

Industry Flash

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Food & Drug Conference Call Series

Retail Pharmacy – The Future of Prescription Pickup

- **Our Take** — ScriptCenter could transform how consumers pick-up scripts in the future, and could be a potential competitor to mail order, as well as lower the number of 24-hour and drive-thru stores needed by a retailer. Additionally, ScriptCenter offers retail pharmacies the potential for cost savings in pharmacy, as well as increased sales in both Rx and front-end.
- **Conference Call on Retail Pharmacy Pickup** — We hosted a conference call with Linda Pinney, Founder and Chief Marketing & Business Officer of Asteres, to discuss Asteres' ScriptCenter and the future of Rx pickup.
- **Potential to Increase Same Store Sales** — Pharmacy consumers shop more than twice as often as non-pharmacy consumers, spend nearly 20% more per trip, and spend approximately 2.5x more on average. As more pharmacy consumers are attracted to retail pharmacy locations with a ScriptCenter, they bring with them the possibility for the retail pharmacy stores to capitalize on increased sales volume.
- **ScriptCenter's Growth Drivers** — Major drivers fueling the growth behind ScriptCenter include: (1) Rx sales continue to grow 5% to 8% annually; (2) on-going pharmacy staff shortages and pay hikes; (3) market shift to self-service; (4) retailers need for service differentiators; (5) in-store alternative to mail order and drive through; (6) possibility to expand same stores sales; and (7) consumers want “No Lines – Always Open.”
- **Consumers Prefer Self Service** — The 2008 WilsonRx Consumer Satisfaction Report and 2008 NCR Self-Service Consumer Report show that consumers increasingly prefer a self-service atmosphere when it comes to their pharmacy shopping. The surveys show that: (1) 86% of consumers were more likely to shop at a store if it had self-service units; (2) 70% of consumers say they want a “no lines- always open” prescription pickup kiosk; and (3) 66% of consumers say that self-service creates a more positive perception of the retailer.
- **Benefits Gained by Retailers** — With the installation of a ScriptCenter in a retailer's location, they have the potential to attract new customers, as well as retain existing customers. Additionally, ScriptCenters enable a higher volume of Rx pickups without increasing staff hours, resulting in a cost effective strategy to compete with 24-hour, drive-thru, and mail-order pharmacies.

Deborah L Weinswig

+1-212-816-1860

deborah.weinswig@citi.com

Susan Anderson, CFA

susan.anderson@citi.com

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Appendix A-1

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