RETAIL HEALTH CLINICS

PART OF THE "NEW FRONT DOOR" TO HEALTHCARE

Over the past few years, the United States market has seen an explosion in retail health clinics. It is estimated there are now more than 2,000 health clinics operating out of pharmacies, grocery stores, and big-box stores. These around-the-corner sites of care meet people's desire for more convenient health services and present consumers a "new front door" to care. In addition, because retail clinics can provide certain types of care in a more affordable setting than an emergency room or traditional doctor's office, they present an opportunity to reduce health spending.

Right care in the right place at the right time is a compelling value proposition, and one that has the potential to disrupt the entire health marketplace. In fact, Oliver Wyman predicts that consumer use of alternative sites for care – such as retail clinics and telemedicine – will increase. As a result, $200 billion in current US healthcare spending could flow from traditional sites of care to these new options.

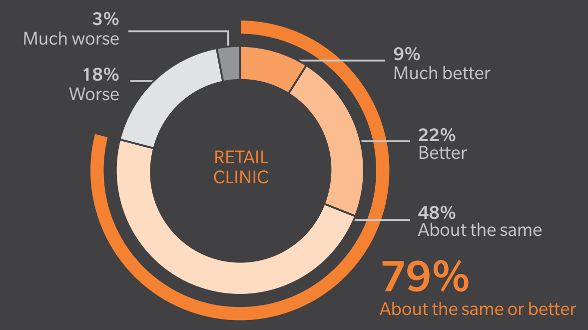
Much is at stake for all industry players, but retailers in particular, will play a significant role in the new health marketplace. With their existing customer base, brand loyalty, physical footprint, and health resources, they have an out-of-the-gate advantage. However, understanding consumers' starting-point familiarity and comfort with retail health clinics is essential.

To gain a clearer view of the new front door landscape and what role retail health clinics may play in it, Oliver Wyman conducted a national online survey of more than 2,000 individuals spanning all demographic and health segments. The findings, which were first published in the 2016 report "The New Front Door to Healthcare is Here," revealed that, consumers' awareness and use of retail health clinics is on the rise. What's more, many actually find the experience there better than a traditional setting. Yet the research also uncovered that not all retailers are created equal (in consumers' eyes). Every retailer must think strategically about pairing its offering with its customer base.

While the US healthcare market is unique, what could be interesting for other markets is the degree consumers are willing to access health in entirely new ways.

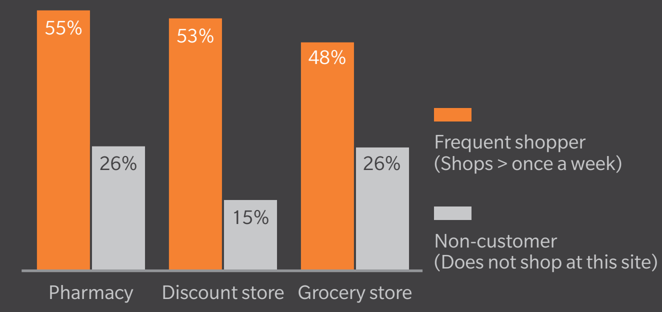
SATISFIED CUSTOMERS

Most people who have used retail clinic found the experience the same or better than a traditional site of care; 22% said better and 9% said much better.



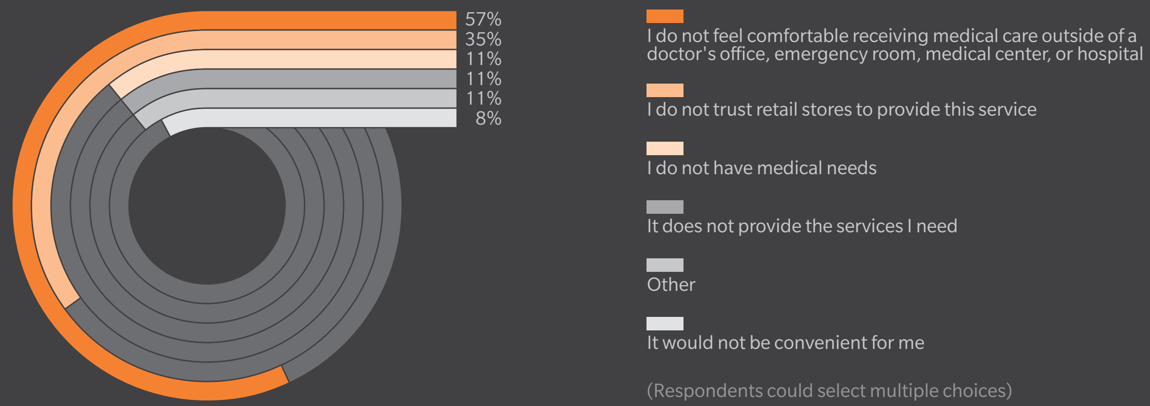
FREQUENT SHOPPERS

Consumers who regularly shop at a retail store are more willing to receive health services at that retail site. So while the US healthcare market is in its early stages, consumers over the last several years are shifting their thinking and are open to retail as a point of healthcare delivery.



HURDLES TO OVERCOME

Why would customers not use a health and wellness clinic in a retail store?
The majority said they did not feel comfortable receiving medical care outside of a doctor's office, emergency room, medical center, or hospital.



NOT ALL RETAIL SITES ARE CREATED EQUAL

Consumers also seem to draw distinctions between the various types of retail settings. For example, people were more willing to receive routine preventive care in a health and wellness clinic in a drug store than in a health and wellness clinic in grocery store.

	PHYSICAL	ROUTINE PREV CARE	ROUTINE EYE/EAR	ROUTINE DENTAL	MINOR EPISODES	DIET/ NUTRITION	FITNESS/ WELLBEING	CHRONIC MGMT
Interested	25%	52%	21%	20%	62%	50%	51%	39%
Grocery store	7%	22%	12%	5%	24%	20%	20%	13%
Discount retail store	9%	23%	15%	7%	23%	19%	19%	14%
Drug store	10%	29%	15%	7%	31%	24%	25%	17%
Walk-in clinic/urgent care	13%	29%	14%	9%	39%	18%	19%	18%
Remotely	4%	5%	2%	2%	15%	25%	26%	19%
Not interested	6%	5%	5%	6%	7%	20%	19%	13%

Source: "The New Front Door to Healthcare is Here" 2016 report.