



## Press Release

### **J.D. Power and Associates Reports:**

### **Customer Satisfaction with Mail-Order Pharmacies Trails Satisfaction with Brick and Mortar Pharmacies**

Health Mart, Kaiser Permanente Pharmacy, Publix and Sam's Club  
Rank Highest in Pharmacy Customer Satisfaction in Their Respective Segment

**WESTLAKE VILLAGE, Calif.: 27 September 2012** — Satisfaction among customers using mail-order pharmacies to fill their prescriptions continues to decline, falling significantly below customer satisfaction with brick-and-mortar pharmacies, according to the J.D. Power and Associates 2012 U.S. Pharmacy Study<sup>SM</sup> released today.

Overall satisfaction with mail-order pharmacies averages 792 (on a 1,000-point scale) in 2012, which is 22 points below the average overall satisfaction score for brick and mortar pharmacies this year, and 14 points lower than in 2011. The brick and mortar segment includes chain drug stores, supermarkets and mass merchandisers. This marks the second consecutive year of significant declines in customer satisfaction with mail-order pharmacies. In contrast, overall satisfaction with brick and mortar pharmacies has held steady year over year, with an average score of 814 in 2012, a slight decrease from 818 in 2011.

The study, now in its sixth year, measures customer satisfaction with pharmacies in two segments: brick and mortar and mail-order. Customer satisfaction with brick and mortar pharmacies is measured across five key factors: prescription ordering and pick-up process; store; cost competitiveness; non-pharmacist staff; and pharmacist. Four factors are examined in the mail-order segment: cost competitiveness; prescription delivery; prescription ordering; and customer service.

In addition to declining overall, customer satisfaction with mail-order pharmacies has also decreased in each of the four factors year over year, most notably in cost competitiveness, which has been the competitive advantage for mail-order pharmacies, compared with brick and mortar pharmacies.

“The erosion in customer satisfaction with mail-order pharmacies may foretell challenges to their business model, as prior to 2011 customer satisfaction was more equivalent to the brick-and-mortar experience,” said Rick Millard, senior director of the healthcare practice at J.D. Power and Associates. “Acceptance of mail-order programs grew by offering customers convenience and lower costs. While this has been a successful approach, the mail-order business needs to continue to adapt to meet customers’ increasing expectations.”

The study finds only a slight increase in the proportion of customers who indicate they are required to use mail ordering for repeat or maintenance prescriptions, compared with 2011 (42% vs. 41%, respectively). However, overall satisfaction among customers who elect to use mail-order pharmacies is significantly higher than among those who are required to use them (810 vs. 768, respectively). In addition, satisfaction with the cost competitiveness of mail-order pharmacies among customers who are not required to use them is 773, compared with 714 among mandatory customers.

“Customers who are given a choice tend to perceive they are paying less than they would at a store pharmacy, or are deriving a better value for their purchase,” said Millard.

While convenience is important however prescriptions are filled, customer service matters more for the in-store pharmacy experience. The most important reason for choosing a specific brick and mortar pharmacy is convenient location, followed by customer service.

“Customer service is becoming an increasingly important advantage of the brick and mortar pharmacy experience,” said Millard. “The pharmacist is at the heart of that customer service. While the majority of customers don’t speak with the pharmacist, their presence may help draw customers to stores.”

The study finds that 37 percent of customers who use in-store pharmacies are asked by the pharmacy staff if they want to speak with a pharmacist, a slight increase from 35 percent in 2011. Among the 23 percent of customers who do speak with a pharmacist in person, 61 percent also purchase other over-the-counter medications during their visit, compared with just 24 percent among those who do not speak with a pharmacist.

“Pharmacists, who are viewed as one of the most highly esteemed professional groups, are there to provide customer service, not just dispense prescriptions,” said Millard. “It’s surprising that more customers don’t utilize the opportunity, given that pharmacists provide free health advice, and you don’t have to make an appointment.”

### **Segment Rankings**

Health Mart ranks highest among chain drug store pharmacies, with a score of 848. Good Neighbor Pharmacy and The Medicine Shoppe Pharmacy rank second in a tie with a score of 843 each.

Sam’s Club ranks highest among mass merchandiser pharmacies with a score of 838. Target (835) and Costco (819) follow in the rankings.

Publix ranks highest for a third consecutive year in the supermarket segment, with a score of 872. Wegmans ranks second (861), followed by Winn-Dixie/Bi-Lo (842).

Kaiser Permanente Pharmacy ranks highest among mail-order pharmacies for a fourth consecutive year, with a score of 847, followed by Humana RightSourceRx (805). The Department of Veterans Affairs pharmacy service, which is open only to veterans of the U.S. military and their families, and therefore is not included in the rankings, also achieves a high level of customer satisfaction.

J.D. Power and Associates offers the following tips to consumers regarding selecting a pharmacy:

- You may be able to save time and money by buying prescription drugs online if you have the option. Be sure to check out what your options are before filling a prescription. The National Association of Boards of Pharmacy maintains a list of reputable sources. Better yet, ask your doctor to recommend an online pharmacy.
- If you have any questions about a medication, ask your pharmacist when you pick up the prescription. Pharmacists are prepared to respond to any questions about medications. If you think you’ll forget to ask about an issue, write down your questions before you pick up the medication.
- Ask your doctor to prescribe generic medications whenever possible; they’re less expensive. Many doctors will do this automatically.
- Ask your doctor for samples. If you’re being prescribed a medication, many doctors receive small sample packets of medication from various pharmaceutical companies, which are free. When the samples run out, you’ll have to start paying.

The 2012 U.S. Pharmacy Study is based on responses from more than 12,700 pharmacy customers who filled a new prescription or refilled a prescription during the three months prior to the survey period. The study was fielded between July and August 2012.

**About J.D. Power and Associates**

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit [JDPower.com](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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NOTE: Four charts follow.

# J.D. Power and Associates 2012 U.S. National Pharmacy Study<sup>SM</sup>

## Customer Satisfaction Index Ranking *Brick and Mortar – Chain Drug Store Segment*

*(Based on a 1,000-point scale)*



**Power Circle Ratings Legend**

- Among the best
- Better than most
- About average
- The rest

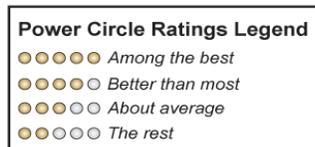
Source: J.D. Power and Associates 2012 U.S. National Pharmacy Study<sup>SM</sup>

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## Customer Satisfaction Index Ranking Brick and Mortar – Mass Merchandiser Segment

(Based on a 1,000-point scale)



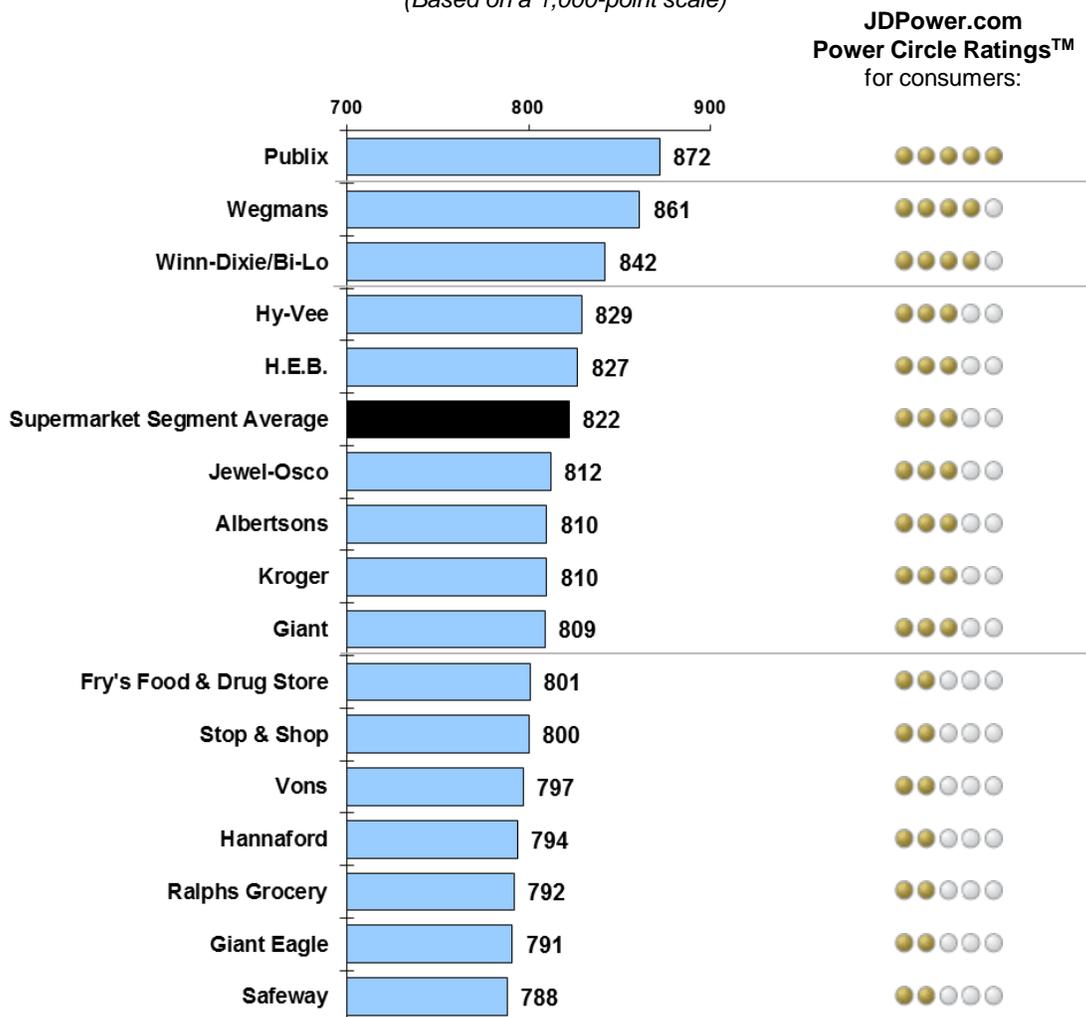
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## Customer Satisfaction Index Ranking Brick and Mortar – Supermarket Segment

(Based on a 1,000-point scale)



**Power Circle Ratings Legend**

- Among the best
- Better than most
- About average
- The rest

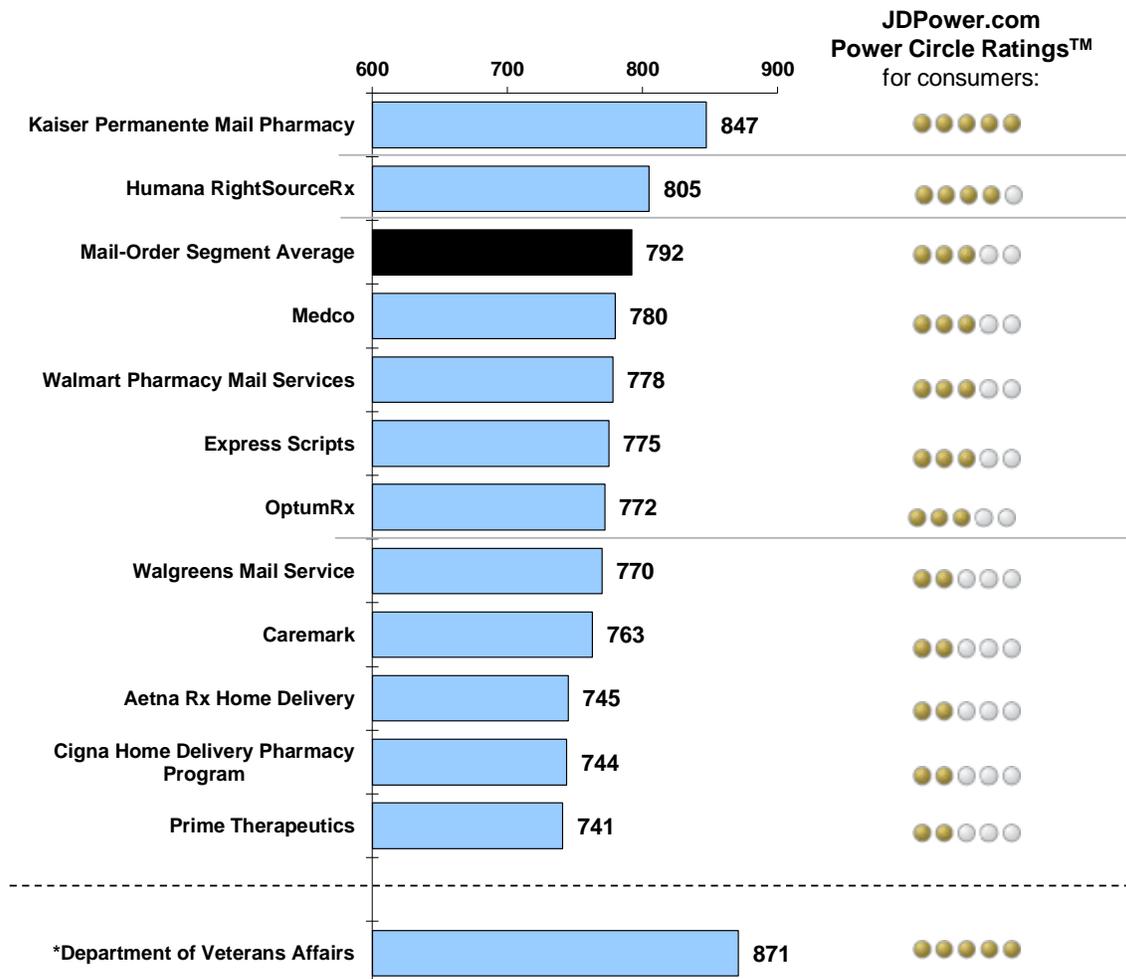
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## Customer Satisfaction Index Ranking Mail-Order Segment

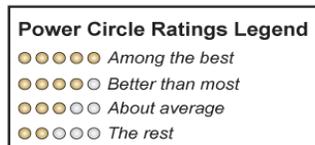
(Based on a 1,000-point scale)



\*The Department of Veterans Affairs pharmacy service is open only to veterans of the U.S. military and their families and therefore is not included in the official rankings.

Included in the study but not ranked due to small sample size is WellPoint NextRx.

Source: J.D. Power and Associates 2012 U.S. National Pharmacy Study<sup>SM</sup>



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