

WORKSHOP: EFFECTIVE RX-TO-OTC SWITCHING

Successful Rx-to-OTC switches

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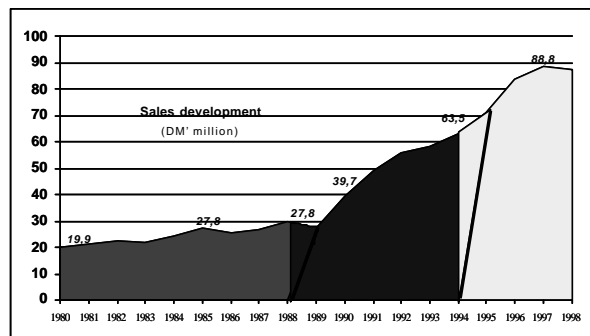
UMBRELLA BRANDING



- DEFINITION**
PRESCRIPTION BOUND FORM AND SAME BRAND FOR OTC FORM.
- QUESTION**
WHAT IS THE IMPACT OF CONSUMER ADVERTISING OF OTC FORM ON SAME BRAND OF PRESCRIPTION BOUND FORM ?

3 EXAMPLES : 2 UK
1 US

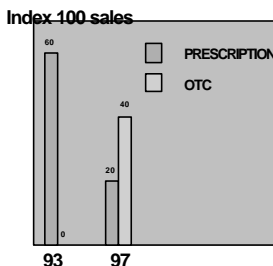
Bepanthen® - example for a successful switch brand GERMANY



UMBRELLA BRANDING

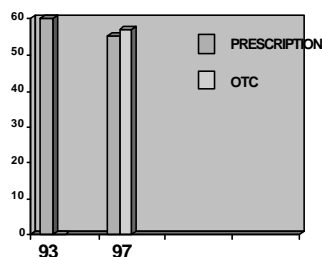


ZOVIRAX - UK (COLD SORE CREAM)



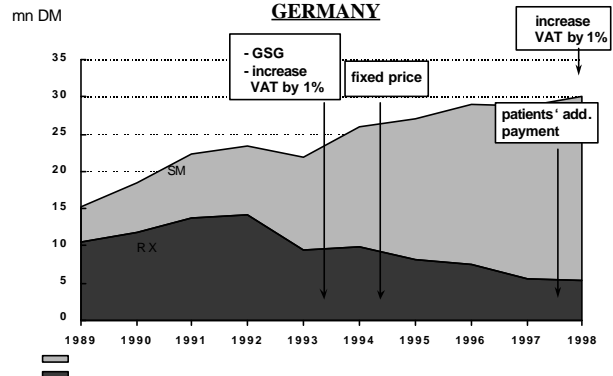
1993 : ONLY PRESCRIPTION FORM
1994 : LAUNCH OTC FORM
WITH SAME BRAND NAME

BECONASE-UK (NASAL STEROID)



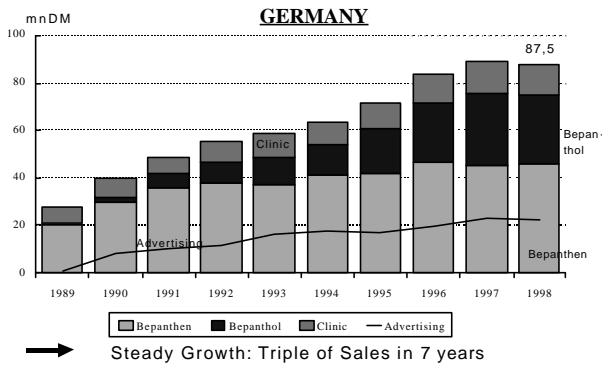
1992 : ONLY PRESCRIPTION FORM
1993 : LAUNCH OTC FORM WITH
SAME BRAND NAME

Development RX/SM-sales Bepanthen® Roche Ointment GERMANY



Source : OTC and OTC report

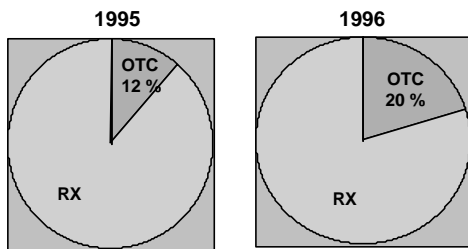
Bepanthen® Roche: Umbrella for a growing product family



1. SYNTHELABO

LOCATION OF CASE : BELGIAN PHARMACIES
 TIMING : OCT 96/ MARCH 99
 COMPANY : SYNTHELABO/SANOFI - HQS PARIS

TOTAL US ANTACID MARKET (PRESCRIPTION + OTC)



1996 : LAUNCH OF OTC FORM OF H2 ANTAGONIST BASED ON RANITIDINE (ZANTAC) - FAMOTIDINE (PEPCID-AC) - CIMETIDINE (TAGAMET 100).
 TOTAL MARKET DECREASED BY 7 % SINCE NEW OTC FORM HAS LOWER PACK PRICE & LOWER PRESCRIPTION.



2. BELGIAN COUGH OTC MARKET

- SECOND LEADING OTC MARKET
- SALES OF 5,5 MIO BOTTLES OR 1/2 BOTTLE PER INHABITANT/YEAR
- STATIC MARKET IN 1996
- BRANDS VERY LONG LIFE CYCLE
- PHARMACY ONLY MARKET
- MOST COMPETITIVE OTC MARKET (with strong brands / Janssen/J&J - P&G - RPR - Roche - Qualiphar)

GENERAL CONCLUSIONS



- CONSUMER ADVERTISING ON OTC FORM DOES NOT INCREASE SALES OF THE PRESCRIPTION FORM OF THE SAME BRAND - SEE EXAMPLE IN UK - US.
- SAME EXAMPLES CAN BE FOUND FOR OTHER UMBRELLA BRANDS IN ALL EUROPEAN COUNTRIES.



2. BELGIAN COUGH MARKET (cont'd)

- COUGH SYRUP MARKET WAS A TRADITIONAL AND STATIC MARKET WITH NO INNOVATIONS.
- MOST LEADERS ARE SINCE DECADES IN LEADING POSITION.
- MORE THAN 60 BRANDS + 500 PHARMACIST OWN LABEL (NOT INCLUDED IN MARKET DATA).

INTRODUCTION SYNTHELABO/SANOFI



- STRATEGY OF VOLUNTARY DELISTING *
- SWITCH FROM PRESCRIPTION PRODUCT TO CONSUMER PRODUCT.
- FRENCH RHINATHIOL SWITCH IS NICE EXAMPLE.
- INTERNATIONAL BRAND : France,Belgium,Netherl,Swit,Port,Greece.
- BELGIAN RHINATHIOL RANGE WAS "SWITCHED" END 96.



2. BELGIAN COUGH MARKET (cont'd)

WHO DECIDES ON THE BRAND ?

CONSUMER	50%
DOCTOR	30%
PHARMACIST	20%

* Delisting = switch from reimbursable status to non-reimbursable status

2. BELGIAN COUGH MARKET (cont'd)



WHICH FORMS ARE SOLD ?

SYRUPS	70 %
TABLETS	10 %
OTHERS	20 % (suppos/teas/effervescents)

3. RHINATHIOL SUCCESSFUL SWITCH



3.1 1994/1995 : BELGIUM

SYNTHELABO OTC TEAM RECEIVED THIS DECLINING PRODUCT.

WHAT TO DO ?

- SALES PUSH OF EXISTING PRODUCT WITH HIGHER STOCKS ?
- NEW PRODUCT RANGE ?
- STOP DISTRIBUTION ?

2. BELGIAN COUGH MARKET (cont'd)



WHICH SEGMENTS ARE BOUGHT ?

DRY	65 %
WET (EXPECT)	35 %

3. RHINATHIOL SUCCESSFUL SWITCH



3.2 OCTOBER 1966 : SWITCH STRATEGY + ENLARGED PRODUCT RANGE

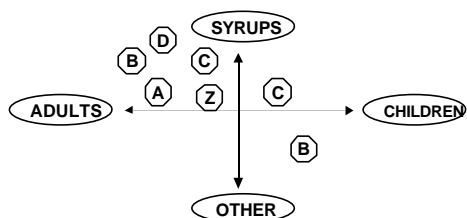
SYNTHELABO

- OTC TEAM DECIDED FOR LONG TERM GROWTH STRATEGY WITH LINE EXTENSION + NEW FORMS + NEW COMMUNICATION TO CONSUMER (TV).
- HOW TO CONVINC CONSUMER & PHARMACIST TO SWITCH FROM ESTABLISHED STRONG BRANDS TO RHINATHIOL ?
- CONSUMER SHOULD PERCEIVE RHINATHIOL BEING A BETTER PRODUCT AND COMPLETE RANGE.
- CONSUMER SHOULD SWITCH TO RHINATHIOL !

2. BELGIAN COUGH MARKET (cont'd)

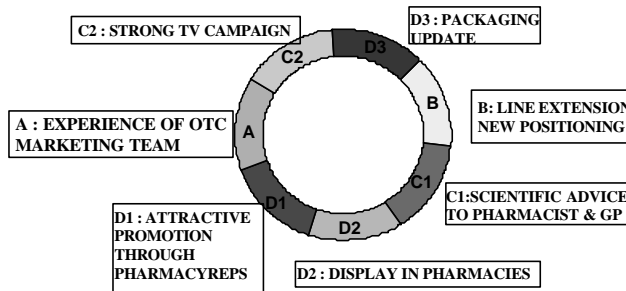


POSITIONING



MOST LEADERS ARE POSITIONED IN THE ADULT SYRUP SEGMENT.

3.3 MARKETING MIX RANKING - RHINATHIOL 96/99



2. BELGIAN COUGH MARKET (cont'd)



COMPANY HAD DILEMMA :

- BIGGEST PART OF THE MARKET IS IN DRY COUGH SEGMENT.
- RHINATHIOL:
 - WAS IN WET COUGH SEGMENT
 - PROMOTED AT DOCTORS WITH DECLINING PRESCRIPTIONS
- TO STOP THE DISTRIBUTION ORTO GIVE A CHANCE TO THE OTC TEAM ?

3. RHINATHIOL SUCCESSFUL SWITCH



A. EXPERIENCED OTC MARKETING TEAM

- BELIEVED IN SWITCH
- MOTIVATED
- WEEKLY SALES MONITOR OF SALES TO CONSUMERS

B. LINE EXTENSION : NEW FORMS

NEW POSITIONING : FROM WET TO WET & DRY COUGH

HOW TO CONVINCE HEALTHCARE EXPERTS ?



C1 : SCIENTIFIC ADVICE TO PHARMACISTS & GP'S

- 8 PAGE BROCHURE
- EASILY UNDERSTANDABLE
- EXPLAINING :
 - USP'S
 - LINE EXTENSION
 - DRY/WET COUGH PRINCIPLES

RHINATHIOL SWITCH 96/99



	WET COUGH SYRUPS		DRY COUGH SYRUPS			
	children	adults	SYRUPS		TABLETS	GEL
Before	children	adults	-	-	-	
After	children	adults	children	adults	children + adults	childr. + adults

FROM 2 PRODUCTS TO 6. TO FILL THE GAP.
TO ATTACK COMPETITORS IN THE BIGGEST PART OF THE MARKET.

HOW TO CONVINCE HEALTHCARE EXPERTS ?



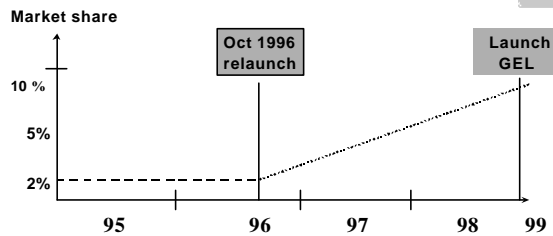
C2 : ATTRACTIVE TV CAMPAIGN WITH HUMOUR ACHIEVED

"HIGH IMPACT" SCORES



RHINATHIOL IS A SUCCESSFUL SWITCH

MARKET SHARE



HOW TO CONVINCE HEALTHCARE EXPERTS ?



- D1 : ATTRACTIVE PROMOTION TO PHARMACISTS - WELL PERCEIVED AND CREATED A RAPID INTRODUCTION OF NEW LINE.**
- D2 : DISPLAY IN PHARMACIES - REPETITION OF TV CAMPAIGN.**
- D3 : PACKAGING UPDATE : FROM OLD STYLE PACKAGE TO COMPREHENSIVE "NEW AGE" STYLE WITH CONSUMER INDICATIONS.**

QUICK CHANGE OF POSITION

