

Consumers still favor in-store pharmacies, but dissatisfaction grows

Article



The trend: Consumers still predominantly use in-store pharmacies to fill prescriptions. However, customers' approval ratings of brick-and-mortar pharmacies are waning, while satisfaction with online and mail-order pharmacies is increasing.

The trends in consumer use of and satisfaction with different pharmacy types come from two recent surveys: M3 MI's MARS 2024 Consumer Health Study and JD Power's 2024 US

Pharmacy Study.

Where consumers get their Rx: Picking up medications at an in-store pharmacy is still the most common method among patients who have made an Rx purchase in the past year. But consumers are increasingly turning to online sources as well, per M3 MI's survey.

- 88% said they used an in-store pharmacy such as **CVS, Walgreens, or Costco**.
- 34% used an [online pharmacy service](#), up from 29% in last year's survey.
- A mail-order pharmacy through a consumer's insurance plan (16%) was the top online source used.
- 13% used **Amazon Pharmacy**.
- Just 4% used an independent online pharmacy/app like **Mark Cuban Cost Plus Drug Company**.

Yes, but: Consumers are less satisfied [with brick-and-mortar pharmacies](#), while approval ratings of mail-order pharmacies are rising, according to JD Power's survey.

- Long wait times to fill prescriptions and difficulty ordering their Rx are driving consumers' discontent with brick-and-mortar pharmacies.
- Even satisfaction with some top-performing brick-and-mortar pharmacies (like **Good Neighbor Pharmacy** and **Sam's Club**) declined more than 10 points year over year.
- CVS Pharmacy's customer satisfaction score dropped 25 points from last year. The company is in the process of closing about 10% of its drugstores, which could hurt the patient experience.
- Amazon Pharmacy and another company it owns, **PillPack**, top the list of mail-order/online pharmacies that customers are most satisfied with. The ease of ordering prescriptions is a leading factor.

Why it matters: Brick-and-mortar pharmacies are falling behind on delivering a great customer experience. This creates an opportunity for non-traditional players to gain market share by offering cheap Rx prices and fast service.

- For example, Amazon Pharmacy's [cash-pay prescription drug discount program](#) for generic medications, RxPass, offers a limited number of generic drugs for a flat fee of \$5 per month

with no restrictions on the number of prescriptions.

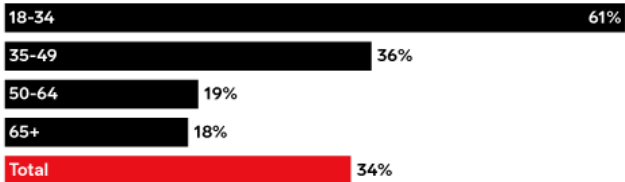
- **GoodRx and Boehringer Ingelheim** recently inked a deal in which patients can access the Boehringer biosimilar to **Humira** for a discount on GoodRx's platform.

At the same time, new market entrants face challenges in acquiring these pharmacy customers in the first place. They struggle to convince consumers to switch their prescriptions to a new pharmacy. Incumbents typically have a greater supply of medications and accept more insurance plans than digital pharmacies. Another barrier is that many consumers aren't aware that some online pharmacies are options for them.

- Nearly half (48%) of brick-and-mortar pharmacy customers say they have not heard of digital pharmacies, per JD Power's survey.
- Factors preventing more customers from using digital pharmacies include confusion about whether they can use insurance, trustworthiness, and lack of use among people they know, the survey revealed.

US Adults Who Used an Online Pharmacy to Purchase Prescription Drugs, by Age, April 2024

% of respondents in each group



Note: among those who purchased any drugs for themselves in the past 12 months
Source: M3 MI/Kantar Media Healthcare Research, "2024 MARS Consumer Health Study," May 2024

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