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## EXPANDING THE BOUNDARIES OF SELF-MEDICATION IN A GLOBAL CONTEXT

# Self-medication and the global needs of healthcare consumers: thinking outside the box

*Mr Jack Ziegler, President, SmithKline Beecham Consumer Healthcare*

*Good afternoon ladies and gentlemen. My theme for this afternoon is "Thinking outside the box"!*

*The fact that we are meeting in Berlin – a city that has been transformed in a way that would have been incredible just a few years ago, demonstrates that "out of the box" thinking is not necessarily "out of this world" thinking.*

Let me begin by painting the two alternative pictures of the future of OTC self-medication. In the first, the European market continues its gradual slide into stagnation, on the back of minimal growth. It sees manufacturers battling to grab a bigger slice of a cake which is not growing.

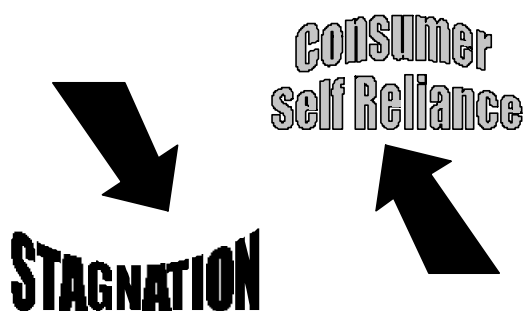


Meanwhile, patients are growing ever more demanding about their own healthcare. And Europe's socialised health systems are battling to contain their costs and

maintain often-substandard services. By spreading their limited funds too thinly, they divert scarce resources from the real and urgent areas of healthcare need. The result is a poor (but equal) service. It seems to be a lose/lose/lose scenario – for governments, industry, and consumers alike.

This brings us on to the second, and rather brighter, scenario for the future of OTC self-medication. It is essentially the inverse of the first.

### Future of OTC self-medication in the European market



Faced with the lose/lose scenario, manufacturers and governments work together to build more consumer self-reliance in health. In this scenario, governments kick-start market growth by recognising the value of self-medication in their health systems, and actually doing something to get the benefit of it. And manufacturers lend their full support by developing self-medication products, which satisfy real consumer needs. Working together, governments and industry communicate to consumers the impressive case for individual responsibility to deliver better healthcare.

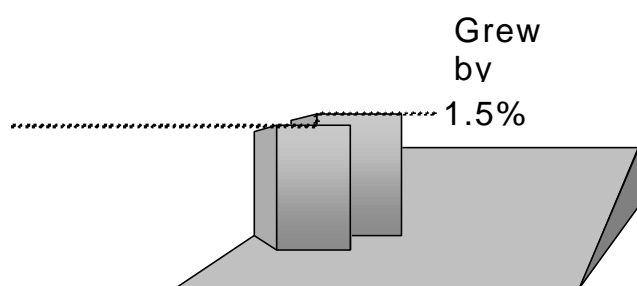
Which scenario would you prefer?

I admit it is a rhetorical question. But I believe that it does represent a dispassionate view of the alternative futures for self-medication in Europe.

And we must realise that we are not unique in facing such challenges. To some extent, the future health of the pharmaceutical industry in Europe is reliant upon the OTC sector's progress as champions for medicines liberalisation: challenging Europe's entrenched healthcare laws and cultures.

Without major change, Europe's health systems will limp on through the 21<sup>st</sup> century, and our industry will limp on with them. Consumers will find alternative outlets for their own spending on health and wellbeing: just look at the growth of so many unproven therapies and philosophies. We need more OTC, less Feng Shui!

### 1998 European OTC Market



It is a sad irony that despite consumers' increasing desire to invest in their own health, the OTC market in Europe grew by 1.5% in 1998.

So what needs to happen to climb out of this box?



It may be painful to present a long list of negative factors, which constrain us. But, I think it is vital that we put into perspective the challenges that we are facing.

### The challenges facing us

Firstly, from a scientific and technical standpoint, we are mostly constrained by having to work with the same, limited, choice of active substances. And, by and large, with the same repertoire of permissible indications.

While there are inevitably some local differences, we essentially compete in a market of branded generics. We all play with the same building blocks. As a result, it is difficult to differentiate one product offering from another.

### The Challenges Facing Us...

- Same, limited choice of active substances
- International regulatory environment
  - Little harmonisation of regulations
  - No common agreement about suitable medicines for self-meds
  - Constraints on use of Rx brand names for switches

On a brighter note, our industry's new product track record has shown some signs of improvement during the 90s. This partially reflects a number of successful Rx to OTC switches, as well as the growth of herbals and vitamins which address the consumer's focus on prevention and involvement in their own healthcare. Unfortunately these initiatives have neither delivered sufficient market growth nor relieved much pressure from state funded healthcare.

Another key factor that constrains us, is the international regulatory environment. There is, as yet, little real harmonisation of international regulations, nor even common agreement about which medicines are suitable for self-medication. We also encounter constraints on the use of Rx Brand names for a switched medication. The continued use of the Rx Brand name informs consumers, informs professionals – isn't that a good thing?

We continue to face a major struggle with local regulatory differences each time we seek to internationalise our new products. As a result, it is hardly surprising that global OTC brands remain the exception, rather than the rule.

But our challenges extend well beyond the regulatory environment, and go to the core of the European healthcare culture.

### The Challenges Facing Us...

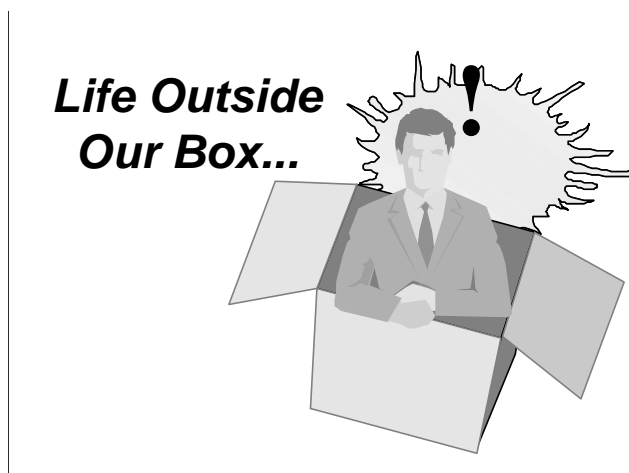
- Pharmacies
  - OTC medicines behind the counter, whereas, self-access increases self-medication
- Consumers
  - Still visit their doctors first, even for minor ailments
  - This culture works against the growth of **self**

In Western Europe, where cradle-to-grave state healthcare systems prevail, many consumers still have a tendency to visit their doctor, even for minor conditions. Consumers waste their time and waste the physician's time to gain reimbursement for a drug for which they need no guidance and then complain that the healthcare system is too slow to meet their needs. This culture works against the growth of self.

Moving on, in pharmacies product placement behind the counter may make sense for prescription products but, it does not make sense for non-prescription products. Why should OTCs be behind the counter rather than in front where labelling can educate and inform consumer choice? And, greater access always translates into greater self-medication.

A final, but vital constraint upon the growth of self-medication lies in the restricted ability of the consumer to pay for their own medicine, and thereby enjoy the freedom to express their personal preferences.

There is no doubt that we have been constrained by the box. The task ahead is to ensure that the box does not become a coffin!



However, there are some rays of light: suggesting that there may be life outside of our box.

#### Life Outside Our Box...

- Recent acceptance by international regulators
  - New self-meds for eczema and vaginal candidiasis
  - New ingredients (nasal steroids)
  - Completely new therapeutic categories (male-pattern baldness and smoking cessation)

Take, for example, the recognition by regulators, across international boundaries, that a variety of new medical conditions can be safely and effectively treated by self-medication. The old concept, that a condition needed to be self-limiting, before it could be considered as acceptable for self-medication, has been successfully

challenged. New OTC indications (such as eczema and vaginal candidiasis) and new ingredients (such as nasal steroids for allergies), have emerged as a consequence of this change in attitude.

Other completely new therapeutic categories, (such as male pattern baldness and smoking cessation), have made a serious entry into the OTC arena for the first time. But while these new opportunities are welcome, they remain relatively few and far between.

Recent industry initiatives, such as those brought forward by the AESGP, are designed to create a more open and free market for OTC medicines. Just one example, here in Europe, is that we are encouraging the authorities to properly implement the Mutual Recognition Procedure: so that consumers, governments and manufacturers can reap the benefits of faster registration across borders within Europe. Only issues of potential *serious* risk to public health should be allowed to interfere with the process.

#### Life Outside Our Box...

- Better-educated Consumer
  - 18 million Europeans have access to the Internet; predicted to reach 47 million by 2003
  - Greater access to global information on all medicines

*Second highest 'hits' on the Internet are for health-related topics*

The key issue is whether we can achieve this before it is too late. We need European governments to act now, to relax the regulatory straightjacket.

And consumer empowerment has also emerged onto the agenda of many governments. There is a widening belief, amongst both governments and regulators, that consumers are able to recognise a broad range of illnesses for themselves, and that many of these are highly appropriate for self-medication.

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The consumer is also becoming better educated. For example, today 18 million European's have access to the Internet. This is predicted to increase to 47 million by 2003 which is 31% of the population. These people will have access to global information on all medicines. It is noteworthy that the second highest "hits" on the Internet, are for healthcare information. The provision of greater information is empowering the consumer to act with growing self-sufficiency and confidence.

Governments now need to seize this opportunity – to stimulate the practice of self-medication, and reduce their burden of cost for the treatment of minor complaints.

They need to free up the doctors' time. So that they can focus on the prevention, diagnosis and treatment of serious illness. Consumers need to be made aware of their own social responsibility: to use scarce healthcare resources effectively. They can do this by taking a personal role in the treatment of common illnesses.

### Social Responsibility Of Consumers

- Use scarce healthcare resources effectively
- Assume personal role in the treatment of common illnesses

If governments decide to strengthen healthcare cost constraints and make self-medication products more widely available, then this must be preferable to facing the lose/lose/lose scenario.

### Responsibility Of the OTC Industry

- **Speak** with our partners as a matter of urgency
- **Communicate** benefits of wider self-medication
- **Listen** carefully to partners' thoughts and concerns

***We must, at all costs, avoid confrontation***

From the perspective of the OTC industry, we need to speak with our partners as a matter of urgency, to communicate the benefits of wider self-medication. At the same time, we must listen carefully to their thoughts and concerns. **We must, at all costs, avoid confrontation.**

### Government and Industry

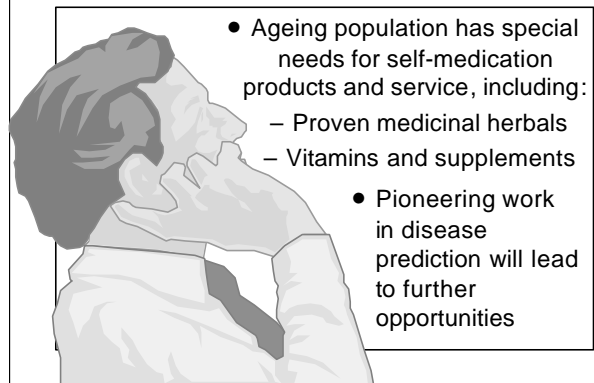


Governments and industry, perhaps through jointly funded advertising, can encourage the growth of a common consumer culture for responsible self-medication. This could include encouraging consumers to make their own self-medication choices, to conserve physician time and resources to meet more serious healthcare needs.

The time for action is now, before the inexorable rise of healthcare costs makes further draconian measures inevitable.

This is the major challenge which faces our industry. We should not underestimate our collective power to influence change for the better.

### Looking Ahead...

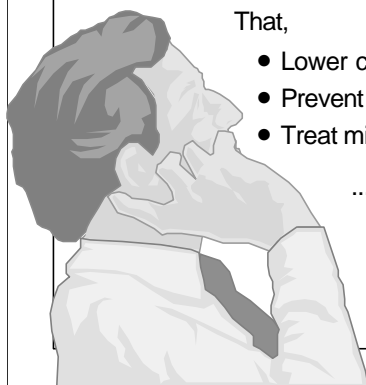


Looking ahead, I can see demand for more healthcare products both to meet consumers lifestyle needs and their aspirations to take a greater role in determining their own health outcomes. An ageing population has special needs for self-medication products and services, including medicinal herbals, vitamins and supplements to help improve quality of life, particularly when faced with chronic conditions.

Beyond this, I am sure that the pioneering work in genetics and disease prediction will lead to further prevention opportunities. One can foresee self-medication brands to lower cholesterol, prevent asthma attacks or treat migraine headaches, all marketed in conjunction with consumer advice on lifestyle improvements.

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## Looking Ahead... Self-Medication Brands



That,

- Lower cholesterol
- Prevent asthma attacks
- Treat migraine headaches

... All marketed in conjunction with consumer advice on lifestyle improvements

But these future opportunities depend upon governments, regulators and industry climbing out of the box together.

