Marketing Doctor

Marketing Check-up

Rite Aid

As of June 3, 2025

Condition: Terminal

Two bankruptcies in under two years

Rite Aid ran more than 4,600 drugstores in 2015. It was known across the country but was always a distant third to CVS and Walgreens. In May 2025 it filed for bankruptcy for the second time in under two years, and its pharmacy business was sold to rivals. This check-up looks at a brand that never gave shoppers a specific reason to choose it, the trust problems that hit it and what third-place brands can learn.

Key takeaways

- As a distant third to CVS and Walgreens, Rite Aid gave shoppers no specific reason to choose it. Awareness is not a reason to buy.
- Its escape plans relied on others: a sale to Walgreens was scaled back and a merger with Albertsons was called off.
- Opioid prescription claims and a five-year federal ban on its use of facial recognition hit the trust a pharmacy brand depends on.
- After its first bankruptcy it was smaller but faced the same problem. Empty shelves were “actively pushing customers away,” an analyst said, and most of its pharmacy business was sold to rivals in 2025.

Marketing health check

Area	Finding
Positioning	None. A distant third with no specific reason to choose it.
Trust	Damaged by opioid claims and a facial recognition ban.
Store experience	Empty shelves by 2025.
Business mix	Dependent. Pharmacy was 71% of sales, with tight prescription profits.
Strategy	Relied on deals with others that fell through.

Timeline

When	What happened
2015	Rite Aid runs more than 4,600 stores. Walgreens agrees to buy it, a deal later scaled back.
2018	A merger with Albertsons is called off.
Mar 2023	The U.S. Justice Department joins a lawsuit over opioid prescriptions.
Oct 2023	Rite Aid files for Chapter 11 with more than 2,000 stores.
Dec 2023	Rite Aid agrees to a five-year ban on facial recognition.
Sep 2024	It emerges smaller and privately owned, with 1,245 stores.
May 5, 2025	Rite Aid files for Chapter 11 again.
May 21, 2025	A judge approves the sale of most pharmacy assets; CVS takes over stores and prescription files.

What happened: a third choice in a two-brand market

Rite Aid ran more than 2,000 stores when it first filed for bankruptcy in 2023. CVS and Walgreens each operated several thousand more and had moved into health care, including clinics, while online sellers such as Amazon took sales of everyday goods. Pharmacy made up 71.2% of its drugstore sales, so it lived on prescriptions, and prescription profits had grown tight.

Its escape plans relied on others. In 2015 Walgreens agreed to buy Rite Aid, then scaled back to buying about 1,900 stores. A 2018 merger with Albertsons was called off. None of these plans

gave customers a reason to choose Rite Aid.

The diagnosis: known, trusted less, chosen least

- **No reason to choose it.** A plain competitor analysis asks what a smaller rival offers that the leaders do not. For Rite Aid, the record gives no clear answer. Shoppers knew the name but had no specific reason to pick it over a bigger chain nearby.
- **Trust problems at the counter.** In 2023 federal officials said the chain filled "at least hundreds of thousands" of illegal prescriptions; Rite Aid called the claims "hyperbolic." It also agreed to a five-year ban on facial recognition after the FTC said false matches had led staff to accuse customers. Rite Aid disagreed with the allegations. For a pharmacy, these are not side issues.
- **Empty shelves.** By 2025 the Associated Press described empty shelves at a store near headquarters. "They're actively pushing customers away," said GlobalData's Neil Saunders.

The treatment it needed

A brand in third place needs to own a specific moment of need, a category entry point that brings a customer to it first: the fastest prescriptions, the most helpful pharmacists, the best service for a particular community. Rite Aid emerged from its first bankruptcy with about $2 billion of debt eliminated and 1,245 stores, but without that reason to visit. Cutting stores and debt buys time. It does not give customers a reason to come back.

The result: sold to the rivals it never beat

On May 5, 2025, Rite Aid filed for bankruptcy again, with a plan to sell substantially all of its assets. On May 21 a judge approved the sale of most of its pharmacy assets and the closing of stores. CVS agreed to take over 64 stores and the prescription files of 625 more pharmacies. According to Reuters, Rite Aid found buyers for customer files at 810 stores and none for 200 others.

Lessons for your marketing

1. Awareness is not a reason to buy. A third-place brand needs to own a specific moment of need.
2. Where health or money is involved, manage trust as part of the product.
3. Don't rely on deals with others to fix a brand problem.
4. Keep shelves full and service steady. Customers judge the brand in the aisle.
5. Fix the reason to visit before you cut your way to survival.

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Book a free marketing check-up at marketingdoctor.ca/contact. We'll examine your marketing, show you what's holding growth back and prescribe what to fix first.

Sources

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