

DRUG STORE NEWS®

Vol. 30 No. 13

The Business of Retail Pharmacy

A Lehar-Friedman® Publication

October 20, 2008

RxFIX: Prescribed reading in this issue



14

Wal-Mart's newest Neighborhood Market store, which reflects the latest prototype of the chain's "small" food/drug combo format, competes head to head with a Walgreens and a CVS—not to mention the highest-volume supercenter in the world's biggest retailer's U.S. network. Find out why the store might be a glimpse of the future for Wal-Mart (14). For more Wal-Mart news, 13, 16, 18, 31, 39.

Kmart stores will feature an exclusive line of Christmas decorations, collectibles and gift items by Radko this holiday season (39).

Rite Aid says consumers demand more eco-friendly battery products, suggesting growth in rechargeables (39). For more Rite Aid news, 4.

Supervalu's Chris Dimos told Drug Store News he doesn't believe either presidential candidate will be successful in implementing the healthcare platforms they are proposing "in the way that they've been articulated" (4).

Cardinal Health has launched a new video-game-inspired, online training program for independent pharmacies, called myPharmacyTrainer (28).



6

Wegmans is exiting the photo-processing business after 24 years of printing pictures in its stores (6).



28

It appears likely, now that Walgreens has withdrawn its bid, that CVS will finally be able to close on its deal to acquire Longs Drug Stores (3). For more CVS news, 33, 34, 37.



6

A California judge has turned away Walgreens' lawsuit to block the city of San Francisco's plan to ban cigarette sales in drug stores (4). For more Walgreens news, 3, 4, 6, 37, 39.

For all the latest up-to-the-minute breaking news that affects retail pharmacy all-day, every day, log onto www.drugstorenews.com

Campaign 2008

No vote of confidence from Rx industry

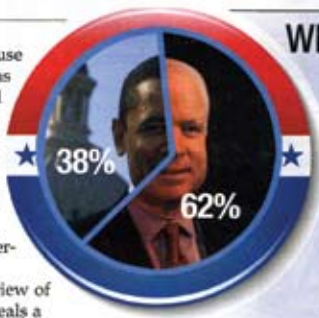
By Jim Frederick

WASHINGTON — The battle for the White House between Barack Obama and John McCain has energized millions of American voters and unleashed a national dialogue about the fundamental role of government in the troubled economy, in the healthcare system and in global affairs. But for retail pharmacy leaders, the dominant response to the campaign appears to be skepticism.

"Can I say 'neither one' for my voting preference?" joked one industry executive.

He wasn't the only one with a jaundiced view of the election. A survey of industry leaders reveals a

CONTINUED ON PAGE 4



What you said about it

Which of the presidential candidates do you think will have the most positive impact on retail pharmacy and your business?

Obama 38%
McCain 62%

Source: Drug Store News online poll

Pinched by economy, retail crime on the rise

This is part two of a three-part series of reports on the impact the economy is having on retail pharmacy.

By Michael Johnson

NEW YORK — Retail crime is up. Economic conditions are poor. And while some may question how much recession economies spur otherwise-honest people to adjust their moral compasses to the point where pinching a tube of toothpaste or a can of shaving cream is justified to save a few dollars, many agree the two are linked.

More likely, those same pinched consumers are finding too-good-to-be-true deals on toothpaste, shaving cream, or worse, over-the-counter medicines at such alternative retail outlets as flea markets, rogue Internet sites and even anonymous sellers through online auction sites. At the end of the day, it's that consumer who's supporting the market of organized retail crime—where "professional" teams of shoplifters sweep shelves of products, versus the person who may only steal one or two

CONTINUED ON PAGE 6

Rein out as Walgreens leader

DEERFIELD, Ill. — In a surprise announcement that sent shock waves through the tightly knit community of big-chain retail executives, Walgreens announced Oct. 10 the immediate retirement of Jeff Rein, as chairman and chief executive officer.

Rein, a 26-year Walgreens veteran who built a reputation for quiet-spoken but determined leadership, effective people skills and competitive drive, expressed "great confidence in the company's future." But his abrupt departure comes in the wake of Walgreens' unsuccessful bid for Longs Drug Stores and in the midst of an alarming drop in consumer confidence amid Wall Street's financial meltdown.

CONTINUED ON PAGE 3



Jeff Rein



Alan McKully

SPECIAL REPORT ECONOMIC IMPACT

<p>Chain Pharmacy Pharmacy</p> <p>24</p> <p>Study: Medicare 'doughnut hole' hurts compliance</p>	<p>OTC Nicorette</p> <p>31</p> <p>Stop smoking, whiten teeth</p>	<p>Beauty care L'Oréal</p> <p>33</p> <p>Whitening teeth whiter</p>	<p>Consumables MaMa Rosa's</p> <p>37</p> <p>MaMa Rosa's hits freezers</p>	<p>General Merchandise Karaoke</p> <p>39</p> <p>Now tune for home karaoke</p>	<p>Wal-Mart Rx for an Upgrade</p> <p>13</p>
--	--	--	---	---	---

BEAUTY CARE

REPORTERS Notebook

Supplier News — Unilever's Axe brand for men is expanding its portfolio with the launch of a hair care line dubbed Axe Hair. The collection includes several Axe shampoos, including Axe de-glove shampoo plus scrub with rock crystals to remove product buildup in the hair; Axe De-Poof shampoo to deflate hair and Axe anti-dandruff shampoo plus conditioner with zinc-based dandruff control.

The line also includes Axe conditioner and Axe styling products. Styling products include Axe Messy Look paste, Axe Spiked-Up Look putty, Axe Clean-Cut Look pomade and Axe Shaggy Look cream.

Available in December, the shampoos and conditioners are priced at \$4.99 each. The styling aids are priced at \$6.99 each.

Aura Cacia, the aromatherapy brand of Frontier Natural Products Co-Op, is promoting its new Aura Cacia Fair Trade certified nourishing body polish.

The line of body polish is available in lavender, patchouli/sweet orange and ginger/mint blends. The products are free of synthetic fragrances, colors and preservatives. The organic, Fair Trade certified raw sugar cane granules lift away full skin, and shea butter, coconut oil and vitamin E restore the skin's vitality. The body polishes, packaged in a recyclable container, have a suggested retail price of \$10.99.

The company also is launching in October a new body cocoa butter.

Listerine, part of McNeil-PPC, has reintroduced its Listerine Agent Cool Blue pre-brush rinse for children. The new formulation has an enhanced preservative system that replaces the product voluntarily recalled in April 2007 after determining the previous preservative system was not adequate. The alcohol-free formulation is geared toward children aged 6 and older. The product is available in Glacier Mint and Bubble Blast flavors. The suggested retail price is \$5.29.

eases sensitive skin beauty line