

There was a time when the idea of going to the grocery store's pharmacy section meant little more than picking up a bottle of aspirin, a hot-water bottle and, perhaps, a prescription.

Fast-forward to 2016: The Affordable Care Act has added 20 million (and counting) to the number of insured Americans. Retailers have stepped up and now the in-store pharmacy trip may include getting required school immunizations for kids, a state-of-the-art blood pressure checkup for you, and even a biometric exam for the entire family that's part of a complete wellness program.

Call it Wellness 2.0, which is taking place at a growing number of grocery store pharmacies, according to an exclusive *Progressive Grocer* survey of retail pharmacists, category executives and pharmacy managers who operate and/or oversee in-store grocery pharmacy departments nationally. The survey, which was fielded in July 2016, is based on proprietary research from *PG* and provides supermarket industry executives and grocery store managers a unique window into the past, present and future of the industry.

In particular, these survey results offer

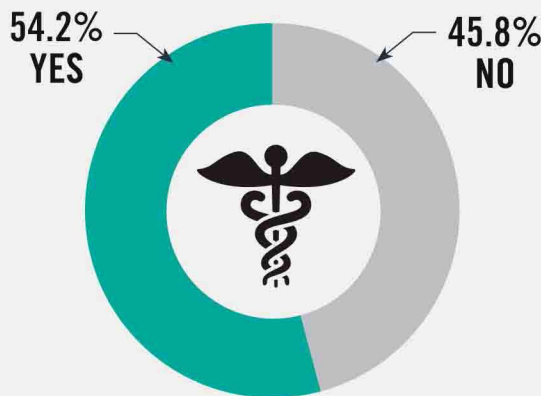
Wellness



2.0

'Complete care' underscores in-store pharmacies' increasing role of one-stop convenience. By Bruce Horovitz

ARE IN-STORE PHARMACIES PART OF LARGER WELLNESS DEPARTMENTS?



Source: Progressive Grocer Market Research, 2016

an unusual peek into the grocery store industry's burgeoning pharmacy sector and the recognition that good food complements the complete health and wellness landscape.

Focus on Health

More than half (54 percent) of survey respondents reported that their in-store pharmacies are actually part of a larger "wellness department." Many are expanding the size and scope of their offerings in a bid to offer one-stop convenience to consumers — particularly Millennials — who want to make each shopping trip quick but deliberate. As a result, the world of in-store pharmacies coast to coast is being turned upside-down and inside-out as chains quickly respond to consumer demand for better, health-focused alternatives.

"It used to be about getting the prescription



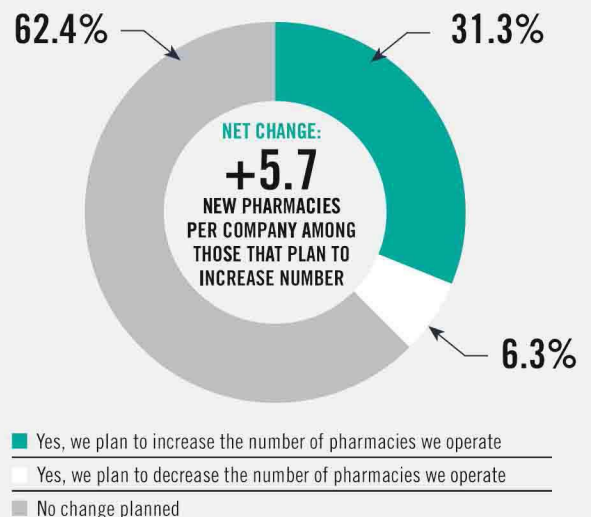
as fast as you can," says Marcus Hurst, pharmacy supervisor for the eight Broulim's Fresh Foods stores in Idaho and Wyoming that include pharmacies. "Now it's moving towards complete care and complete evaluation of health, as opposed to putting pills in bottles and getting them out the door."

This evolution is taking place at mom-and-pop grocers as well as many of the nation's largest and most successful chains. Take Minneapolis-based Target, for example, which recently sold its pharmacy business to CVS, based in Woonsocket, R.I. Now, under a rebranding, CVS stores have begun to open inside Target stores — most of which already have full grocery departments. Under this scenario, shoppers can get their food, clothes and wellness needs served at a single location.

But even chains as small as Broulim's — with 10 stores in two states, including the eight with pharmacies — are racing to improve their pharmacy departments. Perhaps the most significant change is the addition of space, as consumers seeking personal information on health and wellness also are requesting privacy. As a result, some grocery store pharmacies are adding private counseling space.

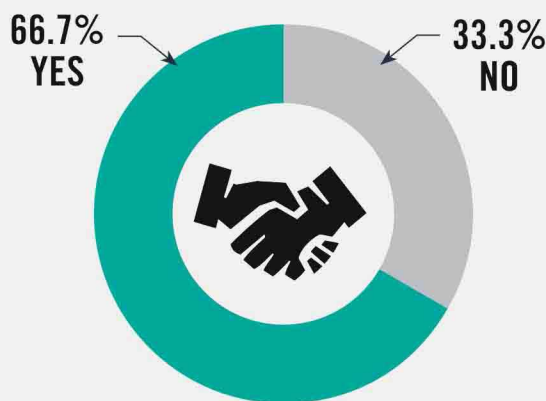
Roughly half of the Broulim's stores have added private counseling space — and the other half eventually plan to, according to Hurst. At one location, for example, the magazine rack area was shortened, as was a tiny portion of the pharmacy's retail area. At another location, the size of a storage room was reduced to add an area for counseling.

PLANS TO CHANGE NUMBER OF PHARMACIES OPERATED IN NEXT 3 YEARS



Source: Progressive Grocer Market Research, 2016

PHARMACISTS WORKING WITH OUTSIDE PROVIDERS FOR EXTRA CUSTOMER SERVICE



Source: Progressive Grocer Market Research, 2016

“We’ve moved to a point where consumers are specifically looking for these rooms,” notes Hurst. “There’s a lot of media attention to patient privacy, and we want to do the best we can to serve our customers.”

Consumers expect these private rooms, Hurst says, because they want more and more advice not just on prescription drugs and over-the-counter drugs, but on lifestyle choices, too. Now, he notes, they’re also seeking advice on everything from immunization and vaccination to information on medically related travel precautions. Increasingly, he adds, they also want advice on everything from vitamins and supplements to treatment of ailments such as diabetes, high cholesterol and high blood pressure.

It’s no surprise that these counseling rooms are gaining traction as wellness becomes a hot topic. Perhaps that also explains why almost one-third of respondents report plans to increase the number of pharmacies they operate, at an average of 5.7 new pharmacies over the next three years, according to the *PG* survey.

Some grocery store chains have even been recognized for the patient care options in their pharmacies.

Two years ago, The Kroger Co., which operates more than 2,100 pharmacies in 34 states, was a Pinnacle Award honoree from the American Pharmacists Association, in recognition of the grocer’s contributions to patient care. Health services at every Kroger pharmacy include vaccinations, medication therapy management and a variety of health screenings. Many Kroger locations offer everything from diabetes and healthy-heart coaching to smoking cessation clinics.

To accomplish this, Cincinnati-based Kroger partners with various universities, health systems and foundations. “Collaboration has been a key to our success,” says Jim Kirby, Kroger’s clinical coordinator. Across a number of its banners, Kroger provides myriad health services through nearly 200 Little Clinics, which are staffed with nurse practitioners and/or physician assistants who can diagnose, treat and write prescriptions for common illnesses.

Sixty-seven percent of those surveyed by *PG* noted that their in-store pharmacies work with outside providers such as hospitals, colleges and registered dietitians.

More Services

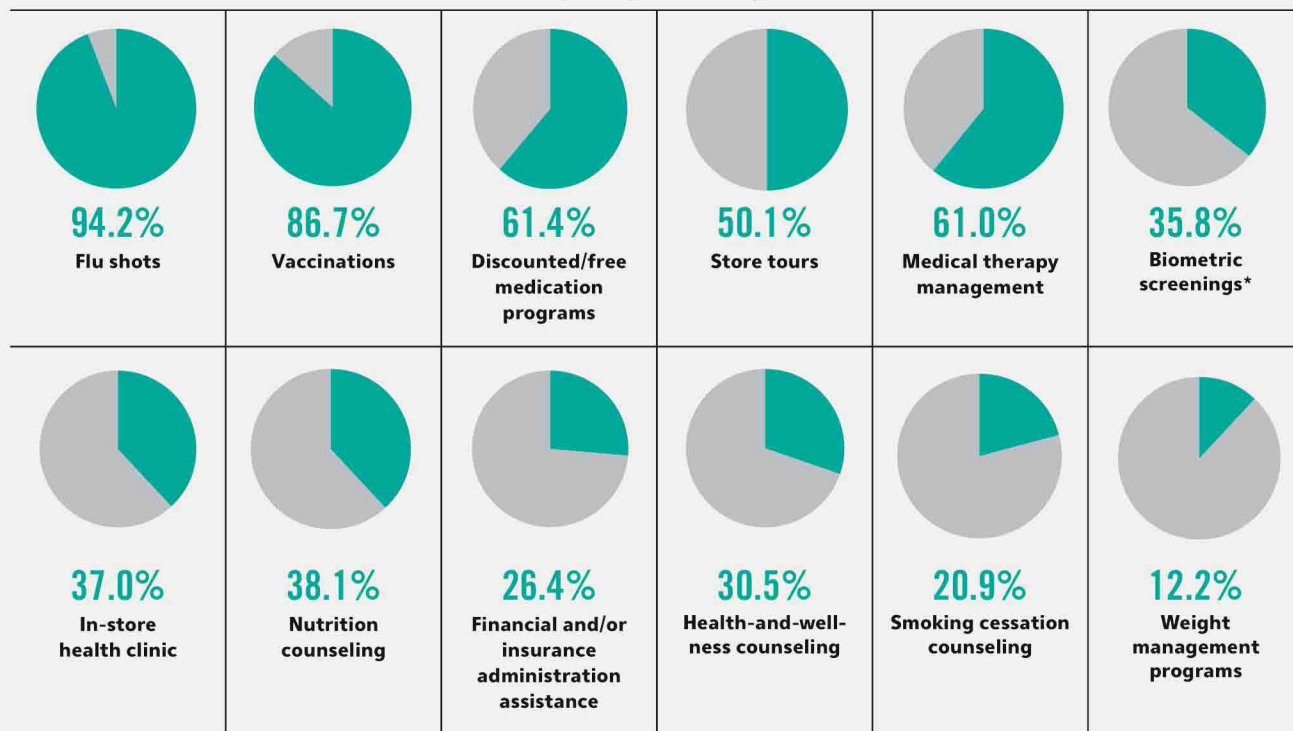
In-store pharmacies are also big on a growing number of services. Ninety-four percent offer flu shots, and more than 87 percent offer vaccinations. Surprisingly, upwards of one-third (36 percent) said they offer biometric screening. Some 38 percent offer nutritional counseling, while 31 percent offer health-and-wellness counseling. Another 21 percent offer smoking cessation, and 12 percent offer weight management.

Sometime in the future, Hurst says he’d like to see pharmacists and doctors truly working collaboratively. For example, if the patient comes to the drug store when the doctor’s office is closed — complaining of specific symptom familiar to the



SERVICES OFFERED BY SUPERMARKET PHARMACIES

Multiple responses accepted



* (total lipid panel, glucose, blood pressure, weight/body mass index, osteoporosis, depression, chronic obstructive pulmonary disease, peripheral arterial disease, etc.)

Source: Progressive Grocer Market Research, 2016

doctor — the pharmacist might be able to prescribe and dispense an antibiotic right then and there.

Beyond the wellness offerings, however, Millennials in particular are demanding something else: easy access to health products and information via social media.

Hurst asserts that his chain is increasingly eager to provide more ways for customers to use their cell phones to order prescriptions. At the same time, they also want instant notifications on their phones when their prescriptions are ready.

That's why Broulim's recently began to work with a third-party media company that manages its Facebook and Snapchat accounts, according to Hurst.

It's no surprise, however, that rising health care costs and the expanding costs of medication and health insurance remain top concerns of most pharmacy customers, the *PG* survey notes.

One pharmacy executive noted, however, that the main concern of his in-store pharmacy customers goes to the very heart of why he's there for them, and why drug stores keep expanding further into the field of health and wellness: trust. **PG**

