

# Amazon Pharmacy is primed and ready

## Article

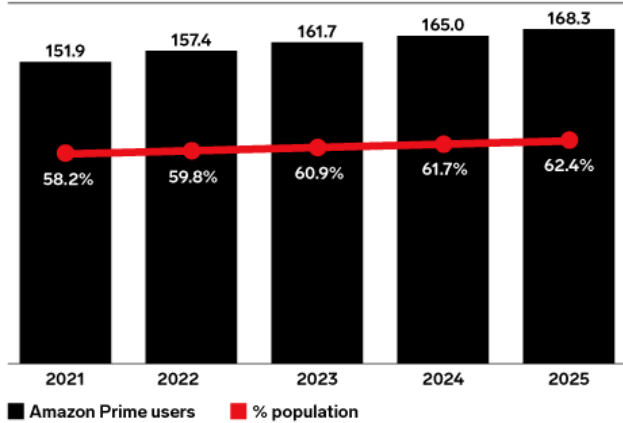
Amazon.com Inc. has a market capitalization of \$1.855 trillion as of July 14, 2021, putting it in the rarified company of other trillionaire corporations such as Alphabet (\$1.73 trillion), Apple (\$2.43 trillion), and Microsoft (\$2.116 trillion). As the world's largest online retailer, it has enormous leverage to enter new industries and markets—and it has now turned its attention to the US healthcare space.

The biggest advantage Amazon has in any online market is its Prime membership program, launched in the US in 2005. This year, that will equate to 151.9 million users, or 58.2% of the US population. By the end of 2025, that figure will reach 168.3 million, eMarketer estimates, or

62.4% of the population. The launch of Amazon Pharmacy in November 2020, along with a new Prime Rx benefit, simply adds another category for members to try and may create even more shopper loyalty.

### US Amazon Prime Users, 2021-2025

millions and % population



Note: individuals ages 18+ who have an Amazon Prime account and sign in at least once during the calendar year  
Source: eMarketer, May 2021

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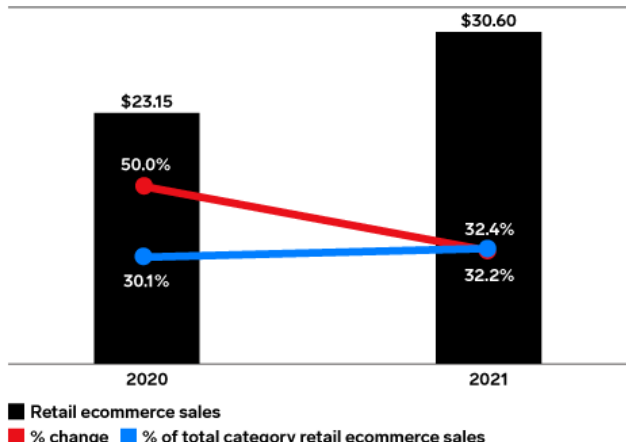
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Prime members are noteworthy for their loyalty to the channel. Nearly three-quarters of people who used their Prime benefits weekly started their product searches with Amazon, according to May 2020 research by CivicScience. Only 21% of Prime users started their searches with Google. People who weren't Prime members, however, chose to start their searches on Google (42%) more often than on Amazon (29%).

Even before the launch of Amazon Pharmacy, sales of products in the health/personal care/beauty category were growing. Although eMarketer's figures do not factor in prescription drug sales, they do include regular retail pharmacy products, such as over-the-counter medications like aspirin, eye drops, and other topical treatments. In 2021, this category will top \$30 billion in sales on Amazon, accounting for 32.4% of the retailer's ecommerce sales and growing 32.2% over 2020, according to eMarketer estimates.

## Amazon US Health, Personal Care, and Beauty Retail Ecommerce Sales, 2020 & 2021

billions, % change, and % of total category retail ecommerce sales



Note: represents the gross value of products or services sold on Amazon.com (browser or app), regardless of the method of payment or fulfillment; excludes travel and event tickets, Amazon Web Services (AWS) sales, advertising services and credit card agreements; health and personal care includes over-the-counter products such as medicines, vitamins/supplements, personal care/hygiene products, beauty products, and other household products like toiletries, baby products, and pet products  
Source: eMarketer, May 2021

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The growth in online sales of these front-of-store retail pharmacy items indicates that shoppers are likely to explore Amazon Pharmacy for prices on prescription medications. This could entice them to explore other healthcare offerings on the site, such as vitamins, supplements, and over-the-counter drugs.

When it comes to looking for prescription drug information, the internet is a popular resource. Over half of US adults said they spoke with a medical professional about prescriptions, closely followed by those who did online searches regarding specific drugs and those who searched online for information on specific medical conditions, according to a DeepIntent survey conducted in January 2021.

To learn more about how Amazon is maneuvering to become a dominant player in direct-to-consumer healthcare services, Insider Intelligence subscribers can read our recent report:

**Report** by Lisa Phillips Jul 20, 2021

## Amazon Delivers Healthcare

