

# CVS Renames Itself CVS Health as It Ends Sale of Tobacco Products

## Retail Chain Hopes Move to Drop Cigarettes Will Help It Win Other Business

By

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The company's new name is CVS Health. Pictured, a CVS in February. *Andrew Hinderaker for The Wall Street Journal*

CVS Caremark Corp. emerged from its seven-month purge of tobacco products with a new corporate name: [CVS Health](#). [CVS +1.33%](#)

The retail chain and pharmacy-benefits manager unveiled the new moniker Wednesday, coinciding with the sale of its last tobacco product at its 7,700 pharmacies, one month ahead of schedule. In February CVS said it would [rid all of its stores of tobacco products](#) by Oct. 1, forgoing around \$2 billion in annual sales.

The financial risk was balanced by the hope that being the first major pharmacy chain to stop selling tobacco would create a public relations halo. CVS is banking that the distinction can help it win business in other parts of the company, like administering prescription-drug programs for clients, and position it as a broader provider of basic health services.

"While there's never a right time to walk away from \$2 billion in revenue, this was the right time," CVS President and Chief Executive Larry Merlo said in an interview. "Eliminating this obstacle will allow our company to grow over the long term."

It is unclear whether the move has yielded any financial benefits to the pharmacy chain. None of the other national pharmacy chains have followed CVS to drop cigarettes.

[Walgreen](#) Co. [WAG +2.27%](#), the largest pharmacy chain in the U.S., said that just 4% of tobacco products are sold at pharmacies, and believes that not selling tobacco will have little effect on use since shoppers can go to places like dollar stores, which have added cigarettes in recent years. As it continues to sell cigarettes and other tobacco products, Walgreen said it will focus on offering products and programs that help people quit smoking

CVS, in a study released Wednesday, said that in Boston and San Francisco, where tobacco sales were banned at retailers with pharmacies, the number of people buying tobacco fell 13.3%, showing that a widespread effort is more effective at getting people to quit.

CVS plans to use the space vacated by tobacco products behind the cash registers to advertise the fact that it is no longer selling the products, Helena Foulkes, president of the pharmacy division said. Some of that space will also be used for products that help smokers quit.

One product CVS doesn't plan to carry is electronic cigarettes. "We don't think it's consistent with everything that we've talked about," Mr. Merlo said.

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