less traffic.

About one-fifth of drugstore shoppers anticipate making more frequent trips to chain drugstores in the next six months, about the same amount who say they expect to shop at these locations less frequently.



FUTURE SHOPPING FREQUENCY BY RETAIL CHANNEL
(Next 6 months compared to last 6 months)

	MORE FREQUENTLY	LESS FREQUENTLY	ABOUT THE SAME	DO NOT SHOP AT THESE STORES
Mass merchandiser[1]	39%	10%	47%	4%
Supermarket	20%	18%	52%	11%
Club store[2]	20%	17%	36%	27%
Chain drugstore[3]	18%	19%	48%	15%
Value grocery store[4]	17%	16%	33%	34%
Dollar store[5]	17%	19%	42%	22%
Specialty grocery store[6]	13%	20%	32%	35%

[1] Walmart, Target, etc. [2] Costco, BJ's, Sam's Club, etc. [3] CVS, Walgreens, Rite Aid, etc. [4] Aldi, Lidl, etc. [5] Dollar Tree, Dollar General, etc.
[6] Trader Joe's, Fresh Market, Whole Foods, etc.
* Percent of U.S. adults surveyed; percentages may not add up to 100% due to rounding.

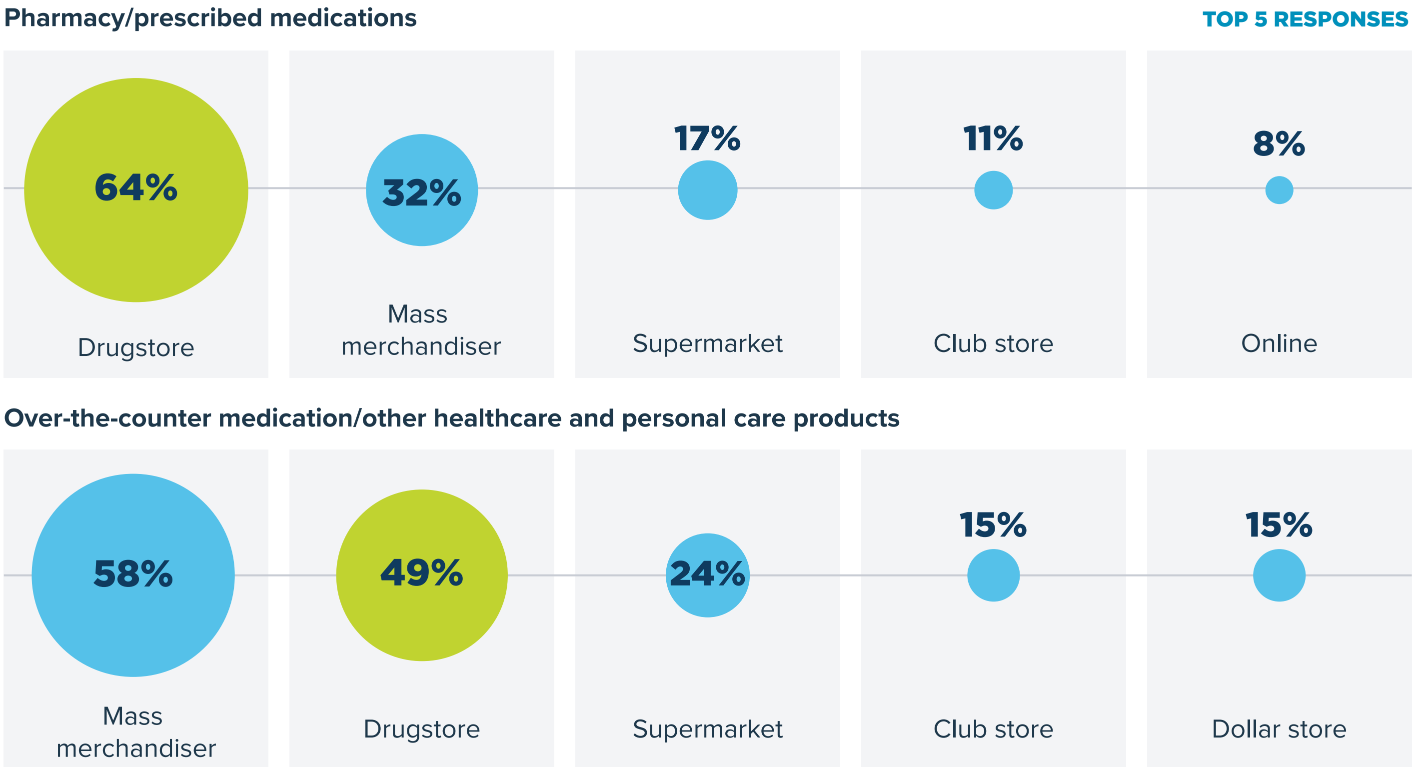
When it comes to drugstores' biggest pull — their pharmacies — shoppers aren't sticking to the channel to fill their prescriptions. While nearly two-thirds (64%) say they regularly buy prescribed medications inside a brick-and-mortar drugstore, almost one-third (32%) say they typically pick up their prescriptions at a mass merchandiser location and close to one-fifth (17%) are using grocery store pharmacies.

Despite their popularity for prescription filling, drugstores aren't shoppers' first choice for over-the-counter medications or other healthcare and personal care items. Nearly six in 10 U.S. adults (58%) who shop at least once a year at drugstores are regularly choosing a mass merchandiser for these items. About half say they regularly buy these products at drugstores and one-fourth say they typically buy these items at supermarkets. Still, with budgets in mind, 15% regularly shop at dollar stores and/or club stores for their OTC medications and other health-related products.

Outside of retail channels, more than half of survey respondents said if their healthcare provider sold health-and-wellness products directly, they'd likely buy them.

WHERE DRUGSTORE SHOPPERS TYPICALLY BUY PRESCRIPTION AND OTC PRODUCTS

(% of drugstore shoppers who frequently/regularly shop at these locations, by product category)



* Respondents who shop at chain drugstores at least once per year.

LIKELIHOOD OF PURCHASING HEALTH-AND-WELLNESS PRODUCTS FROM HEALTHCARE PROVIDER

(Other than prescription drugs)

* If offered by doctor or other healthcare provider; percent of U.S. adults surveyed.

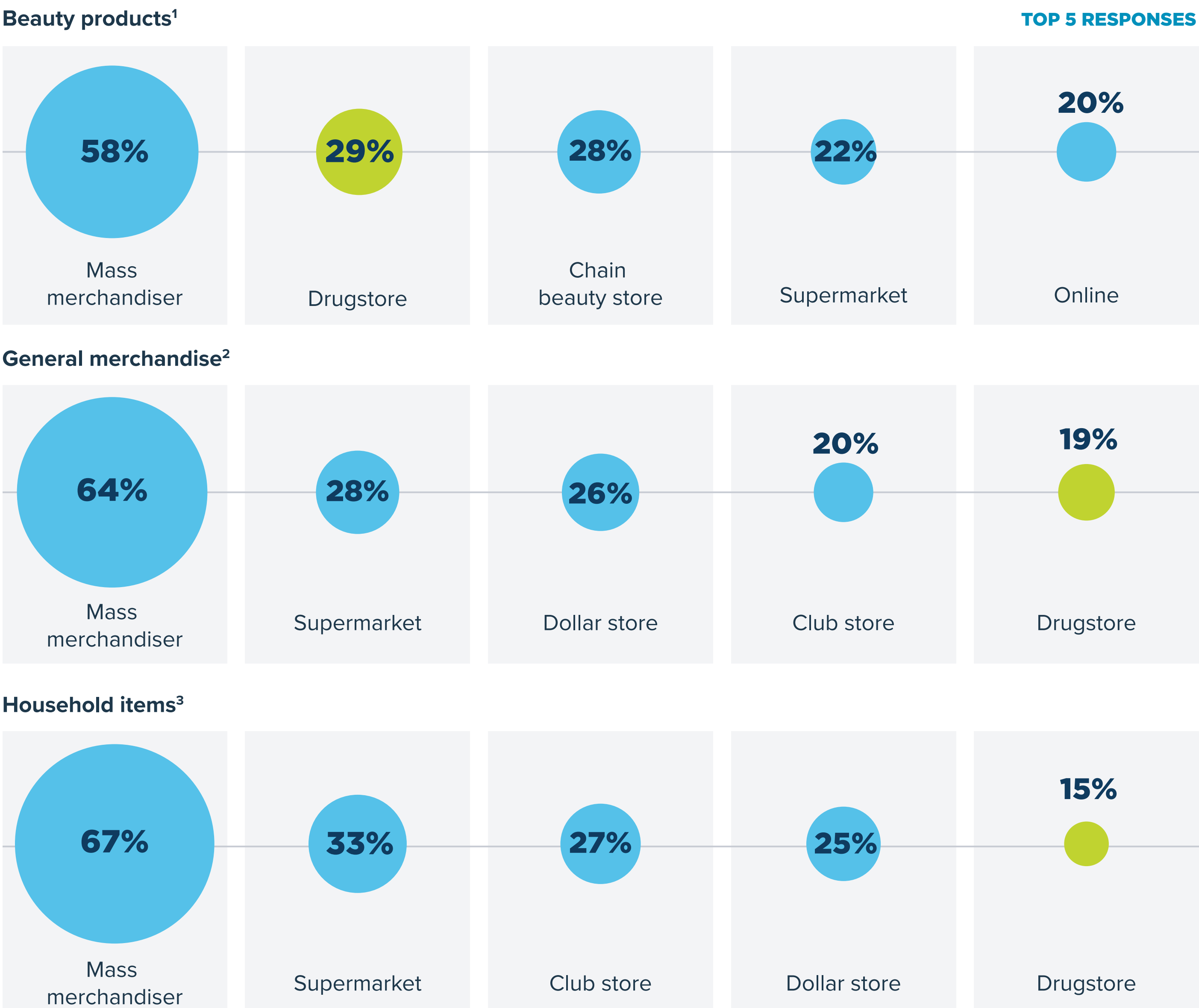
Mass merchandisers are also winning in the beauty category (58% of drugstore shoppers regularly buy their beauty products at these stores). Nearly 30% say they typically buy these items at drugstores and/or beauty stores. About one-fifth frequently buy them at supermarkets or online.

For products in the general merchandise and household item categories, fewer shoppers are regularly going to drugstores than they are mass merchandisers, supermarkets, club stores and/or dollar stores.

> Nearly six in 10 drugstore shoppers regularly buy beauty items at mass merchandiser stores.

WHERE DRUGSTORE SHOPPERS TYPICALLY BUY KEY-CATEGORY PRODUCTS

(% of drugstore shoppers who frequently/regularly shop at these locations, by product category)

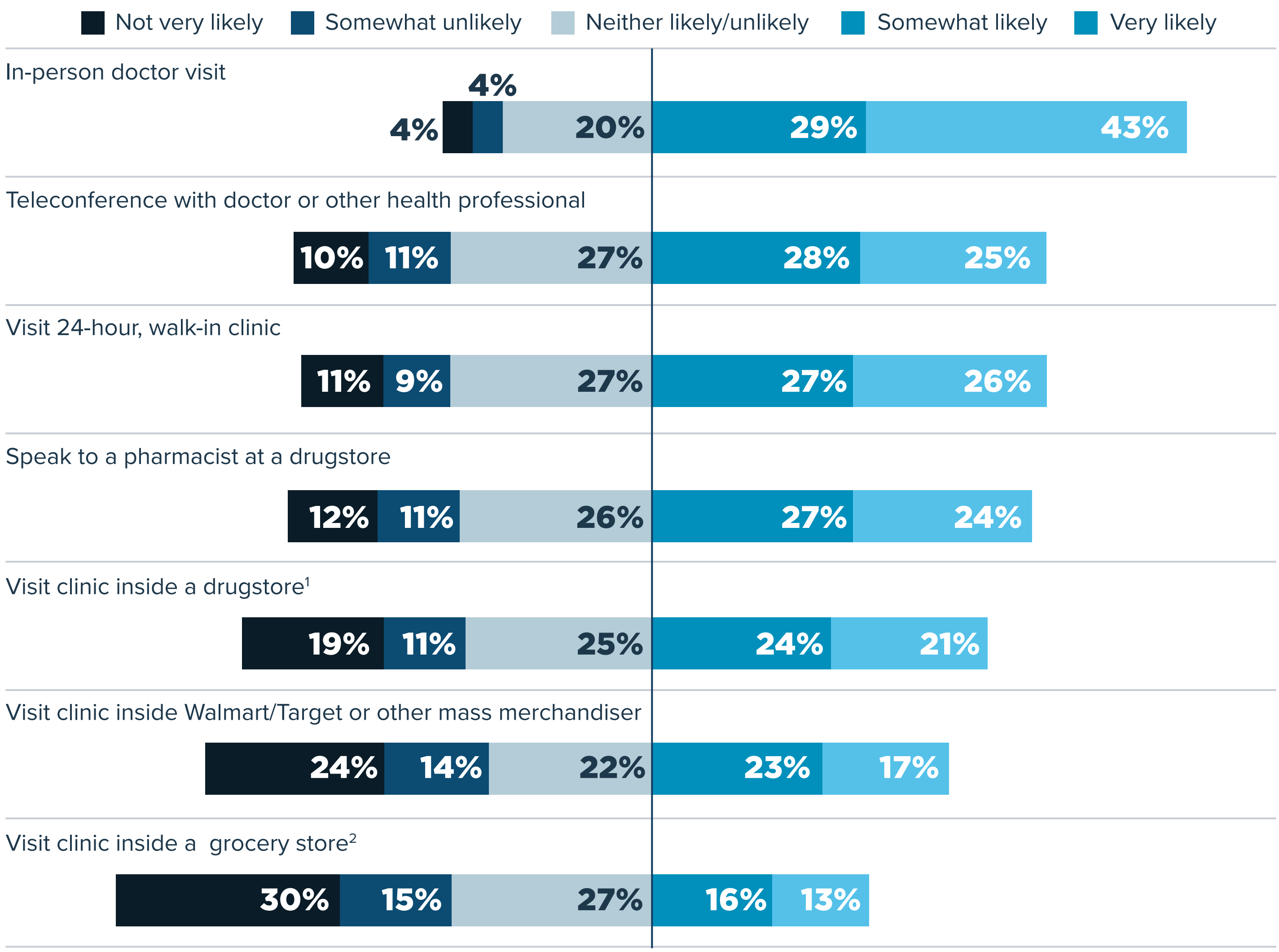


[1] Makeup, haircare, skincare, nailcare, accessories, etc. [2] Batteries, greeting cards, gift cards, etc. [3] Cleaners, tissues, etc.

* Respondents who shop at chain drugstores at least once per year.

As more retailers offer low-cost, basic healthcare services, close to half (45%) of adults said they'd be somewhat or very likely to visit a clinic inside a drugstore for non-emergency treatment or healthcare advice. Four in 10 are likely to visit a clinic inside a mass merchandiser and three in 10 say they're likely to visit a health clinic at a supermarket.

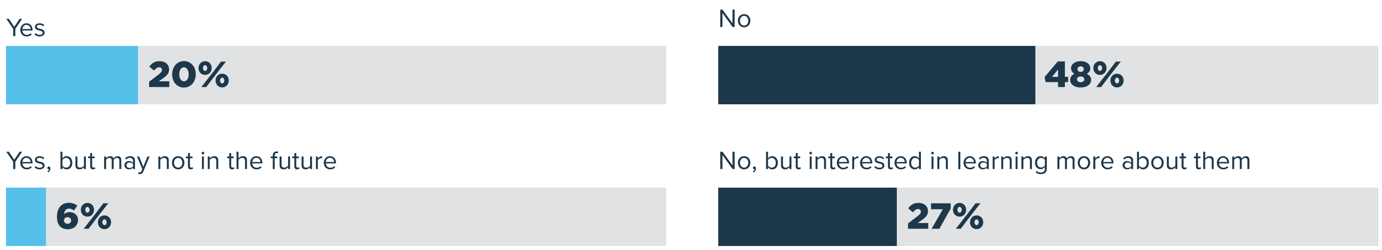
OPTIONS FOR NON-EMERGENCY TREATMENT OR ADVICE



[1] Such as CVS Minute Clinic. [2] Such as Kroger Little Clinic.
* Percent of U.S. adults surveyed; percentages may not add up to 100% due to rounding.

Shopping for the most competitive drug prices, one in five surveyed adults participate in a prescription discount service, such as GoodRx or SingleCare.

PARTICIPATION IN PRESCRIPTION DISCOUNT SERVICE



* Percent of U.S. adults surveyed; percentages rounded to nearest whole number.

While consumers desire to lower their healthcare costs, just three in 10 surveyed adults say their employers offer a Flexible Spending Account or Health Savings Account benefit. More than two-thirds of employees who are offered these benefits participate in them. Of those who don't, 84% simply choose not to.

> More than two-thirds of employees who are offered an FSA or HSA participate in these benefits.

FLEXIBLE SPENDING OR HEALTH SAVINGS ACCOUNTS

REASONS RESPONDENTS WHOSE EMPLOYERS OFFER FSA OR HSA DON'T PARTICIPATE

* Percent of U.S. adults surveyed.

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