2014 URA Scrub Market Study
Key Findings and Market Size

India Hart Wood
President, Hart Business Research
October 7, 2014
Thank YOU!

Please stand if your business…

– Sent nurse survey links to your customers
– Filled out the retailer survey
– (Suppliers) Sent retailer survey links to dealers

Special thanks to the volunteer URA board Jason Paulsgrove, Melanie Imlay, Steve Land, and Suzanne Duck; and to executive director Dixie Russell. They provided energy, ideas, contacts, and survey and report review.
Crowd Question

Have you looked at the 2014 URA Scrub Surveys Report?
The survey results and beyond

- Recommendations from survey results
- New data analysis
- Market size

Please note down your questions and comments, as we will have a Q&A at the end. I will also be at the URA booth from 10 am to noon to talk about the study results.
Presentation Overview

1. Study background
2. How is your store doing?
3. What to sell – prices
4. What to sell – categories
5. What to sell – scrub features
6. Where to sell - retail channels, customers
7. How to improve your store
8. What marketing works
9. How suppliers can help retailers grow
10. Market size for planning
11. Congratulations!
1. Study Background

Expertise in research and business

India Hart Wood
- Founded Hart in 2002.
- AMA seminar in applied research
- Dartmouth BA 1988, courses in statistics, experimental design, psychology
- MIT Sloan MBA, 1996, strategy
- MIT courses in marketing, marketing channels, decision behavior, data models

Specialize in niche markets

- Confidential studies for businesses
  - E-learning
  - Custom framing
  - Astronomy equipment
  - Independent retailing (multiple studies)
1. Study Background

Where to get the study (and this presentation later today): UniformRetailers.org
1. Study Background

Methodology

- 28-question online survey, April-May 2014
- Respondent sources: Retailers sent survey link via e-newsletters or Facebook.
- No respondent source contributed more than 20% of all respondents.
- 2/3 of respondents from 6 states: TX 19%, OH 15%, NC 9%, VA 7%, ND 6%, MI 5%
- Qualification: respondents work in health care and wear scrubs

<table>
<thead>
<tr>
<th>Health care segment</th>
<th>Respondents</th>
<th>% of sample</th>
<th>% of U.S. health care population</th>
</tr>
</thead>
<tbody>
<tr>
<td>RNs and APRNs</td>
<td>600</td>
<td>42%</td>
<td>30%</td>
</tr>
<tr>
<td>LPNs and LVNs</td>
<td>200</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>CNAs and STNAs</td>
<td>249</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Other health care staff*</td>
<td>396</td>
<td>27%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,445</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Other health care staff consisted of 8% medical assistants, 5% dental assistants, 4% radiologic techs, and 1%-3% each of RRTs, dietary aides, CMAs, pharmacy techs, phlebotomists, PTs, optometrists, vet techs, etc.
1. Study Background

Methodology

- 31-question online survey, May 2014
- Respondent sources: URA and suppliers sent links via emails to scrub retailers.
- 186 scrub retailers responded.
- Qualification: 50%+ of sales from scrubs, shoes, and accessories for healthcare staff

| Retailers surveyed | 186 |
Recommendations Overview

Some humorous questions

- If the shoe fits, will nurses buy it?
- Is there much of a market here for burlap sacks?
- My scrub sales are really “solid.” Are everyone else’s?
- Should I send my business to the hospital so frequently?
- Did I really read in the newspaper that e-newsletters rock?
- Should we sell scrubs after supper?
- Should we be “nursing” our businesses so much?
- Shopping motivations: is this a “worn-out” concept?
- Suppliers: Can you be the equivalent of a hot date for retailers?
2. How is Your Store Doing?

What percentage of scrub retailers had gross sales of more than $300,000 in 2013?

A. 12%
B. 32%
C. 52%
D. 72%
2. How Is Your Store Doing?

Percentage of scrub retailers with gross sales at each level:

<table>
<thead>
<tr>
<th>Gross sales</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $800,000</td>
<td>26%</td>
</tr>
<tr>
<td>$300,001 to $800,000</td>
<td>26%</td>
</tr>
<tr>
<td>$150,001 to $300,000</td>
<td>23%</td>
</tr>
<tr>
<td>$150,000 or less</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td><strong>$325,000</strong></td>
</tr>
</tbody>
</table>

Percentage of scrub retailers with average inventory values at each level:

<table>
<thead>
<tr>
<th>Inventory value (12-month average)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>More than $125,000</td>
<td>27%</td>
</tr>
<tr>
<td>$75,000 to $125,000</td>
<td>25%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>24%</td>
</tr>
<tr>
<td>Less than $50,000</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td><strong>$75,000</strong></td>
</tr>
</tbody>
</table>

Retailer question 4. “What were your business’s gross sales in 2013?”
Retailer question 20. “What was the average value (at your cost) of your business’s inventory in 2013? This should be an approximate 12-month average.” 78 retailers gave data to calculate inventory turn.
2. How Is Your Store Doing?

Growth

Percentage of scrub retailers indicating sales increased or decreased each year:

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase (0%)</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>67%</td>
<td>9%</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>70%</td>
<td>14%</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>69%</td>
<td>14%</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>67%</td>
<td>18%</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>70%</td>
<td>14%</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Retailer question 5. “Did your business’s gross sales increase or decrease each year versus the previous year?” Sales growth for the first quarter of 2014 was similar.

URA Scrub Market Study 2014
2. How Is Your Store Doing?

Profitability

– 72% said they were profitable.
– 76% said they received an income (salary, distribution, dividend).

Percentage of scrub retailers indicating various profit margins:

<table>
<thead>
<tr>
<th>Profit margin</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 20%</td>
<td>21%</td>
</tr>
<tr>
<td>11% to 20%</td>
<td>28%</td>
</tr>
<tr>
<td>8% to 10%</td>
<td>25%</td>
</tr>
<tr>
<td>7% or less</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td><strong>10%</strong></td>
</tr>
</tbody>
</table>

Retailer question 16. “Did your business make a profit (before taxes) in 2013? Profit equals total revenue minus total expenses.” Retailer question 17. “If you answered "Yes," that your business made a profit, what was the profit margin? Profit margin equals profit divided by gross sales. If you have no idea, put "unsure." Note about half of retailers were unsure of their profit margin.
2. How Is Your Store Doing?

Typical setup (186 retailers surveyed)

– All derived at least half their sales from scrubs, shoes, and accessories for nurses and other health care staff.

– 74% had one location; 17% had two.

– 97% had a storefront; 47% sold online.

– Half of retailers surveyed had at least five other retailers selling scrubs nearby and five or more hospitals within a 45-minute drive.
What makes growing and profitable scrub retailers different

- Higher median gross sales ($440,000 vs. $325,000 for all stores)
- Lower square footage (33% had more than 2,000 s.f. vs. 48%)
- Higher mark-up (34% with markup greater than 2x, vs. 28%)
- Lower average discount (41% more than ten percent, vs. 47%)
- They are NOT more likely to have multiple stores, online stores, or use particular marketing methods.
2. How Is Your Store Doing?

Recommendations

• Make a deliberate decision about your business: Would you like to grow or be more profitable?

• If so, get ideas from this presentation and ask for help from your peers and the URA.

• The entire scrub industry depends upon independent retailer health!
3. What to Sell - Prices

How much do nurses and other health care staff typically spend on scrubs, footwear, and accessories per year?

A. $100
B. $150
C. $250
D. $350
3. What to Sell - Prices

Spending on scrubs, footwear, accessories

Median spending by segment
- $350 all respondents
- $408 LPNs and LVNs
- $390 RNs and APRNs
- $350 CNAs and STNAs
- $300 other health care staff

Consumer question 13. “How much did you spend in the past 12 months on scrubs, footwear, and accessories for work?” Note “$250” means their spending numbers totaled between $200 and $299. Accessories were stethoscopes, scissors, organizers, etc.
3. What to Sell - Prices

Spending on Scrubs

Median spending by segment
- $200 all respondents
- $200 LPNs and LVNs
- $200 RNs and APRNs
- $200 CNAs and STNAs
- $200 other health care staff

Consumer question 13. “How much did you spend in the past 12 months on scrubs, footwear, and accessories for work?”
3. What to Sell - Prices

Percentage who spent money per category:

<table>
<thead>
<tr>
<th></th>
<th>RNs and APRNs</th>
<th>LPNs and LVNs</th>
<th>CNAs and STNAs</th>
<th>Other Health Care Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scrub tops and bottoms</td>
<td>99%</td>
<td>99%</td>
<td>100%</td>
<td>99%</td>
</tr>
<tr>
<td>Scrub jackets and lab coats</td>
<td>45%</td>
<td>34%</td>
<td>24%</td>
<td>33%</td>
</tr>
<tr>
<td>Footwear and socks</td>
<td>88%</td>
<td>86%</td>
<td>86%</td>
<td>78%</td>
</tr>
<tr>
<td>Accessories*</td>
<td>47%</td>
<td>54%</td>
<td>33%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Median amount spent per category (spenders only):

<table>
<thead>
<tr>
<th></th>
<th>RNs and APRNs</th>
<th>LPNs and LVNs</th>
<th>CNAs and STNAs</th>
<th>Other Health Care Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scrub tops and bottoms</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
</tr>
<tr>
<td>Scrub jackets and lab coats</td>
<td>$50</td>
<td>$50</td>
<td>$55</td>
<td>$50</td>
</tr>
<tr>
<td>Footwear and socks</td>
<td>$150</td>
<td>$150</td>
<td>$100</td>
<td>$125</td>
</tr>
<tr>
<td>Accessories*</td>
<td>$75</td>
<td>$75</td>
<td>$50</td>
<td>$50</td>
</tr>
</tbody>
</table>

Consumer question 13. “How much did you spend in the past 12 months on scrubs, footwear, and accessories for work?” *Accessories were stethoscopes, scissors, organizers, etc.
3. What to Sell - Prices

Recommendations

• Price scrubs knowing buyers typically spend $200 a year on scrubs. There are few big spenders.
• Focus on more than nurses, as other health care staff also spend $200 per year on scrubs.
• Consider leaving the really low-spending customers to other types of retailers.
• Sell more footwear if possible, as that is a relatively high-spending category.
4. What to Sell - Categories

How much health care staff spending is on footwear, as a percentage of the total for scrubs, footwear, and accessories?

A. 11%
B. 21%
C. 31%
D. 41%
Consumer question 13. “How much did you spend in the past 12 months on scrubs, footwear, and accessories for work? “ Data is for all health care staff respondents.
Retailer question 7, “What percentage of your 2013 retail sales came from each product category?”
4. What to Sell - Categories

Percentage of retailers noting sales each category increased, stayed the same, or decreased 2012-2013:

<table>
<thead>
<tr>
<th>Category</th>
<th>Increased</th>
<th>Same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scrub tops - solids</td>
<td>76%</td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>Scrub bottoms</td>
<td>57%</td>
<td>36%</td>
<td>7%</td>
</tr>
<tr>
<td>Footwear (shoes and socks)</td>
<td>43%</td>
<td>40%</td>
<td>17%</td>
</tr>
<tr>
<td>Accessories</td>
<td>31%</td>
<td>62%</td>
<td>8%</td>
</tr>
<tr>
<td>Scrub jackets, lab coats, and warm-ups</td>
<td>30%</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Scrub tops - prints</td>
<td>15%</td>
<td>23%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Retailer question 8, “Which categories increased or decreased in your business, in terms of sales revenues, from 2012 to 2013?”
4. What to Sell - Categories

Recommendations

• Take a look at your own store’s % of sales per category. Should you rebalance your categories so they are closer to customer spending patterns?

• Evaluate selling more footwear.
5. What to Sell – Scrub Features

What do you think is most important to nurses when they decide which scrubs to buy?

A. Low price
B. Comfortable fit
C. New style
D. Attractive fit
Consumer question 23: “What made you buy these particular scrubs?” This was regarding their most recent scrub purchase. Data is for all respondents (excluding students).
5. What to Sell – Scrub Features

Top six dislikes

1. Fit wrong, boxy, and unflattering
2. Pockets: none, not enough, wrong size or poor placement
3. Too-short pants or tops
4. Tight fitting
5. Stiff fabric
6. Uncomfortable

Consumer question 10, “What makes you really dislike a particular set of scrubs?” Includes all respondents except students. This was an open-field question.
5. What to Sell – Scrub Features

Top six likes

- Comfortable
- Fits me (flattering, not too tight)
- Pockets (depth and placement, lots of them)
- Color
- Soft material
- Stretchy

Consumer question 9, “What do you like about your favorite set of scrubs?” Includes all respondents except students. This was an open-field question.
# 5. What to Sell – Scrub Features

A simple diagram of consumer preference

<table>
<thead>
<tr>
<th></th>
<th>Poor fit</th>
<th>Great fit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low price</td>
<td>Poor fit Low price</td>
<td>Great fit Low price</td>
</tr>
<tr>
<td>High price</td>
<td>Poor fit High price</td>
<td>Great fit High price</td>
</tr>
</tbody>
</table>
5. What to Sell – Scrub Features

Color

Percentage of RNs with a dress code:

- Yes, solid colors only: 48%
- Yes, solids or prints: 13%
- No: 39%

Retailer survey results: 70% of hospitals in local market require color-coded scrubs

<table>
<thead>
<tr>
<th></th>
<th>RNs and APRNs</th>
<th>LPNs and LVNs</th>
<th>CNAs and STNAs</th>
<th>Other Health Care Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, solid colors only</td>
<td>48%</td>
<td>31%</td>
<td>29%</td>
<td>39%</td>
</tr>
<tr>
<td>Yes, solids or prints</td>
<td>13%</td>
<td>8%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>No</td>
<td>39%</td>
<td>60%</td>
<td>56%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Consumer question 4 “Do you have to follow a color-coded dress code at work?”
5. What to Sell – Scrub Features

Recommendations

• If your market is mainly RNs, focus more on solid color scrubs.
• If your market is LPNs, CNAs, and other staff, keep the prints.
• Offer scrubs which are Comfortable and soft, Fit attractively, and have great Pockets (CFP).
• Marketing should emphasize CFP.
• If your customers are the 22% who select mainly for low price, keep scrubs which are low priced and perhaps not CFP.
• Encourage your staff to help customers pick out scrubs which are comfortable and attractive for them and the pockets fit their needs.
• Suppliers: If your scrubs aren’t CFP, do it or compete on low price.
6. Where to Sell

What percentage of health care staff’s scrub spending is online?

A. 48%
B. 36%
C. 24%
D. 12%
6. Where to Sell

Percentage of health care staff total spending by store type:

- Scrub shop (brick and mortar): 54%
- Online scrub shop: 12%
- Mobile scrub store/truck: 14%
- Shoe store: 10%
- Mass merchandiser: 7%
- Other: 2%

Comparison: 15% of U.S. women’s apparel sales were online in 2013*

Consumer question 14. “Approximately what percentages of this spending were at various kinds of stores in the past year?” Data is for all health care staff respondents.
6. Where to Sell

Percentage of scrub retailers’ total sales via these channels:

- In the store: 71%
- Web site: 12%
- Mobile units/hospital sales: 14%
- Other: 3%

47% of retailers said they sold online

Retailer question 3. “How did your business conduct its overall sales in 2013?”
6. Where to Sell

By segment: percentage who shopped at various stores in the past year:

<table>
<thead>
<tr>
<th>Segment</th>
<th>RNs and APRNs</th>
<th>LPNs and LVNs</th>
<th>Other Health Care Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scrub shop (brick and mortar)</td>
<td>86%</td>
<td>72%</td>
<td>79%</td>
</tr>
<tr>
<td>Online scrub shop</td>
<td>29%</td>
<td>33%</td>
<td>20%</td>
</tr>
<tr>
<td>Mass merchandiser (Wal-Mart, JC Penney, etc.)</td>
<td>22%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Mobile scrub store/truck at hospital</td>
<td>16%</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>Shoe store</td>
<td>41%</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>13%</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>199%</td>
<td>220%</td>
<td>194%</td>
</tr>
</tbody>
</table>

Consumer question 14. “Approximately what percentages of this spending were at various kinds of stores in the past year?” CNA/STNA data not presented because an unrealistic number of respondents came from scrub trucks.
6. Where to Sell

Relative mentions of these as sources of growth for retailers in 2013:

- Hospitals
- Dental offices
- Medical clinics
- Nurses
- Mobile sales
- Online
- Group sales
- Nursing homes

Retailer question 9. “What customer segments or sales channels provided growth for your business in 2013?” This was an open-ended question, so graph shows relative number of mentions rather than numbers.
6. Where to Sell

Recommendations

• Don’t freak out about online competitors. Only 12% of spending is online. Fit is the #1 scrub criteria, and that’s easiest in your store.

• Take market share from shoe stores. About 40% of your customers have bought work shoes there.

• Focus marketing on hospitals and ambulatory care, areas of growth for many scrub retailers.
7. How to Improve Your Store

Other than lower prices, what change do customers most want at their local scrub store?

A. Carry their size.
B. Be open more in the evening.
C. Carry a wider selection of brands and colors.
D. Be more a part of the nursing community.
7. How to Improve Your Store

Percentage checking off each improvement they would like their local store to make:

- Lower prices
- Better or more frequent sale prices and... (Carry more in my size)
- Store open more in evenings (past 6 pm)
- Wider selection of brands and colors
- More convenient location
- More new items
- Better or more parking
- Dressing rooms more comfortable and private
- Store better organized
- Staff friendlier
- Staff more knowledgeable about clothing fit...
- Checkout process quicker, no waiting
- Higher-quality products
- Store more willing to place special orders if...
- Staff more available when needed
- Store feels more like a part of the nursing...
- Store cleaner

ALL SET! GOLD STAR

PLEASE IMPROVE

Consumer question 18. "Think of the scrub shop you go to most often. What improvements would you like the store to make?" Data is for all health care staff respondents.
7. How to Improve Your Store

Percentage of respondents rating a shop feature “very important”:

“Huge” factor!  Carry my size
High-quality products
Wide selection of brands and colors
Good sale prices and promotions
Store is clean
Staff are friendly
Store willing to place special orders
Dressing rooms are comfortable and private
Store is well-organized; easy to find things
Prices are always low
Staff knowledgeable about fit and brands
Staff available when needed
Store is conveniently located
Checkout process is quick, no waiting
Always something new
Store is open in evenings (past 6 pm)
Convenient parking
Store feels like part of the nursing community

Consumer question 17. “How important are these local scrub shop features to you?” Scale was 1 to 5, with 5 being very important and 1 not important. Data is for all health care staff respondents.
7. How to Improve Your Store

Recommendations
Make sure your store excels at the essentials other stores fail at:

• Carry all customer sizes.

• Provide a wide selection of brands and colors.

• Explore being open after 6 pm., especially if your nearby competitors are (shoe stores, mass merchandisers, and mall chains).

• Offer good sale prices and promotions… within reason. Remember other store features are more important than everyday low price.
8. What Marketing Works

What online promotional method did most retailers say was worth the time and money?

A. E-mail newsletters
B. Facebook
C. Online ads
D. Shopping directories (Yelp, Yellowpages, etc.)
8. What Marketing Works

Percentage of scrub retailers rating each promotional method they used:

- Special events in your store
- E-mail newsletters
- Mobile units/hospital sales
- Facebook, Pinterest, other social media
- Mailings to customers
- Store blog/Web site
- Promotional events such as hospital...
- Printed newsletters
- Online ads via Google
- Radio ads
- Shopping directories (Yelp.com, ...
- Yellow Pages listings
- Television ads
- Newspaper ads
- Ads in magazines or nursing association..

Retailer question 11. “Was the sales impact from these promotional methods in 2013 worth the time and money you spent on them?” Scale was yes worth it, unsure, not worth it, did not use.

URA Scrub Market Study 2014
8. What Marketing Works

Percentage of scrub retailers who USED each promotional method in 2013:

Retailer question 11. “Was the sales impact from these promotional methods in 2013 worth the time and money you spent on them?” Scale was yes worth it, unsure, not worth it, did not use.

URA Scrub Market Study 2014
8. What Marketing Works

Percentage of health care staff who prefer to hear from retailers this way:

**Email newsletters**
- RNs and APRNs: 50%
- LPNs and LVNs: 40%
- CNAs and STNAs: 30%
- Other Health Care Staff: 20%

**Retailer's Web site or blog**
- RNs and APRNs: 40%
- LPNs and LVNs: 30%
- CNAs and STNAs: 20%
- Other Health Care Staff: 10%

**Printed catalog**
- RNs and APRNs: 30%
- LPNs and LVNs: 20%
- CNAs and STNAs: 10%
- Other Health Care Staff: 0%

**Facebook postings**
- RNs and APRNs: 20%
- LPNs and LVNs: 10%
- CNAs and STNAs: 0%
- Other Health Care Staff: 0%

**Mailed newsletters or postcards**
- RNs and APRNs: 10%
- LPNs and LVNs: 5%
- CNAs and STNAs: 0%
- Other Health Care Staff: 0%

*Consumer question 19. “How do you prefer to keep up with your favorite scrub retailers?” Data is for all respondents.*
8. What Marketing Works

Percentage of health care staff who said they went shopping for these reasons:

- Old scrubs were faded, worn or stained: 50%
- Did not have enough to wear to work: 40%
- Special sale or offer: 30%
- Wanted something more comfortable: 20%
- Old scrubs no longer fit well: 15%
- Nothing, I was just shopping and: 10%
- New job: 5%
- New requirements at work: 3%
- Other (please specify): 2%
- Saw a posting or ad from the store: 1%
- Saw someone wearing new scrubs I liked: 1%
- Special occasion, wanted to look better: 0%

*Consumer question 22. “What made you go shopping for scrubs that day?” Data is for all respondents.*
8. What Marketing Works

Recommendations

• Use e-mail newsletters!
• Keep offering strong in-store events.
• Set up mobile units/hospital sales if possible.
• If your social media presence is weak, work on it.
• Consider discontinuing Yellow Pages listings, newspaper ads, and radio ads unless you know they deliver results in your market. Invest the savings in more effective marketing methods (above).
• Marketing message: “Why wear scrubs that make you look like a troll? Come see us if your old scrubs are worn out, don’t fit well, or you just don’t like them.”
9. How Suppliers Can Help Retailers

What did most retailers say they want suppliers to do to help grow their retail business?

A. Offer more co-op advertising.
B. Offer lower-cost products.
C. Offer higher quality products.
D. Keep products in stock, with fewer backorders.
9. How Suppliers Can Help Retailers

Percentage of retailers saying these supplier actions would help grow their store:

- Keep products in stock (fewer backorders) 60%
- Offer better freq. buyer or bulk discounts 55%
- Offer more co-op advertising opportunities 53%
- Offer other ways to qualify for discounts 53%
- Provide better promotional materials 47%
- Be more flexible about payments 45%
- Offer lower-cost products 44%
- Send orders faster 43%
- Offer styles and colors my customers want 40%
- Use MAP pricing 36%
- Advertise nationally more often 36%
- Send more complete orders 26%

Retailer question 28. “What FOUR THINGS would you like your suppliers to do that would most help you grow your business?” Response was less than 12% for “offer higher quality”, “hire more knowledgeable reps”, and “accept smaller orders”.

URA Scrub Market Study 2014
9. How Suppliers Can Help Retailers

Recommendations

• Keep products in stock.

• Offer better frequent buyer or bulk discounts as well as other ways to qualify for discounts.

• Offer more co-op advertising opportunities, particularly locally.

• Provide better promotional materials and sales aids.
10. Market Size

How big are U.S. retail sales of medical scrubs?

A. $500 million
B. $1 billion
C. $2 billion
D. $3 billion
10. Market Size

The U.S. retail market for medical scrubs in 2013 was $1.5 to $1.9 billion.

Customer growth 2% per year (excluding inflation)

Here’s the data…
10. Market Size

Scrub retailers

- 2,500-3,200 scrub store locations in USA, according to estimates from larger suppliers. *Note: This could be more precise if suppliers provided dealer lists and Hart conducted a census.*

- Thousands more mass merchandiser, office supply, general uniform, and college bookstore locations sell scrubs.

- Number of scrub stores has been stable for past three years, according to estimates from larger suppliers.
## 10. Market Size

### Health care jobs that wear scrubs

<table>
<thead>
<tr>
<th>2012 data</th>
<th>Number of jobs</th>
<th>Job growth 2012-2022</th>
<th>Median pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered nurses</td>
<td>2,711,500</td>
<td>19%</td>
<td>$65,470</td>
</tr>
<tr>
<td>Nursing assistants and orderlies (CNA, etc.)</td>
<td>1,534,400</td>
<td>21%</td>
<td>$24,400</td>
</tr>
<tr>
<td>LPNs and LVNs</td>
<td>738,400</td>
<td>25%</td>
<td>$41,540</td>
</tr>
<tr>
<td>Medical assistant (CMA)</td>
<td>560,800</td>
<td>29%</td>
<td>$29,370</td>
</tr>
<tr>
<td>Pharmacy technicians</td>
<td>355,300</td>
<td>20%</td>
<td>$29,320</td>
</tr>
<tr>
<td>Medical and clinical lab techs</td>
<td>325,800</td>
<td>22%</td>
<td>$47,820</td>
</tr>
<tr>
<td>Dental assistants</td>
<td>303,200</td>
<td>25%</td>
<td>$34,500</td>
</tr>
<tr>
<td>Radiologic and MRI technologists</td>
<td>229,300</td>
<td>21%</td>
<td>$55,910</td>
</tr>
<tr>
<td>Dental hygienists</td>
<td>192,800</td>
<td>33%</td>
<td>$70,210</td>
</tr>
<tr>
<td>Nurse anesth., midwives, practitioners</td>
<td>151,400</td>
<td>31%</td>
<td>$96,460</td>
</tr>
<tr>
<td>All other scrub-wearing occupations*</td>
<td>2,015,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,118,300</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics Occupational Outlook Handbook for Health Care Occupations. These are ten largest job categories that wear scrubs. Job growth in USA overall from 2012 to 2022 will average 11%. National mean pay is $46,440. "All other" are dentists, PT assistants, sonographers and cardio techs, PAs, phlebotomists, vet techs; and half of home health aides, personal care aides, PTs, and veterinarians.
10. Market Size

Health jobs-based estimate

- About 9.1 million health care staff wear scrubs (BLS).
- Average spending per person is $413 on scrub tops, bottoms, jackets, lab coats, footwear, accessories.
- 59% of spending is on scrubs (tops, bottoms, jackets, lab coats).
- 9.1 million x $413 x 59% = $2.2 billion
- BUT since online surveys attract higher spenders, the median of $350 may be a better gauge, 9.1 m. x $350 x 59%
  = $1.9 billion

Scrub retailer-based estimate

- 3,000 specialty scrub store locations
- Average sales per location $487,568
- 71% of sales in-store, versus online or mobile
- 78% of store sales are from scrub tops, bottoms, jackets, lab coats.
- 54% of health care staff spending is at scrub shops.
- 3,000 x $487,568 x 71% x 78% / .54
  = $1.5 billion

All data is from the 2014 URA Scrub Market Study surveys unless noted otherwise.
11. Congratulations!

1. Independent scrub retailers generated $1.5 billion in sales in 2013.

2. Independent scrub retailers have more locations (3,000) than Target (1,795).

3. Customers are generally quite happy with their local scrub store.
   - Stores are typically well-organized and clean.
   - Staff is friendly, knowledgeable, and available.
   - Checkout is quick.
   - Products are high quality.

Questions and comments?