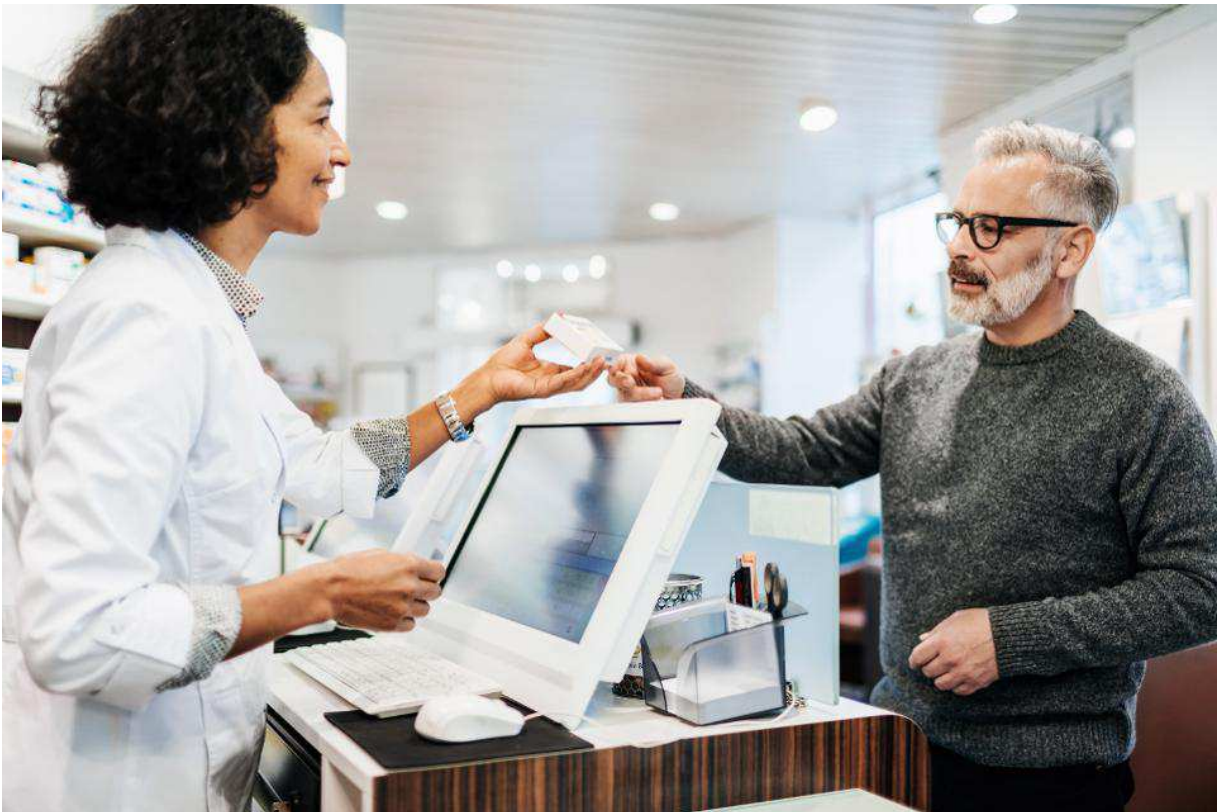


1,516 views | Jun 25, 2020, 04:08pm EDT

Walmart And Amazon Lead The Retail Pack By Leveraging Healthcare



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A pharmacist giving a customer his prescription after he paid for it. GETTY

In recent years a lot of experts have predicted that the retail and healthcare industries would converge. Pre-COVID, retailers like Walmart [WMT](#), Amazon [AMZN](#), Best Buy [BBY](#) and CVS jumped on the bandwagon of leveraging opportunities in healthcare. But COVID-19 has quickly accelerated this trend to a new reality.

I've previously written about [The Bogus "Retail Apocalypse,"](#) where I highlighted New York-based DLC Management Corp. founder and CEO Adam W. Ifshin's point of view on the generational shift of physical retail. His firm creates retail concepts that include medical offices off-siting facilities in malls with offerings including x-rays, radiological tests, minor procedures and other services. Elliot Nassim, President of Mason Asset Management was recently quoted in a [Pymnts](#) piece that "Today's malls are not only anchored by department stores, but include entertainment, healthcare and fitness studios... This creates an exciting opportunity for the communities that surround these properties."

The importance of experiential shopping isn't anything new. I've written previously that [Shopping Malls aren't dying – they're evolving.](#) Malls are still considered a destination, but it's often because they now offer amenities, experiences and entertainment to enhance the shopping experience.

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[CNN](#) discussed the trend of malls filling empty spaces with doctor's offices as a way for malls to create innovative opportunities to draw in shoppers and fill empty storefronts. During the pandemic malls looked to turn parts of their facilities into Coronavirus testing centers, including the American Dream megamall in East Rutherford, New Jersey. According to data we've been collecting on [consumer sentiment around the Coronavirus](#), 49 percent of consumers surveyed on April 30th would feel more safe at retail locations with onsite Coronavirus test centers. With all the retail bankruptcy news and store closures, I don't foresee this trend of healthcare offices in retail locations going away anytime soon.

As stated by [Harvard Business Review](#), there's opportunity for big-box retailers to provide healthcare. The healthcare industry is working to reinvent the experiential trend by borrowing and adapting key retail principles to design outpatient "stores." The healthcare industry is being held to the same consumer-centric standards as retail. In a recent post by healthcare system management company [HMS](#), Paul Schrimpf, co-lead of Prophet's healthcare practice, said, "Providers are struggling to adapt to the rising culture of 'consumerism,' which has heightened people's expectations. The power has shifted to the consumer in nearly every industry, and now it's healthcare's turn." Reinventing the healthcare experience can open a lot of opportunity.

A key factor for retail has always been differentiation from the competition. Retailers have been jumping at the opportunity to expand into traditional healthcare offerings. Retailers like Walmart, Amazon and Best Buy have all made moves to leapfrog their competition by investing in the healthcare market.

Walmart

Walmart seems to be leading the retail pack with their transition into the healthcare market. Living up to their brand standard motto: "Save money, live better," Walmart introduced their [Walmart Health Center](#) program last September. They partnered with key services such as primary care, labs, X-ray and EKG, counseling, dental, optical, hearing and community health education. Walmart is now offering their consumers affordable, transparent pricing regardless of the customer's health insurance status at locations in Calhoun and Dallas, Georgia.

This week Walmart is continuing with their Health Center initiative and are expanding their services with a grand opening of a [6,200-square-foot health and wellness clinic prototype](#) in Springdale, Arkansas.

Senior VP of Walmart U.S. Health and Wellness [Sean Slovenski](#) said in light of the current COVID-19 pandemic, affordable healthcare is more important than ever. “We’re navigating a global pandemic that has exposed the vulnerabilities of our healthcare system and makes it hard for many families to get the care they need when they need it,” he said Wednesday. “We also face record unemployment, leaving many families without access to vital healthcare resources in the process.”

[CNBC](#) reported on Walmart’s recent acquisition of tech-start-up Carezone, an app that makes it easier for people to manage multiple medications. Walmart is adding 25 to 30 engineering and product people from Carezone to help build out the company’s health and wellness products and services.

Amazon

Last fall, Amazon (the retail giant that is most often referenced as a major retail disruptor) also launched a virtual health clinic in the Seattle area called [Amazon Care](#). According to a [CNBC](#) story, health care represents a \$3.5 trillion sector for Amazon. A company spokesperson confirmed that Amazon Care partnered with Oasis Medical to eliminate travel and wait time, connecting employees and their family members to a physician or nurse practitioner through live chat or video, with options for in-person follow-up services from a registered nurse.

Amazon also bought online pharmacy startup PillPack in June 2018 for \$753 million which shook up the pharmacy industry and worried traditional players fearing that Amazon was encroaching on their territory.

According to a story from [Health Care Dive](#), Amazon also partnered with JPMorgan [JPM](#) and Berkshire-Hathaway [BRK.B](#) to form Haven, a venture to provide a better, less expensive healthcare experience. A [CB Insights](#) report states that Amazon is looking to dominate more than just online retail and that the e-commerce behemoth is serious about entering healthcare,

bringing with it a non-traditional business model, infrastructure in logistics & computing, and customer love.

Best Buy

According to an October story in *The Motley Fool*, Best Buy sees healthcare as a possible source of growth and created a laser-focused strategy on digital health initiatives, moving from selling devices to adding analytics and services to help seniors age in place offering healthcare services in the home. Healthcare is "shaping up to be Best Buy's next frontier of growth," according to Morgan Stanley MS analyst Simeon Gutman. He estimated that healthcare could bring in \$11 billion to \$46 billion in potential revenue for Best Buy over the long term. In the nearer term, it could add up to \$500 million to \$2 billion by 2025.

Along with Best Buy's strategy to grow within the healthcare market, they hired Chief Medical Officer Daniel Grossman to spearhead the company efforts in healthcare along with Asheesh Saksena, the President of Best Buy Health who is responsible for the company's efforts to refine and implement their health strategy.

Given today's environment, market challenges, and acceleration from COVID-19, the future of healthcare certainly seems likely to include retail. There's room for opportunity and innovation as both industries continue to evolve and converge. Amazon and Walmart are leading the trend as innovators while other retailers will watch from the sidelines as they duke it out. Similar to the technology adoption life cycle, I predict the rest of the retail industry will join them at the intersection of retail and healthcare as well.

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