



# Nicholas Hall's OTC INSIGHT

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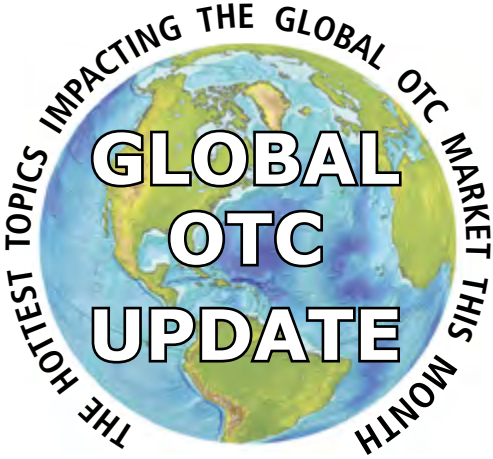
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### ***The Editor writes ...***

CCA is the focus of this month's *Market Report*, where air pollution is driving respiratory ailments across several markets. As such, the issue is increasingly used in marketing campaigns, not least in India where GSK supported Otrivin via innovative A+P at the Amity Gurgaon Half Marathon. Speaking of which, Indian brands performed well at this year's Nicholas Hall Awards during the company's 27th *OTC INSIGHT* European Conference in Krakow. This month's *Feature* rounds up the winners as well as the key takeaways from the various speakers.

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### ASIA-PACIFIC

- Piramal Enterprises' Consumer Products division is to acquire four popular heritage brands from Pfizer in India
- Six Chinese pharmaceutical companies have signed a MoU to co-found a pharmaceutical procurement platform
- Mundipharma plans to establish a new Betadine facility in Singapore that will combine R&D, manufacturing and distribution

### EUROPE

- After investigating three issues concerning a TV ad for Urostemol Men (Omega Pharma / Perrigo), the UK's Advertising Standards Authority has ruled that the ad must not appear again in the form challenged, i.e. repeat the claim "used by 10mn"
- A final decision on the proposed merger between Spain's Grupo Farmanova, Cecofar and Cofarcir will be made at the pharmaceutical distributors' general assemblies in June 2016

### NORTH AMERICA

- The US FDA is holding a public meeting on 10th June to gather stakeholder input on the potential development of a user-fee programme for OTC monograph drugs
- Industry reps, scientific experts and government officials met in mid-May to discuss changes to the way acetaminophen is sold in Canada
- CVS Pharmacy launched a flagship line of 2,500+ health & wellness products under the CVS banner

### LATIN AMERICA

- J&J's acquisition of Hipoglos from P&G has been approved without restrictions by CADE (Council for Economic Defence). According to **DB6**, Hipoglos is the leading dedicated nappy rash brand in Brazil, with sales of US\$25.4mn in 2015, and the No.2 wound healer, behind Bayer's Bepanthen
- FEMSA's CFO & Strategic Development Officer, Eduardo Padilla, said that the company will launch a Mexican pharmacy retail banner by 2017

# Trends & developments

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## COMPANIES

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MCC to focus on natural health product submissions (New Zealand) S15/177

# Cough, cold & allergy 1: Air pollution driving cases of cough & cold

## AT-A-GLANCE GUIDE: OTC COUGH, COLD & ALLERGY

### Philippines

- Sales up by 4%, with cough remedies recording the strongest performance
- Product development boosts established entries in allergy remedies
- Use of generics is on the rise owing to affordability and trust

### Thailand

- Growth improves to 4% as erratic weather drives cases of cold & flu
- Cough remedies hindered by sales restrictions designed to limit abuse
- Sampling activities a popular A+P strategy in topical decongestants

### Indonesia

- Growth improves to 3% as categories recover from new regulations
- Herbal products – such as HerbaKOF (Dexa Medica) – popular launch choice in cough remedies
- Digital A+P used to promote sore throat remedies & medicated confectionery

### India

- Sales up by 13%, boosted by strong performances for cough and allergy remedies
- However, sales may be impacted in the future if a decision to ban 300+ FDCs is upheld
- Air pollution is increasingly used in marketing campaigns such as A+P for GSK's Otrivin

### OTC cough, cold & allergy market 2015

(MSP US\$mn)	PHILIPPINES	THAILAND	INDONESIA	INDIA	TOTAL
Systemic cold & flu	46.5	22.8	92.7	76.7	238.7
Topical decongestants <sup>†</sup>	3.5	31.6	4.9	82.3	122.3
Allergy remedies	15.3	11.7	3.2	48.1	78.3
Cough remedies	70.7	36.0	103.4	177.1	387.1
Sore throat remedies & medicated confectionery	37.0	76.6	18.0	84.7	216.3
<b>TOTAL (US\$mn)</b>	<b>173.0</b>	<b>178.7</b>	<b>222.2</b>	<b>468.8</b>	<b>1,042.7</b>
<b>TOTAL (Local currency)</b>	<b>Ps8.1bn</b>	<b>Bht6.2bn</b>	<b>Rp2.9tn</b>	<b>Rs31.1bn</b>	
Index 2015/14	104	104	103	113	108
US\$1.00 =	Ps46.93	Bht34.83	Rp12,908	Rs66.39	
Population (mn)	103.0	65.1	255.7	1,314.1	1,737.9
Per capita spend (US\$)	1.68	2.75	0.87	0.36	0.60

<sup>†</sup>Includes chest rubs & inhalants

Data in this report full year 2015 (MSP): Nicholas Hall's *OTC INSIGHT* based on industry estimates and Nicholas Hall's *DB6* Global OTC Database, in partnership with Nielsen in specific countries. Exchange rates from [oanda.com](http://oanda.com) on 1st May 2016

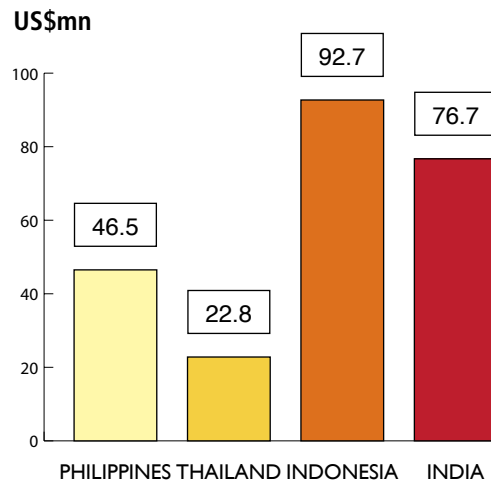
# CCA 1 2015: Key highlights

## Category focus: Systemic cold & flu

- In the Philippines (+3%) growth may have been held back by the prevalence of counterfeit drugs
- Decline slowed to -2% in Thailand as erratic weather drove cases of cold & flu
- In Indonesia, growth improved to 5% after new PSE rules caused disruption in January 2014
- Sales grew by 3% in India but could be impacted in the future if a ban on FDCs is upheld

OBH Combi (Combiphar) competes in Indonesia and was supported by the "Lovermula" (love + formula) campaign in H2 2015 to highlight the product's natural formulation

## Systemic cold & flu: Sales by country 2015 (MSP)



## Environmental focus: Marketers begin to capitalise on rising air pollution

- Rising levels of air pollution in urban areas across Asia is driving the incidence of respiratory ailments and other cough & cold symptoms. As such, marketers are beginning to leverage the opportunity by positioning their products as solutions
- In the Philippines, Unilab promoted NasoClear nasal spray via a respiratory wellness campaign in mid-2015. In partnership with the Philippine Society of Otolaryngology, the initiative aimed to highlight the importance of nasal care, especially in major cities
- Bayer markets Afrin topical nasal decongestant in Indonesia following its global acquisition of Merck Consumer Care in 2014. The brand was supported by an educational event in May 2015 at which climate change and environmental health experts explained the link between increasing urban air pollution and respiratory diseases
- In India, GSK is shifting its focus to OTCs such as Otrivin nasal spray which sponsored the Amity Gurgaon Half Marathon in April 2016. At the event branded mist cannons were used to temporarily alleviate the effects of environmental air pollution by bringing down suspended particles to help runners breathe easier
- Also in India, Piramal is test marketing its Throatil sore throat spray in Chennai and Coimbatore after company research found that the two cities' high levels of air pollution are contributing to the increasing number of throat infections in the state of Tamil Nadu





# Philippines

## Systemic cold & flu: New brand ambassador for Neozepe

- Counterfeit Unilab brands seized
- Tuseran ad song wins music award

Sales of systemic cold & flu remedies grew by 3% in 2015, but further growth may have been held back by the prevalence of counterfeit drugs, which could erode consumer confidence when purchasing affected brands. In July 2015, the National Bureau of Investigation seized fake products bearing brand names from a number of pharmacies in Cebu. Among them were Unilab's Top 4 brands – Neozepe, Bioflu, Decolgen and Tuseran – which account for a combined category share of 80%.

Unilab invested heavily in A+P in 2015, including TV ads for category leader Neozepe in February. Starring actor Coco Martin, they claimed that the tablets work 2x faster than water and relieve asthma, pneumonia and bronchitis. Actor and singer Alden Richards became the latest addition to the roster of Neozepe brand ambassadors in Q1 2016 and was introduced in a TV ad campaign called “#SagotSaGinhawa” (#PositiveStories) with his grandmother Lola Linda in February. The actor explained how, after losing his mother at a young age, his grandmother acted as a second mother to him and his siblings. Further TV ads featured Richards showing how Neozepe relieves his cold symptoms, allowing him to spend more time with his family.

Bioflu and Disudrin (also Unilab) were both supported by TV ads in H2 2015. The latter, claimed to be the most prescribed remedy by doctors for common colds, featured a physician referring to common cold symptoms and how to prevent them. Bioflu is also supported by an online flu monitor on its website, allowing visitors to track flu outbreaks and report new cases. The monitor helps to point consumers to the nearest drugstore or hospital and allows them to see which drugstores are running Bioflu promotions.

TV ads also supported Decolgen Forte and Tuseran Forte in late-2015. One for the former compared a regular medicine for blocked nose and headache with Decolgen Forte, showing that the regular medicine relieves 40% of nasal congestion while its own formulation relieves 90%. An ad for Tuseran Forte featured a split screen showing a student's study life during the day and job at night to highlight the product's two-in-one action against cough & cold. Consumers were invited to watch the ad on social media and enter a competition for the chance to win Ps500 (US\$10.65) in prizes. Tuseran gained further publicity after winning the “Kantamercial of the Year Award” at the Mor Pinoy Music Awards 2015 for the “Habit Song” used in previous ads.

## Allergy remedies: Brand developments boost sales

- Claritin extended with RediTabs
- “Allergic Alice” campaign continues to support Benadryl

Allergy remedies (Ps719mn / US\$15.3mn) witnessed a series of brand developments in 2015, which boosted the sales of most of the established entries. No.1 brand Allerta (Unilab) grew by 4%, driven by a strong social media presence, as well as the “Alias Allerta” digital campaign. The promotion, which started in April 2015, introduced four women suffering from different allergy symptoms via music videos and invited consumers to select which most closely relates to their own symptoms, revealing sneeze attacks are the most common.

Claritin (Bayer) follows in the rankings and was extended with Claritin RediTabs (loratadine 5mg) in May 2015. The once-daily melt-in-



the-mouth tablets do not require water and come in “peel and pop” packaging for people on-the-go. A press event supported the launch, which featured brand ambassador Iya Villania-Arellano rock climbing to show she can do

anything she wants without worrying about allergies. TV ads starring the actress also used a similar theme.

GSK's Virlix completes the Top 3. The brand was promoted, alongside cough remedy Ambroxol, via the "Expert Moms" campaign in March 2016. Fronted by celebrity mother Rica Peralejo, the initiative aimed to educate mothers on how to correctly address allergies and coughs for the entire family, particularly children.

The "Allergic Alice" campaign for J&J's Benadryl continued in 2015 with an online Valentine's Day video in February featuring the tagline: "Be allergy free this season of love". Another video was released during the Filipino flower festival "Panagbenga" in March, showing that Benadryl helps people enjoy festive occasions with their loved ones without allergy symptoms. The initiative also includes allergy expert website [allaboutallergies.ph](http://allaboutallergies.ph), which aims to be the go-to online hub for everything about allergies, offering information on topics such as hidden allergens within the home and the difference between cold & flu symptoms and allergies, as well as an online allergy test.

TV ads in Q4 2015 focused on Benadryl One and showed two journalists racing to get an interview when they are hit by a cloud of urban air pollutants. One of them takes a regular, non-cetirizine OTC remedy while the other takes Benadryl One (cetirizine 10mg), claimed to work up to 4x faster than other OTC allergy medicines, resulting in the latter being the first to arrive for the interview.

## Cough remedies: Most dynamic category

- **Tempracof introduced**
- **Generics on the rise**

Cough remedies was the best performing CCA category with a 9% upturn in 2015, owing partly to the year's erratic weather conditions which contributed to increased incidences of cough & cold.

Competition in the children's cough remedy segment increased after Taisho launched Tempracof in July 2015. The product contains ambroxol 30mg / 5ml, comes in an

### Topical decongestants

The small topical decongestants category recorded modest growth in 2015 and is dominated by chest rubs & inhalants, which account for almost 80% share. Vicks VapoRub (P&G) generates the vast majority of sales in this segment and was active on its Facebook page in the reporting period, attracting attention with continual promotions throughout 2015 and early 2016.

Unilab competes in nasal decongestants with NasoClear and the brand was supported during the company's respiratory wellness campaign in mid-2015. In partnership with the Philippine Society of Otolaryngology, the campaign aimed to increase awareness of the importance of nasal care, particularly in major cities, where air pollution is among the leading causes of respiratory diseases.

orange, vanilla & butterscotch flavour and is for consumers 2+ years. In August 2015, a promotion was launched on its Facebook page, inviting consumers to promote the page on their wall in a chance to win free films.

Solmux (Unilab) generates almost half of category sales and grew well in 2015 thanks to focus on A+P for both its adult capsules and children's syrup. The latter, Pambatang Solmux, was supported by a TV ad in July 2015. "The Best Tandem" campaign was launched in August 2015, inviting mothers to post photos with their children and a bottle of Pambatang Solmux 200mg to win tickets to Kidzania Manila. The promotion was expanded in May 2016 and invited mothers to share photos that show their trust in Pambatang Solmux for their children's cough. Safety is a key concern for parents and in March 2016, Unilab took a group of mothers from Mommy Bloggers Philippines, claimed to be one of the most active blogging communities in the country, on a tour of Amherst Laboratories where Pambatang Solmux is made, to observe the manufacturing conditions.

A+P for Solmux adult capsules included the September 2015 "Ilabas Mo!" (Get It Out!) campaign, in which a TV



ad explained how the product releases phlegm and, as a result, lightens the mood. Another campaign, "Solmux Gaandidato 2016", was launched in April 2016 in the run up to the general election. The brand's Facebook page invited people to be a Solmux candidate by voicing a solution to a problem in the country. Winners were announced on campaign posters with their profile pictures and their proposals.

Ascof (Altermed / Pascual) is the leading lagundi brand with a 21% category share. In February 2015, actor Robin Padilla was appointed as brand ambassador to broaden Ascof's target audience beyond mothers and starred in TV ads for Ascof Forte in July 2015.

In April 2016, Ascof was backed by the Philippine Council for Health Research & Development (PCHRD), stating that it is the first herbal medicine from the PCHRD to be licensed to a local pharmaceutical company and launched in the market. Findings based on studies conducted by the Irish Medical Board on carbocisteine (the active in Solmux) have shown lagundi to be more effective and 6x safer than conventional allopathic formulations in treating cough.

Generic drugs are also on the rise, spurred by high levels of consumer trust gained via the prescription route and the emergence of generics-only pharmacies, such as Generika and The Generics Pharmacy. According to a 2015 survey conducted by AGB Nielsen, Unilab's RiteMed generics range, which includes an ambroxol-based cough remedy, was voted the most trusted brand or generic by the Filipino public. Part of RiteMed's success is owing to heavy investment in A+P, which features high-profile brand ambassadors Susan Roces and Judy Ann Santos. A series of TV ads in Q1 2015 promoted Filipinos' right to healthcare as well as highlighting RiteMed's aim to help and heal people from all socio-economic backgrounds. Roces, who signed a three-year contract with RiteMed at the start of 2016, featured in an ad sending a prayer out to Filipino citizens on behalf of the company. A RiteMed mobile app was also rolled out in June 2015, designed to help educate Filipinos about the more affordable options they have when purchasing medicines.

## Sore throat remedies & medicated confectionery: Sales driven by A+P

- Strepsils leads
- Bactidol ads aim for emotional connection

Strepsils (RB) is the clear leader of the Ps1.7bn (US\$37.0mn) sore throat remedies & medicated confectionery category and grew well in 2015, owing to a strong focus on A+P. Brand ambassador and celebrity mother Maricel Laxa-Pangilinan promoted the product at the 2015 Watsons Healthy Family Fair in October, where consumers were given the chance to meet Laxa-Pangilinan and have their photo taken with her. The brand was also supported by a TV ad in October 2015 in partnership with Mercury Drug. In it, a woman is shown buying Strepsils from a Mercury Drug pharmacy with the message: "For sore throat, turn to the first aid experts: Strepsils, for fast and long-lasting relief and Mercury Drug, the leading drugstore in the Philippines".

A+P in 2016 has focused on the Strepsils Cool presentation including frequent posts on the brand's Facebook page and TV ads. The range was also extended in early 2016 with Strepsils Children 6+. The strawberry-flavoured lozenges are sugar-free and contain dichlorobenzyl alcohol 1.2mg and amylmetacresol 0.6mg.

Strepsils is followed by Halls (Mondelez) and Bactidol (J&J). The latter received ongoing publicity on its Facebook page from the 12-Hour Sing-a-thon singing competition in March 2015 with the hashtag #PalakasinAngBoses (#StrengthenTheVoice). A+P for the brand has traditionally had a strong musical relationship – the Sing-a-thon has been running for several years and J&J sponsored music festivals and concerts in 2014 – but the strategy may be changing to achieve a more emotional connection. A TV ad in April 2016 focused on a call centre employee, Veronica, describing how she works late shifts in a cold environment while talking nonstop. The ad explains that these call centre agents depend on the power of the voice and its tagline is, "if ever it fails you, we'll be here".

# Thailand

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## Systemic cold & flu: Erratic weather drives cold & flu cases

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- Widespread flooding caused by tropical storm Vamco held back sales in H2 2015
- Decolgen A+P has football theme

The decline for systemic cold & flu remedies slowed to -2% in 2015 as erratic weather fuelled an increase in the number of cases of cold & flu. Over a third provinces, including capital city Bangkok, were affected by severe drought in H1 2015, while the rainy season in Q3 and Q4 was longer than usual. However, sales were held back after tropical storm Vamco left much of the country flooded in September 2015 and people prioritised life-saving resources and medicines over those for minor ailments, such as cold & flu remedies.

The category was also quiet in terms of brand developments. Most of the top-tier brands failed to grow, with the exception of Decolgen (Unilab), which was supported by celebrity endorsement and TV campaigns. In May 2015, Thai national football team coach Kiattisuk "Zico" Senamuang was unveiled as brand ambassador and starred in a TV ad, showing that Decolgen can relieve multiple cold & flu symptoms including runny nose, headache and fever.

## Topical decongestants: Modest growth

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- Siang Pure associated with sports
- Sampling activities a popular A+P strategy

Sales of topical decongestants grew by 4% to Bht1.1bn (US\$31.6mn), driven by a single-digit upturn for chest rubs & inhalants, which generate over 90% of sales. The segment is led by Poy-Sian (Gold Mints Products) but Bertram Chemical is the top marketer, offering the No.2 and No.3 entries Siang Pure and Peppermint Field. The former is associated with sports and was the sponsor of martial arts contest "Bangkok Fight Night"

in March 2015. Free sampling and product displays during public sporting events are also a frequently used promotional strategy, such as at running events in late-2015.

Peppermint Field is aimed at younger consumers and is supported via humorous A+P that reflects the target audience. For example, a TV ad in November 2015 showed a man making his girlfriend increasingly angry during a dinner date until he manages to calm her down by getting her to use the Peppermint Field Inhaler.

## Cough remedies: Sales restriction hinders growth

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- Takabb seeking overseas expansion
- Flemex promoted as convenient for working professionals

Sales were flat at Bht1.3bn (US\$36.0mn). One of the factors that hindered growth was the introduction of new regulations restricting the sales of cough remedies and allergy remedies to prevent abuse and misuse. In July 2015, the Thai FDA ordered pharmacists to record the purchases of cough and allergy remedies and collect personal information of consumers, such as their name. The Thai FDA said that a survey discovered that allergy syrups and cough medicines are often mixed together to induce euphoria, which can lead to drug addiction. Meanwhile, the Agency expanded its inspections to the whole production process of manufacturers to prevent a leak of active ingredients for drug abuse, particularly among teenagers.

Boehringer Ingelheim's Bisolvon (bromhexine, not linked to the above issue of misuse) is the category leader followed by Takabb (Sim Tien Hor). The latter is promoted via events and product displays at medicine trade fairs, where Takabb product samples and free health consultations are offered to consumers, while pharmacies benefit from dedicated product display sections and sales staff. Takabb has a presence in other southeast Asia

markets, such as Singapore, Myanmar and Cambodia, and Sim Tien Hor is seeking to raise its profile in more countries. For example, Takabb was promoted on "I'm a Singer", one of the most popular TV shows in China in early 2016, where it was claimed to be an effective solution for singers to maintain good throat health before an intense performance. In April 2016, Takabb was also portrayed as "Chinese travelers' best friend in Thailand" at a medicine & health supplement trade fair in the country.

Solmax (Great Eastern Drug / Unilab) and Flemex (DKSH for Daiichi Sankyo) follow and compete closely for market share. The latter was supported by TV ads from February 2016 showing the tablet dissolves quickly in water and the individual sachet packaging is very convenient for working professionals. A TV presenter takes a drink formed from Flemex to relieve her cough swiftly before recording a programme.

## Sore throat remedies & medicated confectionery: A+P investment drives sales

- Halls celebrates 50th birthday
- Fisherman's Friend lozenges extended with new flavours

Thailand's largest CCA category (over 40% of topline sales) was also the most dynamic, growing by 7% to Bht2.7bn (US\$76.6mn) in 2015 thanks to investments in A+P and product development.

Category leader Halls grew by double digits, driven by line extension Halls XS (rolled out in October 2014) and the reformulation of the original lozenges in 2015. A supporting TV ad highlighted the enhanced cooling sensation of the updated version and had the tagline: "New, improved Halls. Unbelievably cool".

To celebrate the brand's 50th birthday in 2016 TV ads were launched that featured different people singing Happy Birthday to Halls, with the tagline, "refreshing from that day until today". A+P for the sugar-free Halls XS continues to target young professionals in 2016, with a TV

ad set in an office showing that employees take Hall XS in a meeting to refresh their minds and be productive.

No.2 brand Fisherman's Friend failed to grow despite a series of product developments and A+P campaigns. The brand was extended with new flavours in 2015, including tropical menthol flavour pastilles in April and honey & lemon sugar-free lozenges in May 2015. Supporting TV ads targeted working professionals, showing the product can help those who have to talk a lot for work by maintaining throat health. The different flavours were also the focus of TV ads in 2016, which highlighted the variety of fruit options, including cherry, mandarin and citrus flavours. Other A+P initiatives included sponsorship of singing contest "The Show" in July 2015. Consumers could vote for their favourite singers on the website [fishermansfriendtheshow.com](http://fishermansfriendtheshow.com). Stepsils completes the Top 3 but was quiet in terms of A+P in the reporting period.

Lower in the rankings, Ricola (Ricola) was promoted via free sampling in busy commercial centres, subway stations and H&B stores in early 2015. The promotion highlighted that the product is formulated with original herbs.

Hong Kong's Nin Jiom company rolled out Nin Jiom Herbal Candy in Thailand in 2014, which is supported by sampling activities and dedicated display sections in supermarkets and drugstores. Its brand Facebook page is also frequently updated and offers consumer the chance to win prizes.

### Thailand: Sore throat & medicated confectionery brand shares 2015

**Halls 46%**

Mondelez

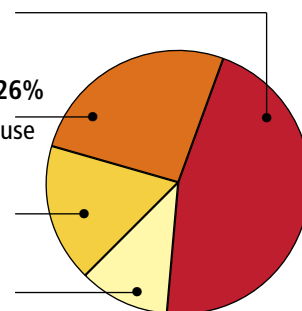
**Fisherman's Friend 26%**

Sino-Pacific for Lofthouse

**Strepsils 17%**

RB

**Others 11%**



# Indonesia

## Systemic cold & flu: Sales begin to recover from PSE rules

- Bodrex celebrates its 45th birthday
- “Lovermula” campaign highlights OBH Combi’s natural formulation

Growth of systemic cold & flu remedies improved to 5% owing partly to unstable weather in 2015, which makes people more susceptible to developing colds. This could continue to drive demand in years to come as climate change is expected to lead to similar extreme weather patterns that were experienced during the period such as heat waves in the dry season and strong winds during the rainy season. The category has also started to recover from disruption caused by new rules on pseudoephedrine introduced in January 2014 that require pharmacists to sign off on every transaction involving the ingredient.

A+P for long standing No.1 brand Mixagrip targets young professionals who need quick relief from cold & flu symptoms, with TV ads shown extensively in the reporting period and 2016.

Bodrex Flu & Batuk and Ultraflu complete Top 3 and compete closely for category share. The former also targets young consumers and celebrated its 45th anniversary in 2015. Following the introduction of the new PSE rules, Tempo decided to move away from the ingredient and reformulated Bodrex Flu & Batuk with phenylephrine, which was highlighted in A+P during the reporting period. Tempo also ran the “#Menangkanharimu” (#WinYourDay) campaign, which encouraged young Indonesians to share inspirational stories, with winning entrants given the chance to attend workshops led by inspirational figures such as filmmaker Livi Zheng.

Tempo aims to build a virtuous image for Bodrex and in September 2015 released a TV ad telling a story about Indonesians working hard to reconstruct their hometown after a devastating earthquake in July 2015. Bodrex is

shown helping people relieve mild cold and headache symptoms and keeping their spirits up during the difficult time, which it has been doing for 45 years.

OBH Combi follows closely and was supported by the “Lovermula” campaign in H2 2015. A portmanteau of “love” and “formula”, the initiative aimed to highlight the product’s natural formulation and convey the message that the combination of the right medication and the warmth and attention of loved ones can help with the healing process. To spread awareness of the campaign, Combiphar released a short film on YouTube depicting the love of a mother.

Kalbe’s Procold recorded double-digit growth, thanks to the 2014 line extension of Procold Flu & Batuk. The new product and the original version Procold Flu were both promoted in TV ads from September 2015.

However, competition comes from herbal remedies (not tracked in this report), which are perceived as holistic solutions to a variety of ailments. For example, popular immune supplement brand Tolak Angin (Sido Muncul) is commonly taken by Indonesians to prevent colds.

### Indonesia: OTC systemic cold & flu remedies brand shares 2015

#### Mixagrip 14%

Dankos / Kalbe

#### Bodrex Flu & Batuk 8%

Tempo

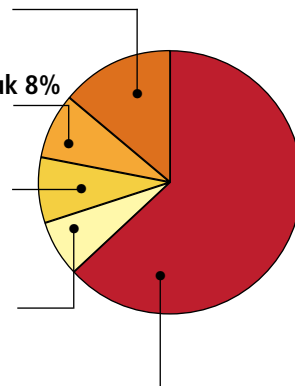
#### Ultraflu 8%

Henson

#### OBH Combi 7%

Combiphar

#### Others 63%



## Topical decongestants: Small but growing

- Multinational brands dominate
- Afrin promoted as a solution to congestion caused by air pollution

Topical decongestants is a small but growing category (+11%) comprising chest rubs & inhalants – the largest segment – and topical nasal decongestants. The latter is dominated by multinationals and focuses on urban consumers owing to the higher incidence of respiratory problems in cities as a result of poorer air quality. Bayer markets Afrin following its global acquisition of Merck Consumer Care in 2014. The oxymetazoline brand is available as a nasal spray for adults and drops for children and was supported by an educational event in May 2015 that highlighted the product's efficacy at relieving nasal congestion caused by colds, sinus inflammation and upper respiratory tract allergies. Climate change and environmental health experts were also called upon to explain the link between increasing urban air pollution and respiratory diseases.

## Cough remedies: Dexa Medica launches HerbaKOF

- Komix Herbal extended with lemon flavour
- Vicks records steep decline

Growth of cough remedies slowed to 1% in 2015, owing partly to withdrawal of single ingredient dextromethorphan products in June 2014, which was designed to address the misuse of the ingredient. This has caused consumers to question the safety of allopathic cough remedies, which is spurring marketers to launch herbal products. This included Dexa Medica's HerbaKOF in December 2015, a *jamu* cough remedy formulated with extracts of Lagundi



HerbaKOF

### Indonesia: Top 5 OTC cough remedies 2015

Rank	Brand	Marketer
1	Komix	Bintang Toedjoe / Kalbe
2	Actifed	GSK
3	Bisolvon	Boehringer Ingelheim
4	Konidin	Konimex
5	Woods'	Saka Farma / Kalbe

leaf, God's crown (Mahkota Dewa), ginger and sage leaves and positioned to provide relief from dry cough, productive cough, sore throat and respiratory discomfort. This followed the introduction of HerbaVOMITZ antinauseant (not tracked in this report) earlier in 2015, which signalled Dexa Medica's "commitment to research and production of Indonesian herbal medicine processed in a modern way", using Advanced Fractionation Technology.

No.1 brand Komix grew by double digits thanks to TV ads claiming the product helps to combat cough caused by air pollution and changing weather. In March 2016, Kalbe rolled out a lemon-flavored version of Komix Herbal. At the launch event, product manufacturer Toedjoe guaranteed the safety of the herbal ingredients it uses in products, assuring they are always fit for human consumption.

Actifed and Bisolvon complete the Top 3. The former was supported in mid-2015 with a TV ad showing a mother using the fruit-flavoured solution to help her daughter relieve cough. Bisolvon ads in H2 2015 focused on a combination product treating cough & cold symptoms.

In the lower tier, Vicks (P&G) recorded a double-digit decline, owing partly to Vicks Formula 44 DT being one of the brands affected by the DXM withdrawal. Laserin (Mecosan) also failed to grow, despite of A+P efforts in mid-2015 for adult presentation and Laserin Plus.

## Sore throat remedies & medicated confectionery: Digital A+P strategies popular

- Fisherman's Friend has a strong social media presence
- Strepsils mobile app enables consumers to monitor and assess throat health

Sales of sore throat remedies & medicated confectionery grew by 3% owing largely to digital A+P strategies that favoured interactivity and consumer engagement.

Leading brand Fisherman's Friend (Nirwana Lestari for Lofthouse) has a strong presence on social media platforms including Facebook, Twitter and Instagram. Recent initiatives have included the "#FFHowCoolYouAre" campaign, which invited followers of the brand Facebook page to take photos of themselves looking as cold and wintry as possible in the summer to highlight the cooling properties of the spearmint flavour lozenges for the chance to win prizes.

In the mid-tier, Strepsils (RB) grew well and was also promoted via digital campaigns. In May 2015, RB launched the "How's Your Throat Today" mobile app



*Digital A+P campaigns have focused on the cooling sensation of Fisherman's Friend spearmint*

that enables consumers to monitor and assess their throat health and encourages them to post the result on Facebook to win prizes such as gym kits or bicycles. In addition, several online animated videos explain that the urban environment and job stress for working professionals can contribute to throat irritation.

Hexos (Konimex) is targeted at the younger generation and was supported with a humorous TV ad in H2 2015, which showed a person suffering from a sore throat struggling to stop two men fighting over a games console controller. The man's voice does not come out properly until he has taken a Hexos lozenge. A+P in 2016 has included the "Dare to say love" contest, which asked consumers to watch videos of girls competing for a role in a Hexos ad and vote for their favourite.

## Clarity is the Promise.

Consumer and retail based market insight is key for manufacturers in building understanding of the OTC sales environment. Nielsen is unrivalled in our understanding of OTC sales, consumer trends and retail market dynamics. Gain clarity in OTC with Nielsen.

for more information please contact Robert Buckeldee on +44 1865 732551 or [robert.buckeldee@nielsen.com](mailto:robert.buckeldee@nielsen.com)





# India

## Systemic cold & flu: Sales boosted by air pollution

- Top 2 brands could be impacted by FDC ban
- Tus-Q supported via CSR

Systemic cold & flu remedies grew by 3% to Rs5.1bn (US\$76.7mn) as sales were boosted by the increasing trend for consumers to self-medicate and the rising number of cold & flu cases that are the result of high levels of air pollution in urban India. However, sales could be negatively impacted in the future after the Ministry of Health & Family Welfare banned the sale of 300+ fixed dose combinations in March 2016 (see box below for more details).

The ban prompted pharma companies to challenge the order in the New Delhi High Court, which granted stay orders until the issue is resolved. If the order is upheld, the ban is likely to have huge implications for the category as the Top 2 brands – Sinarest (Centaur) and Vicks Action 500 (P&G) – would be affected. The former is the No. 1 entry with sales of Rs1.6bn (US\$24.1mn) and benefits from strong consumer equity thanks to its presence across other cough, cold & allergy categories including topical decongestants. According to the marketer, development

of products that would be unaffected by the FDC ban is currently underway.

Vicks Action 500 (Rs1.0bn / US\$15.1mn) is the No.2 brand and returned to growth in 2015 as A+P support was refocused on the CCA range (including Vicks VapoRub in topical decongestants) following ads predominantly geared towards supporting the launch of Vicks MultiPain Relief Gel (not tracked in this report) in H2 2014. P&G discontinued the manufacture and sale of Vicks Action 500 with immediate effect following the announcement of the Government ban but was one of the companies to petition against the order in the High Court and was granted a stay order against the ban until the issue can be resolved. Other systemic cold & flu brands potentially affected by the ban include Crocin Cold & Flu (GSK) and D'Cold (RB).

In the mid tier, Tus-Q (Blue Cross) was supported via Corporate Social Responsibility initiatives such as the Special Social Support (3S) programme, in which a proportion of sales was donated to a variety of NGOs operating in India, and Chota (Mini) Patient Benefit Camps that focused on the features of the Tus-Q range. T-minic (GSK) is another mid-tier brand but recorded a steep decline owing to severe stock shortages.

### FDCs: Ban could have big implications for CCA categories

On 10th March 2016, the Ministry of Health & Family Welfare published a Gazette notification banning with immediate effect the sale of 344 fixed drug combinations, many of which are cough, cold & allergy remedies sold OTC. The move is the result of recommendations made by a committee set up in 2014 to review 6,000+ combination drugs on the Indian market and classify them as rational, irrational or requiring further study. The committee said that the banned combinations were likely to involve risk to humans and that safer alternatives are available.

Pharma companies were quick to challenge the order in the New Delhi High Court, and were granted interim injunctions suspending the ban on the sale of their products. At the time of writing, the High Court has extended the injunctions until the matter can be resolved. However, the situation is causing confusion among the country's pharmacists and doctors as they are unsure how to interpret the stay orders that have been granted. It is unclear whether they can start dispensing the products again and, if so, which specific brands.

## Topical decongestants: Chest rubs fastest growing

- Vicks A+P leverages Father's Day
- Otrivin marathon A+P tackles air pollution

Sales of topical decongestants were up by 6% to Rs5.5bn (US\$82.2mn). Within this, chest rubs & inhalants (+9% to Rs4.0bn / US\$59.9mn) is the largest and fastest-growing segment.

The strong performance for chest rubs & inhalants was largely the result of sales of category leader Vicks (P&G) – comprising Vicks VapoRub and Vicks Inhaler – rising by 9% to Rs3.0bn (US\$45.0mn). Vicks VapoRub is the most lucrative presentation (95% of brand revenues) and was the focus of A+P during the reporting period. This included the #HugYourDad campaign in June 2015 in honour of Father's Day. The film features a montage of fathers playing with their sons followed by images depicting their growing separation as they get older and asks why fathers and sons stop hugging, ending with the message, "This Father's Day, #HugYourDad".

A separate ad entitled "Sweet Dreams" was launched in Q4 2015 and depicted a mother caring for her sick child and husband to reinforce the message that the product – traditionally seen as a remedy for just children – can be used to relieve congestion in all family members. Around this time, the product was also extended with a larger family pack in time for the winter season when sales peak.

Otrivin (GSK) leads the Rs1.5bn (US\$22.4mn) nasal decongestants segment with a 40% share. However, sales fell by 3%, partly the result of growth for No.2 entry Nasivion (Merck). In Q4 2015, the Advertising Standards Council of India upheld complaints against TV ads for the brand stating, "Otrivin is an OTC product containing xylometazoline which could cause atrophic rhinitis if not used as directed. Aggressive advertising without providing information about the caution to be exercised can promote indiscriminate use of the product among the general public. It was concluded that in the absence of a disclaimer, the TVC shows an unsafe practice without justifiable reason and encourages negligence".

However, the brand's fortunes could improve in the next reporting period after GSK Consumer Healthcare announced it is going to shift its focus from the Horlicks malted drink brand (not tracked in this report) to OTCs such as Otrivin. A+P support in 2016 has included the sponsorship of the Amity Gurgaon Half Marathon in April. More than just a traditional sponsorship, the initiative included the use of mist cannons to temporarily alleviate the effects of environmental air pollution by bringing down suspended particles to help runners breathe easier. The entire course was sprayed before the race and air quality was measured in real time during the event so that the cannons could be deployed to the areas with the worst pollution to ensure the best experience for runners.

Nasivion performed well in 2015 with sales growing by 7% to Rs393mn (US\$5.9mn). A+P support was limited in the reporting period but the brand still benefits from the tie up with Indian cricketer Rohit Sharma from a couple of years ago, as well as 2014 ads that highlighted the product's functional claims, such as fast action and its prescribing heritage. In March 2016, Merck reassured consumers that the product had approval from the Drugs Controller General of India and was still available for purchase after media reports suggested it was one of the products affected by the ban of fixed dose combination formulations.

## Cough remedies: Herbals to benefit from FDC ban?

- Radio contests popular A+P choice
- Benadryl ads continue to educate on different types of cough

Cough remedies is India's largest OTC cough, cold & allergy category and sales grew by double digits to Rs11.8bn (US\$177mn), buoyed by high cases of cough & cold in urban India owing to air pollution. A large proportion of brands are officially Rx and generate a lot of sales under-the-counter, which means they cannot be advertised directly to consumers.

Cough remedies is another category that could feel a significant impact if the ban on FDCs is upheld as many

established entries – including the Top 2 brands Corex (Pfizer) and Phensedyl (Abbott) would be affected. Following the announcement, Pfizer and Abbott discontinued the manufacture and sale of the products with immediate effect and were granted a stay order against the ban by the New Delhi High Court until the case can be resolved. Pfizer has acknowledged that a ban is likely to have an adverse impact on revenue; the brand rose by double digits to Rs2.8bn (US\$41.8mn) in 2015, owing partly to the development of the Trade Rx Team, which aims to increase brand recall and trade volumes.

Sales growth for Phensedyl slowed to 19% in 2015, with Abbott experiencing regulatory issues even before the FDC ban. In October 2015, the marketer disputed the West Bengal Drug Controller's finding that a tested sample of cough syrup Phensedyl contained codeine beyond the permissible level and requested the State Drug Controller to provide more information about the source of the suspect sample and the manner in which it was collected, to establish whether the sample was collected from genuine trade channels through proper process under the Drugs & Cosmetics Act. After receiving a show-cause notice in April 2015, Abbott tested a retained sample in-house, as well as at an accredited independent lab. The results of both tests found the sample complied with the required specifications and standards, including the codeine content.

If the ban is upheld, unaffected brands – such as those with herbal or ayurvedic formulations – could witness a sales boost, with some marketers of these products already adjusting A+P to clearly differentiate them from

the FDCs. One such brand poised to benefit is Dabur's Honitus, which was supported in 2015 by the third series of the Big Junior RJ competition, a collaboration with 92.7 Big FM to find the best child radio DJs. Hamdard's Joshina is another herbal entry and A+P in 2015 also focused on children via the School is Cool educational initiative, which saw the marketer visiting 510 schools to educate children on the benefits of the product in the run up to the cough & cold season. A+P in 2016 has changed tack following a different company being appointed for creative duties for the brand. TV ads are now humorous and depict a man having comic mishaps as a result of him trying to take shortcuts to overcome problems in his daily life; only Joshina has its intended effect.

Benadryl (J&J) is the highest placed true OTC (No.4 overall) and sales rose by 10% to Rs1.0bn (US\$15.2mn). A+P is similar to Dabur Honitus and included the third season of Benadryl Big Golden Voice, a singing talent competition also in collaboration with 92.7 Big FM. The contest has become increasingly popular – over 100,000 people entered in 2015 – and it won a CMO Asia award for



*Benadryl CR*

Excellence in Branding & Marketing in the FMCG category in 2015. TV ads in 2016 have focused on Benadryl CR for wet cough and continued educating consumers on which type of product is appropriate for different types of cough. The ad itself depicted the discomfort of the person suffering from the cough as well as the people around them and reinforced the importance of empowering consumers to make the right choice of treatment.

### **Allergy remedies: Polaramine causes controversy in Punjab**

Allergy remedies (+21%) was the most dynamic CCA category with all of the Top 3 brands – Allegra, Avil (both Sanofi) and Cetzine (GSK) – recording upturns, boosted by increasing levels of air pollution leading to higher cases of allergies. In December 2014, low-tier Polaramine (formerly marketed by MSD subsidiary Fulford India) was transferred to Bayer as part of its global acquisition of Merck Consumer Care. However, the brand caused controversy with Sikhs in Punjab after packaging featured an image of Gurbani (a composition of a Sikh guru). Sikhs believe Gurbani should be treated with the utmost respect and object to its use on packaging as the product could be damaged during transport, touched by anyone or placed anywhere. Bayer announced that it would recall all products with the packaging and apologised for any unintentional harm to religious sentiments.

## Sore throat remedies & medicated confectionery: Vicks No.1

- Top 3 generate vast majority of sales ...
- ... But innovative launches could disrupt the status quo

Sore throat remedies & medicated confectionery (Rs5.6bn / US\$84.7mn) is the most consumerised cough, cold & allergy category, which benefits from extensive consumer A+P and wide distribution. Sales advanced by 12% in 2015, a performance that is largely determined by the Top 3 entries – Vicks, Halls and Strepsils – that collectively account for 84% of the category topline.

However, a couple of launches in 2016 could disrupt the status quo. In February 2016, Alchem International rolled out PhytoRelief-CC as part of its AlchemLife range. The chewable sugar-free lozenges contain concentrated and purified molecular extracts of turmeric, ginger and pomegranate, which have been extracted using Alchem's proprietary Phytoplex technology that isolates active plant molecules without damaging the material. European clinical studies published in peer-reviewed journals such as *Minerva Gastroenterol Dietol* and *Minerva Medica* show PhytoRelief-CC is effective in treating cold & flu symptoms, upper respiratory tract infections and mucosal lesions of the mouth and throat. Distribution will be carried out in phases across the country, starting with retail and pharmacy outlets in North India, where a 10-count pack retails for Rs199 (US\$3.00).



PhytoRelief-CC

Meanwhile, Piramal introduced Throatsil, claimed to be India's first benzocaine throat spray for sore throat pain relief, in March 2016. The product is formulated with amylmetacresol BP and 2 and 4-dichlorobenzyl alcohol, which combine to provide three-in-one relief (soothe throat pain, infection and cough). Throatsil is currently

### India: OTC sore throat remedies & medicated confectionery shares 2015

Vicks 61%

P&G

Halls 15%

Mondelez

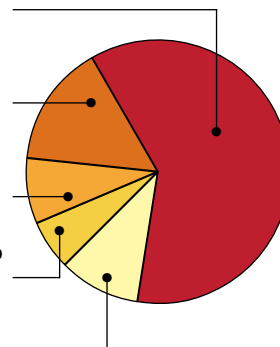
Strepsils 8%

RB

Betadine Gargle 6%

Mundi Group

Others 10%



being test marketed in Chennai and Coimbatore, after company research found that the two cities' high levels of air pollution are contributing to the increasing number of throat infections in the state of Tamil Nadu. The menthol flavour spray is packaged in a small 45ml bottle for portability and retails for Rs149 (US\$2.24).

Vicks is the clear No.1 brand with a category share of over 60%, but growth has slowed over the past couple of years (+11% in 2015) as A+P has focused on other presentations in the Vicks stable – Vicks MultiPain Relief Gel in 2014 and Vicks VapoRub in 2015. Support for Vicks cough drops was largely limited to social media, such as posts on the brand Facebook page.

TV ads for Halls in 2015 highlighted the addition of cooling crystals to the product formulation to provide an "Extra Blast" of "Thandi Saans (Cold Breath)", which enabled an actor to successfully film a physically demanding scene.

Outside the Top 3, Cofsils could benefit from marketer Cipla's renewed focus on OTCs following the formation of consumer healthcare division Cipla Health in 2015. A relaunch of nicotine gum Nicotex (not tracked in this report) has already had a degree of success and the marketer is reportedly considering increasing its focus on building Cofsils, as well as introducing products from its South African business. ❌

# European Conference: Building blocks for a successful OTC brand

There was a great atmosphere as Nicholas Hall's 27th *OTC INSIGHT* European Conference got under way in Krakow. Over 170 delegates discussed the need for greater organic growth in our industry, which has relied too heavily on M&A to boost revenue in recent years.

## Nicholas Hall: Opening address and annual report

Nicholas Hall used his keynote presentation to call for more creativity and innovation in an industry that continues to be obsessed by M&A, which was a main factor behind growth in 2015, rather than mega-switches or product / delivery system innovation.

Global 5.5% growth in 2015 was the best result for the OTC industry since the turn of the century, however Nicholas maintains that our industry continues to undershoot its full potential. Macro-trends such as slowing Emerging Markets, falling birth rates and political instability – as well as a lack of real innovation in the fast-paced digital landscape – threaten to strangle potential growth.

In Europe, OTC sales expanded by 4.3% in 2015, although an inflationary increase in Russia played a key role (+3.8% excluding Russia). High-growth categories continue to be largely focused on treatment, rather than prevention, contrary to the global trend. However, vitamin D and EHC recorded the highest CAGR, with the former boosted by rising consumer awareness of health benefits, and the latter by the EU Centralised Switch of ellaOne (HRA Pharma, ulipristal acetate) in January 2015.

*Nicholas Hall delivered his 27th keynote address*



## David Wright: How to sustain a successful brand

BI's David Wright delivered a fascinating summary of the company's meticulous and top-down approach to brand strategy, detailing that BI carries out in-depth research in a few key markets which then shapes their global brand strategy.

Illustrating the point, David detailed Dulcolax laxative, which has been extended to include gentle relief and symptom options under the Dulco banner. Packaging guidelines guarantee that the brand has the same visual identity across all markets, while brand communication has been harmonised, with just two ads running in the world. BI now works with one global media company, whereas previously it co-operated with 42 agencies.

## John O'Mullane: Innovation drives brand strategies

John O'Mullane of Bayer focused on how the company implements Design Thinking, which combines desirability, technical feasibility and business viability, with innovation at the heart of these three principles. Bayer puts the consumer at the heart of its design and innovation process, and has created a Consumer Engagement Laboratory to support the development of new products and services.

John detailed how the company breaks innovation into five categories: Base renovation, New to market, Line extension, New claim and New to world, and illustrated each of these with a case study, e.g. the development of fast-acting Aspirin, which launched in Europe in 2015.

**Conference speakers: Day 1**

- **Nicholas Hall**, Chairman & CEO, Nicholas Hall Group of Companies
- **David Wright**, Global Head of Consumer Healthcare, BI
- **John O'Mullane**, Acting Global Head R&D, Bayer Healthcare
- **Nick Melnyk**, Managing Director C&EE, Sanofi Consumer Healthcare
- **Rory Fegan**, Strategy Director, DewGibbons
- **Khilola Shukurova**, Head of Strategic Marketing, Global Wound Care, Coloplast
- **Bärbel Köpfer**, Owner, Time to Market
- **Jörg Elfmann**, Executive Partner, B+D Healthy Brands
- **Oriol Segarra**, CEO, Uriach Group

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**Nick Melnyk: Disrupt or adapt? That is the question!**

Sanofi's Nick Melnyk questioned whether we must disrupt or adapt, suggesting that it is not necessarily the most adaptable who survive, as per Darwin's theory, but those who disrupt. Detailing that the consumer healthcare industry is a long way off pace in terms of digital, Nick called for the industry to be better equipped and more willing to turn to a digital strategy, rather than adapting to a particular situation, by which point the idea may already be obsolete. Nick pointed to disruptive examples in other industries, highlighting that Uber, the world's largest taxi company, owns no cars, while the largest accommodation provider, Airbnb, owns no real estate. With the pharma industry lacking pace when it comes to digital adaptation, Nick speculated that, in future, the largest healthcare company might not develop, patent or sell medicines.

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**Rory Fegan: Putting consumers at the heart of OTC**

Rory Fegan of DewGibbons, delivered an engaging presentation on the importance of establishing an

emotional connection with the consumer and creating real desire to purchase, which he described as especially vital for the OTC industry as it faces competition from several areas. In addition to high levels of generics and "me-too" options, Rory highlighted that devices, wearables and tech giants pose strong competition to OTC brands, while difficult regulatory landscapes can often hinder OTC performance. Rory called for OTC players to learn from and follow the lead of FMCG companies in how they use visual and verbal tools to attract and engage with consumers, suggesting that FMCH (fast-moving consumer healthcare) could generate strong appeal and be based on solid healthcare expertise.

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**Khilola Shukurova: Coloplast agenda for innovation**

Detailing the creative process that went into creating the Value Proposition for Coloplast Wound Care, Khilola Shukurova outlined the company's focus on in-depth customer understanding, using four test markets – China, Brazil, UK and Germany – to evaluate products and marketing materials. The company's research focuses more on observation than questioning, which Khilola believes leads to more accurate and representative results. Coloplast Wound Care's agenda for innovation is to "spend fewer days with wounds", which Khilola stated acts as the motivation for all actions that the company takes. Discussing how innovation has to address real consumer need for it to succeed, Khilola stated that "solutions have to be intuitive, not just innovative", demonstrating that a small issue such as fiddly packaging can put off consumers.

*Dedicated Networking Sessions, sponsored by Capsugel, meant delegates could hold meetings during the event*





## Bärbel Köpfer: Brand focus in Germany

Presenting a comprehensive overview of the German OTC market, Bärbel Köpfer touched on numerous facets of the industry, including the structure of pharmacies, mail-order pharmacies, the wholesale landscape, the role of doctors and the influence of pharmacy co-operations. One of the key takeaways from Bärbel's presentation was that there is very high trust placed in HCPs, with 14.8% of consumers basing their purchase on a doctor's recommendation, and 18.4% heeding the recommendation of their pharmacist. Bärbel concluded that maintaining a positive relationship between marketers and HCPs is therefore vital.

## Jörg Elfmann: OTC in the digital age

Focusing on how digital can be successfully incorporated into OTC brand building, Jörg Elfmann, Executive Partner at B+D Healthy Brands, detailed the opportunities available in the evolving digital world. With 3bn internet users worldwide, and health among the most searched for topics, the mega-trend of self-tracking apps and devices gives us the opportunity to turn a wealth of data into qualitative health instruction. The digital world does not change the brand building process, but instead widens the marketing opportunities available. Citing DocMorris as an example of a brand that has built a presence in the digital and traditional channels, Jörg detailed how a holistic approach to brand building across the two helped to create a strong name with a high level of consumer awareness, established in Germany before being rolled out across the continent.

## Oriol Segarra: Uriach's acquisition of Laborest

Delivering an in-depth overview of Uriach's acquisition of Laborest in October 2015, Oriol Segarra detailed how the company has refocused its plans regarding portfolio and territorial expansion, candidly admitting that it was a small company doing too many things.

### Conference speakers: Day 2

- **Brian McNamara**, Head Europe & Americas, GSK Consumer Healthcare
- **Aditya Sehgal**, Head of Healthcare, RB
- **Uta Kemmerich-Keil**, President & CEO, Merck Consumer Health
- **Gerhard Lötsch**, General Manager, GSK-Gebro Consumer Healthcare
- **Grzegorz Michniewski**, Grzegorz Michniewski & Partners

The acquisition allowed Uriach to shift focus from Rx to OTC and OTx, with international consumer healthcare growth a key part of the company's vision. To support this, there was significant corporate restructuring, while resources were made available, for example, through the disposal of its Rx doctor-detailing, generics doctor-detailing and veterinary businesses in Spain. The acquisition of Italian player Laborest allowed Uriach to build its presence as a leading food supplements marketer, with Laborest's OTx supplements portfolio a complementary fit with Uriach's existing range of natural and affordable supplements. Detailing future company plans, Oriol highlighted that further territorial expansion is in the pipeline, while it will continue to extend and acquire brands, as well as acting as a distributor for third parties.

## Brian McNamara: Making "bigger" mean "better" in OTC

Kicking off Day 2 of the conference, Brian McNamara of GSK CH shared a progress report on the first year of operation for GSK Consumer Healthcare, created through the j-v with Novartis. With the deal announced in April 2014 and closing in March 2015, Brian commented that this year allowed for proper planning, although the integration of the two companies is an ongoing process. Synergies between GSK and Novartis meant that the j-v strengthened the core business, gave GSK Consumer Healthcare category leadership positions and boosted its competitive geographic presence. In terms of future

strategy, the company has identified seven power brands in its portfolio (Voltaren, Panadol, Theraflu, Otrivin, Sensodyne, Poligrip and Parodontax), which have strong consumer loyalty and innovation pipelines, as well as 12 priority markets, half of which are Emerging Markets. In terms of personnel and operations, Brian expects the systems to be fully integrated by end-2016, which will solidify a single company identity.

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## **Aditya Sehgal: Mega branding the RB way**

RB's Aditya Sehgal explained that a clear operating model and consistency across all markets has enabled the company to rapidly rollout Gaviscon in an additional 36 countries over the past four years, which has helped to establish the brand as the global No. 1 antacid (note that **DB6** categorises antacids differently from RB, including PPIs and H2 antagonists, so Gaviscon is our No. 2 behind Pfizer's Nexium). Consistency in brand communication is also a key focus for RB, and Aditya proudly reported that the multimedia ad campaign for Gaviscon Double Action featuring twins suffering from heartburn and indigestion ranked No. 1 in Nielsen's UK TV Brand Effect in March 2015. In a powerful endorsement of digital marketing, Aditya made one of the most provocative statements of the conference: "FMCG Brand Managers are dead – they just don't realise it!"

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## **Uta Kemmerich-Keil: Consumerisation value**

Uta Kemmerich-Keil of Merck delivered a fascinating insight in to the consumerisation of Neurobion vitamin B brand and in-licensed Floratil probiotic. Uta detailed how bringing a strong Rx brand into the consumer healthcare sphere has added significant value to Merck's Consumer Health business, with the transfer of the two brands adding 55% to the topline. When Floratil was transferred to Merck Consumer Health, brand owner Biocodex took over marketing in all markets except Brazil. Focusing on Neurobion, Uta noted that there was some reluctance internally to the switch, with fears that the brand's strong ethical heritage would be destroyed. With the

new consumer-led approach combining tools such as DTC multi-touchpoint communication, insight driven medical detailing and POS activation, Neurobion has also maintained an Rx element, which continues to perform positively. Uta concluded that you should treat consumerisation as an M&A deal, putting the same effort into integration and changing the mindset behind the brand.

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## **Gerhard Lötsch: Flop to top – OTC topical diclofenac**

Gerhard Lötsch outlined GSK-Gebro's efforts to switch topical diclofenac in Austria, where Rx (reimbursed) options dominated the topical analgesics market. In October 2008, the company launched Voltadol Schmerzgel as an OTC alternative to Rx Voltaren Emulgel, which remained on the market (reimbursed when prescribed). Gerhard stated that the company had set out to achieve a 25% market share within three years of switch, although the result was a more modest 5%.

Detailing why the brand struggled initially, Gerhard pointed out that the reimbursement culture for diclofenac brands was difficult to surmount, with pharmacists often directing consumers to their GP for a diclofenac prescription even when the consumer had requested OTC Voltadol Schmerzgel. To change the HCP mindset, the company launched a wide-reaching strategy to promote the benefits of OTC. This had a hugely positive effect and sales of Voltadol Schmerzgel have grown strongly since 2012. In 2015, OTC preparations accounted for 68% of the topical analgesics market, with Voltadol Schmerzgel capturing 45% of total sales; Gerhard claimed that it is the most successful OTC launch in Austria.

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## **Grzegorz Michniewski: The Polish perspective**

Concluding the impressive list of speakers, Grzegorz Michniewski delivered an overview of the Polish OTC market. An important facet is the rapidly increasing presence of medical devices, supplements and dietary foods for special medical purpose, which generate around

a third of the total OTC market. In terms of retail, Grzegorz pointed out that pharmacies (both independents and chains) are expanding in number, while the mass market is a dynamic and important retail channel. Fixed prices and margins applied to reimbursed products since 2012 mean that pharmacists advocate OTC, which is an important revenue stream. There is a high market concentration and domestic players are important. Grzegorz illustrated his

point with a case study of Aflofarm, which has grown rapidly to become a leading player. Over 90% of company revenue is generated by OTCs, and the vast majority of this portfolio is non-registered products. A+P support is a key tool and growth driver, while Aflofarm also invests in significant NPD, often creating new subcategories (e.g. Halitomin for halitosis) and launching attractive formats (e.g. Sesja Fast orodispersible sachets).

## **Krakow 2016: Key learnings**

### **Digital:** Industry must adapt by choice, not necessity

Digital was a hot topic, with speakers urging the industry to adapt and engage more readily – if we do not act quickly, we may well end up working for tech giants like Google and Apple in the future. While the digital landscape is vast and ever changing, it is clear that consumers have fundamentally changed the way they engage with the world, and healthcare must keep pace with this in order to maintain a meaningful relationship.

### **Innovation / switch:** OTC industry must be braver

With much growth in our industry driven by M&A, speakers called for more innovation and switch to drive the industry forward and help reach higher levels of organic growth. The OTC industry is slow to change and there has been little development in the fundamental way we operate; we are still the purveyors of pills and potions, not healthcare solutions, and we desperately need innovative new products, formats and claims.

### **Consumers:** Emotional connection key

Consumer engagement is one of the key building blocks for a successful OTC brand. Speakers were in agreement that the consumer must be at the heart of innovation and development for it to be successful. In a market flooded with "me-too" products and generics, building an emotional connection with the consumer is vital to create brand loyalty.

### **Harmonisation of approach:** Parity across all geographies

There were insightful presentations from OTC giants RB and BI on the importance of a harmonised approach across geographies, which allows better leveraging of scale and capabilities and boosts brand awareness and equity. In-depth research in a few key markets can shape global brand strategy, while there is parity in A+P campaigns. A clear operating model with consistency across all markets also enables rapid rollout into new markets.

### **Talent:** Developing people will grow consumer healthcare industry

There were many calls for new thinking and more creativity from the people within our industry, with a need for real experts and not "clones". Speakers highlighted that having the right people across all departments is crucial to creating successful brand strategies. Nicholas Hall and XPotential's Fit for the Future survey of industry leaders revealed that developing existing talent is one of the Top 10 strategic priorities for industry growth, while leadership skills was highlighted as a key gap in our competencies.

# Nicholas Hall Awards 2016: Delegates back emotional approach

Celebrating the brightest and best in the OTC industry, delegates gathered at the Awards Dinner in Krakow – sponsored by Medical Brands – to find out who had won the main prizes.

## European New Product: RB steals the crown

Nina Stimson, Executive VP at Nicholas Hall & Company, was on hand to deliver the award for Europe's *Most Innovative New Product of the Year*. Beginning with a high commendation for the **Doliprane pure OTC range** in France, launched by Sanofi in October 2015, Nina stressed that this is a bold and exciting move for a brand that has been traditionally heavily reliant on Rx reimbursed sales.

In joint 3rd place came **Manti Fresh!** antacid gum, from USP Zdrowie in Poland, and Rhinomed's **Mute** anti-snoring medical device, which rolled out in the UK in autumn 2015. Promotion for the former, registered as a dietary supplement, targets a younger demographic than traditional antacid advertising, highlighting that Manti Fresh! offers the strength of a tablet and the freshness of gum via its two-layer technology. The latter impressed the judges with its discreet ability to reduce snoring, and A+P activity includes humorous ads on social media and radio telling consumers it is time to "hit the mute button". Olympics legend Sir Steve Redgrave acts as brand ambassador.

No.2 spot went to **Medusicalm** (MartiDerm) jellyfish sting reliever. Developed initially by a pharmacist in Spain for use by his friends and family, the unidose powder sachets come with gloves for safe application and the marketer stresses that its natural and effective formula of papain and allantoin means that it is safe for use in babies and young children. The product's handy format is emphasised in A+P reminding consumers to carry it with them in their beach bag.



RB's Akhil Chandra pictured with Maikel Hendriks and Rob Balmer of Medical Brands (far left and right respectively), as well as Nicholas Hall and Nina Stimson

However, RB's **Strepsils Flurbiprofen Spray** (marketed as Strepfen, Dobendan Direkt and Benactiv Gola in other markets) was awarded the top prize, recognised as a worthy winner as it is the first OTC flurbiprofen product in a convenient spray format. Rolled out across much of the region in H2 2015, it joined the well-established sore throat lozenges and has been backed by A+P support claiming that it offers quick and direct pain relief and anti-inflammatory action for up to six hours. A delighted Akhil Chandra, Global Category Director Analgesics at RB, collected the award.

## Global OTC Marketing: Flonase changes everything

The *Most Innovative Global OTC Marketing Campaign* proved a tricky category to whittle down, with the judges giving special commendation to BI's Naming is Taming campaign for **Buscopan** antispasmodic, which ran in several markets and successfully broadened the brand's indications. Launched in Q1 2015, this conveyed the message that Buscopan can be used to treat different

types of abdominal pain, and not just intense pain. The 360 degree campaign included TV ads, POS materials, revamped websites and a presence on Facebook.

Coming in joint 3rd place, Bayer's launch of non-branded consumer website [agriyien.com](http://agriyien.com) (defeat pain) in Turkey was recognised for raising awareness of pain and effective treatment options, and ultimately boosting sales of **Aleve**, **Aspirin** and **Saridon**. Bayer states that more than 1.8mn people in Turkey were searching online for pain treatments every year, with no robust information platform available. Since the launch of the website and accompanying Facebook page, the latter has attracted close to 75,000 likes and Bayer claims that it is the fastest-growing healthcare page on the social network.

Also 3rd was Merck's campaign to support the consumerisation of **Neurobion Forte** vitamin B brand in India. An adaptive media strategy was used to maximise visibility, with sponsorship of the 2015 Cricket World Cup allowing the brand to reach 45mn consumers. Meanwhile, TV spots, outdoor ads and posters on buses and trams reached close to 20mn consumers, while POS materials helped to trigger purchase. The brand has outgrown the overall vitamin B category in both value and volume terms, despite being among the lowest-priced options available.

Another brand from India claimed 2nd place, this time Cipla's **Nicotex** (nicotine). The marketer shifted its promotional strategy from an ethical to a consumer-focused campaign in 2015, as the brand was moved to a newly-created Consumer Healthcare subsidiary.

In a category where MNCs have failed to make much impact, the successful campaign for Nicotex invites consumers to "Choose life!", with promotion showing lungs full of life, rather than focusing on the negative impact of smoking. Among the elements of the campaign, Cipla invested in light-up POS materials that helped the brand to stand out in crowded stores, while in-flight sampling helped relieve nicotine cravings in spaces where smoking is banned. In a similarly innovative approach, Nicotex ads ran alongside scenes of smoking in films over the traditional New Year quitting period. In order to



*Nick Srikanth of GSK collected the Global OTC Marketing Award for the Flonase campaign, presented by OTC.Newsflash's Claire Foilleret*

encourage consumer engagement, Cipla launched the U Quit Smoking, I Quit a Bad Habit initiative, with family and friends encouraging smokers to quit by giving up a bad habit of their own. This was backed by a mobile app, a quit kit, and celebrity endorsement, among other tools, and the marketer states that over 80,000 consumers have joined the programme on social media. Brand sales in test market Tamil Nadu have grown strongly, while the campaign was extended across India in October 2015.

The top prize however went to GSK's **Flonase Allergy Relief** (fluticasone 0.05mg) in the US, which was switched from Rx to OTC status in July 2014. With marketing beginning a month before launch in February 2015, consumers could pre-order the product in major drugstore chains, while a video on Walgreen's YouTube channel explained its benefits. TV ads for the brand stress that it tackles the six key inflammatory substances that cause allergy symptoms, while most allergy tablets target only one. A key message in the campaign is that it offers easy access to prescription-strength relief, with ads stating, "This changes everything". GSK claims that pre-orders for Flonase Allergy Relief generated more sales than any other OTC switch, while the brand had garnered over US\$300mn by end-2015, establishing itself as the leading OTC allergy spray in the US and the No.3 entry overall in the allergy remedies category, according to **DB6**.

The brand is likely to continue its dynamic rise following the March 2016 introduction of Children's Flonase Allergy



Relief, which can be used from age 4+ years and offers non-drowsy, 24-hour relief. This contains the same level of active ingredient, but is available in a smaller pack size. Nick Srikanth, Chief of Staff, Europe Americas Region at GSK, graciously accepted the award from Claire Foilleret, Editor of Nicholas Hall's *OTC.Newsflash*.

## Colin Borg Award: Emotional Wick triumph

A+P campaigns for cold & flu brands proved popular with delegates for the *Colin Borg Award for the Best European OTC Advertising*. USP Zdrowie's campaign for **Pelavo** cold & flu remedy came in 3rd place; positioned as a natural paediatric product, the ad features a group of children fighting off germs, before Pelavo syrup relieves symptoms including fever, runny nose, cough and sore throat. Delegates gave GSK's **Theraflu** outdoor #TherafluThermoscanner ad campaign 2nd place. Claimed to be a world first, this featured thermal imaging technology at public locations such as bus stops, to determine whether consumers had a fever, which may be a symptom of cold & flu.



*Mandy Borg and OTC DASHBOARD's Owen Hartnett presented Anna Sacha with the Colin Borg Award for the Wick campaign*

However, the strong emotional element of PGT / P&G's #HugYourDad campaign for **Wick VapoRub** in Germany claimed top spot. The moving ad features home videos of fathers hugging their young sons, before asking why this stops as boys grow up. The campaign ends with the tagline, "Die kraft der berührung" (The power of touch), inviting fathers and sons to embrace. Colin Borg's widow, Mandy, was at the Awards Dinner to present the prize to Anna Sacha, Global Head, Consumer & Market Knowledge at PGT Healthcare. ☒

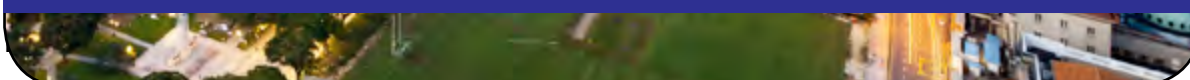
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# Feature: China regulator steps up healthcare reform

**In the past 12 months, the CFDA has increased its focus on reforming regulations in the health sector. Nicholas Hall's *OTC INSIGHT Asia-Pacific* examines the various strategies being employed to speed up the registration process for new drugs and improve medicine safety & quality.**

Various efforts have been made in recent years to reform and improve China's healthcare system, from introducing the Essential Drug List to withdrawing the price caps on most medicines, as well as major crackdowns on bribery practices within the pharmaceutical industry. However, pressure is mounting on the CFDA to do more following a series of highly publicised scandals. This includes an escalation in the number of doctors subjected to violence by patients owing to treatments not having the desired effect.

Marketing practices of hospitals have also been brought into question following the death of a cancer patient who underwent an experimental treatment he learnt about through China's Baidu search engine. A media investigation discovered that the hospital's cancer department was contracted out to an unlicensed medical service provider, Pu Tian, which bought ads and top positions in search results from Baidu.

## Faster drug approvals: To reduce application blockages

The start of the recent round of the reform can be traced back to June 2015, when the CFDA raised registration fees for medicines and medical devices to the following amounts:

- Locally-produced medicines – RMB624,000 / US\$96,387 (up from RMB35,000 / US\$5,406 in 2013)
- Imported medicines – RMB969,900 (US\$149,817)
- Locally-produced generics – RMB501,600 (US\$77,480)
- Imported generics – RMB869,600 (US\$134,324)
- Imported medical devices – first registration fees range from RMB210,900 (US\$32,577) to RMB308,800 (US\$47,699)

The reason for the hike is to cover the cost of employing more people to expedite the review process and the CFDA argues that the amounts charged are still only 64%, 35.5% and 5.2% of the amounts charged in Australia, Canada and the US respectively.

Another reason it can take an average of five to six years to bring a new product to market is the large backlog of medicine applications, which the CFDA's Centre for Drug Evaluation reported numbered 18,597 by end-2014.

In August 2015, the State Council issued the *Opinions for Reform of Drug & Medical Device Evaluation System*, which aims to eliminate the backlog of medicines applications by end-2016, implement the new approval timeline by 2018 and speed up the approval process for innovative medicines. Companies can apply to expedite approvals for urgently needed innovative drugs – including treatments for AIDS, cancer and major infectious diseases – through a special evaluation and approval system, as long as their prices are not higher than in the originating country or comparable markets to China. The policy also softens clinical trial requirements, with foreign pharma companies now able to conduct clinical trials in China simultaneously with overseas trials. Previously, multinationals could only apply to import a drug after it had been approved and marketed in another country, and were then also required to conduct clinical trials on Chinese patients.

In November 2015, the CFDA launched a three-year pilot scheme to ease approvals for new medicines in 10 provinces, including Beijing, Shanghai, Tianjin, Zhejiang, Guangdong and Sichuan. The scheme allows pharmaceutical R&D institutions to seek drug approvals and allows them to transfer the approval to manufacturers

to encourage medicine innovation. The trial may expand to other regions of the country if results are positive.

The situation is also likely to improve after China and the US reached a number of agreements on improving the speed for drugs and medical device approvals at the 26th China-US Joint Commission on Commerce & Trade (JCCT) in late-2015. Major agreements were:

- China will publish annual reports of drugs and medical device evaluations
- In 2016, China will complete drafting a second batch of medical device clinical trial exemption catalogues to further expand the scope of exemption categories
- The CFDA will appoint dedicated personnel in the evaluation and approval process to provide guidance and promptly communicate with the applicant upon request. For other types of medical device registration applications, relevant departments of the CFDA will conduct weekly group consultations for applicants
- The CFDA will provide no less than a 30-day public comment period for implementing departmental rules and regulations, and will also abide by its technical barriers to trade commitments
- In accordance with China's medical device regulatory legal framework, China agreed that in the area of market access, it will give imported medical devices the same treatment as those manufactured or developed domestically

The regulatory reforms have resulted in a significant increase in the number of drug application reviews. At the National Food & Drug Regulatory Conference in January 2016, the CFDA reported that the Centre for Drug Evaluation reviewed 9,394 drug applications in 2015, up by 90% compared with 2014. By end-2015, the Centre also managed to reduce the number of drug registration applications pending review to 17,000, compared with the peak of over 22,000 earlier in the year.

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## Clinical trials: Self-inspection

The CFDA is also making efforts to improve drug quality & safety through administrative orders. In July 2015, it

ordered pharmaceutical companies to inspect and verify their clinical trial data to ensure authenticity and reliability. Companies had to report their findings by 25th August 2015, but were allowed to withdraw their application before the deadline without penalty. Any companies found to have forged data or destroyed evidence would be banned from registering medicines for three years, while fraudulent clinical trial centres would have their licences suspended.

However, the CFDA believed some local agencies were not fully pursuing the misconduct of fraudulent companies and requested them to conduct stricter checks.

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## Generics: Align to global quality criteria

In terms of generic medicines, new policies have been introduced to raise quality criteria on par with international levels. At the National Committee of the Chinese People's Political Consultative Conference in late-2015, advisors proposed that the CFDA should encourage the development and innovation of generic medicines to improve the sustainability of the health insurance system and accessibility to affordable and quality medicines. This can be achieved by strengthening quality standards for generics, encouraging R&D and shorter and faster medicine assessment and approvals processes. More detailed proposals included developing a generics conformance evaluation system, favourable policies for generics in the National Healthcare Insurance and hospital tendering systems and enhanced post-market surveillance.

In March 2016, the State Council issued *Opinions for Conducting Generic Drug Quality & Efficacy Equivalence Assessment* to improve generic medicine efficacy and safety. The policy outlines the timeframe for companies to conduct conformity assessments. Oral solid chemical generics approved before October 2007 and included on the 2012 National Essential Drug List should have their equivalence assessments completed by 2018, although the deadline may be extended until 2021 under special circumstances or for cases requiring clinical

efficacy studies. Companies failing to do so will not have their registrations renewed. Generics approved in the EU, US and Japan can apply following the new chemical drug registration classification effective from end-2015. Upon CFDA approval, generics produced using the same manufacturing processes in China as in the EU, US and Japan will be deemed to have passed domestic quality and efficacy equivalence studies. Measures proposed to encourage companies to conduct equivalence studies include medical insurance subsidies, preference towards such products during the procurement process and public funding.

## Safety risk: Faster complaint response timeframe

A new policy document, *Guiding Opinions for Infrastructural Building of Food & Drug Safety Credit Rating System*, aims to create a credit rating system for food & medicine manufacturers, distributors and relevant personnel. The authorities plan to set out the criteria for such companies and personnel and prepare a food & medicine safety database by end-2016, and start to operate the system by 2020. Low-rated companies and personnel may be subject to punishment. The document also aims to define the scope of sharing public information about food & medicines, build a platform for credit information exchange, as well as strengthen information collection, management and publication of food & medicine safety.

Meanwhile, the *Provisions for Food & Drug Complaints & Reports*, effective from March 2016, sets the timeframe for local agencies to handle complaints about food and medicines. The regulation states that complaints must be forwarded to the relevant departments within 2-3 days, who must then process and respond within 60 days. In the event of complex cases, the timeframe can be extended to up to 90 days upon approval. The document also aims to encourage the public to file complaints regarding violations of food & drug regulations and to improve operating procedures and information management, particularly the cases with high public health risks and collective safety issues.

To further strengthen the supervision and management of clinical trials for medical devices, the CFDA and the National Health & Family Planning Commission of China have jointly issued the *Good Clinical Practice guide* for medical devices, which will be implemented on 1st June 2016. The document covers general provisions, preparation before clinical trials, protection of rights and benefits of trial subjects, clinical trials protocol, responsibilities of ethics committee, responsibilities of sponsors, responsibilities of clinical trial institutions and investigators, management of investigational medical devices, management of essential documents and supplementary provisions.

## Conclusions: Still an uphill struggle

The ultimate goal of China's healthcare system reforms is to improve the quality of medicines and medical services while making them more affordable. Indeed, Premier Li Keqiang identified reducing drug prices as the breakthrough point when mapping this year's key goals for reform at the executive meeting of the State Council in April 2016.

However, the country faces an uphill struggle. The medical service market is monopolised by public hospitals, which sets the bar high for the entry of private players. As such, public hospitals have little motivation to improve the quality of services. They also rely heavily on medicine sales, which account for between 40%-60% of a hospital's gross income, which means doctors tend to prescribe expensive medicines.

The separation of medical services and sales and a more market-driven pricing mechanism seems, on the face of it, to be an effective remedy for these issues and would surely benefit the pharmacy, self-medication and medical distribution sectors. But it raises the question, how will hospitals survive if profits from medicines sales were simply cut off? With the lack of regulation and supervision, a severe consequence could be that hospitals seek profits by contracting services to companies such as Pu Tian. ☒

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9.30 Defining the Pharmacy Business Challenge  
10.00 Drafting the Challenge  
**10.30 Break**  
10.45 Developing Understanding: Our Brand and Competitors  
11.00 Brand and Competitors SWOT's and Implications  
**12.30 Lunch**  
13.30 Developing Understanding: High Priority Customers  
14.00 Understanding Customer Strategy and Implications  
**15.30 Break**  
15.45 Developing Understanding: Our Patient / Consumer and Shopper  
16.15 Understanding Target Patient / Consumer and Shopper Needs and Implications  
**17.30 Day one close**

## AGENDA DAY TWO

**9.00 Welcome back**  
9.15 Building Opportunity  
9.30 Identifying Areas of Alignment across Stakeholders and Opportunity  
**10.15 Break**  
10.30 Identifying Areas of Alignment across Stakeholders and Opportunity  
11.00 Prioritising and Planning the Activity  
12.30 Selecting Activations to Deliver our Priority Opportunities  
**13.00 Lunch**  
14.00 Implementing with Excellence  
14.30 Developing and Presenting your Plan  
**15.15 Break**  
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# Products Round-up: Competition heats up in children's CCA segment

## Demazin: Expanded with Kids range

**AUSTRALIA:** Bayer's Demazin cough & cold range has been extended into the children's segment. Demazin Kids Cold & Flu Relief Liquid is formulated with black elderberry, zinc and vitamin C to help boost immunity to reduce the duration and severity of cold and flu symptoms, including blocked nose, sore throat, cough, aches and pains. The berry flavour liquid is available in 200ml and 100ml SKUs, which retail for A\$18.95 (US\$14.42) and A\$12.95 (US\$9.85) respectively. Demazin Kids Cough Relief Liquid contains ivy leaf extract, which thins and loosens mucus to soothe and relieve a chesty cough and clear chest congestion. A 200ml bottle of the strawberry flavour liquid costs A\$13.95 (US\$10.61). Both products are for children aged 2+ years and do not contain aspirin, paracetamol or ibuprofen.



L-R: Demazin Kids Cold & Flu Relief Liquid, Demazin Kids Cough Relief Liquid

## Bisovon: Extended with double launch



Chesty Natural Kids 2+

**AUSTRALIA:** Boehringer Ingelheim has expanded Bisolvon – Australia's No.2 cough remedy according to Nicholas Hall's **DB6** Global OTC Database – with two presentations. Bisolvon Chesty Natural Kids 2+ is positioned to help clear mucus from the chest, calm coughs, relieve chest congestion and boost the immune system against winter bugs. The honey & lemon flavour liquid contains hederia helix 84.5mg and lactoferrin-bovine (derived from cow's milk) 50mg.


Bisolvon Pholcodine Dry Forte, a Schedule 2 OTC (Pharmacy-only), contains pholcodine 4mg / ml and is claimed to be higher strength than the leading dry forte cough brand in Australia. The peach flavour liquid is positioned to help stop stubborn, dry tickly coughs and is available in 100ml and 200ml SKUs.

## Ostelin: "Test Yourself" campaign raises awareness of bone health

**AUSTRALIA:** Sanofi has launched the "Test Yourself" consumer campaign to support Ostelin, Australia's No.1 vitamin D brand according to **DB6**. Fronted by Commonwealth Games gold medallist Jane Flemming, the campaign aims to raise awareness on the importance of vitamin D for strong bones and encourage Australians to be more proactive in managing bone health. TV ads invite consumers to take an online "D-test" ([d-test.com.au](http://d-test.com.au)) to assess the likelihood of low vitamin D levels against a number of risk factors, such as age, skin pigmentation and sunscreen use. The initiative also includes an online competition offering consumers the chance to join Flemming on a private trek over the Tasmanian Overland Track in October, as well as the chance to win one of 30 daily health boosters in July ranging from gym memberships to yoga classes.

## Halykoo: Sails into Australia

**AUSTRALIA:** Eris Pharmaceuticals has rolled out paediatric brand Halykoo after it gained exclusive rights to distribute the products from Swisse company Applied Pharma Research in December 2015. The range comprises nine options across four therapeutic categories:

- **Halykoo Aera Vapour Night Pads with Essential Oils (3+ years).** For congestion relief to help children get a peaceful night's sleep, the pads are applied to nightwear and body heat activates and releases the balsamic vapours throughout the night
- **Halykoo Aera Soothing Throat Spray with Hyaluronic Acid (2+ years).** Formulated with hyaluronic acid and mallow extract to reduce sore throat pain without the use of drugs. The 15ml spray coats the throat with a protective barrier, helping to keep the area moisturised and soothe irritation, soreness and discomfort of swallowing
- **Halykoo Derma Zinc Oxide Cream Spray (0+ months).** Positioned for nappy rash, the cream spray is formulated with micronised zinc oxide, which transforms into tiny liquid droplets to produce a mist that covers the skin evenly and requires no spreading or rubbing. Additional avocado and almond oils help regenerate the skin's protective layer
- **Halykoo Derma Weather Protection Cream with Ceramides (2+ years).** For chapped skin, the cream contains ceramides, which helps to reinforce its protective outer layer; zinc oxide and panthenol to soothe and repair damage; and organic aloe extract
- **Halykoo Sensia Mouth Ulcer Soothing Gel with Hyaluronic Acid (2+ years).** Formulated with hyaluronic acid and aloe vera, the vanilla-flavoured gel forms a thin protective barrier over the ulcer to soothe pain and promote healing. It has a long, ergonomically-designed applicator to help spread the gel without using fingers
- **Halykoo Sensia Oral Thrush Wipes (0+ months).** Positioned to remove oral thrush infection and soothe the affected area, the wipes include extracts of mallow and calendula, which form a protective coating over lesions to create conditions hostile to the growth of fungus
- **Halykoo Nutra School Active gel drink (6+ years).** A peach flavour multivitamin gel drink containing zinc, siberian ginseng and B vitamins. Packaged in individual 10ml sticks, the drink provides children with energy and sustenance to help them get through their school day
- **Halykoo Nutra Fizzy Probiotic Powder (3+ years).** The orange flavour effervescent probiotic powder is designed to help restore the natural balance of intestinal flora via its lactobacillus acidophilus and bifidobacterium lactis probiotic strains
- **Halykoo Nutra Happy Travel Lolly (3+ years).** The sugar-free, cola-flavoured lollipop contains lemon juice and ginger extract to relieve symptoms of motion sickness 



L-R: Halykoo Aera Vapour Night Pads, Halykoo Derma Zinc Oxide Cream Spray, Halykoo Sensia Oral Thrush Wipes, Halykoo Nutra Fizzy Probiotic Powder



# News Review: NZ pharmacy ownership shake-up on the cards

**NEW ZEALAND:** Following the cessation of the Australia New Zealand Therapeutic Products Agency project, the New Zealand Government is developing a therapeutic products regulatory regime to replace the Medicines Act 1981 and its Regulations. To this end, the Government has made public decisions about the direction of the regulatory regime to help stakeholders and the public understand the issues. This is ahead of a formal consultation on a draft version of the Therapeutic Products Bill, set to occur later in 2016. Documents outlining the decisions can be found on the NZ Ministry of Health website.

If the proposed changes to the Medicines Act 1981 come into force, restrictions on pharmacy ownership could be lifted. Currently, a pharmacist must hold 51% of the shares in one pharmacy and the same majority share in up to five pharmacies. The Health Minister, Jonathan Coleman's initial view is that current restrictions on pharmacy ownership as a condition for licensing are not necessary to achieve the safety objectives of the regulatory scheme (including restrictions on medical practitioners having an interest in pharmacies).

## MCC: To focus on natural health product submissions

**NEW ZEALAND:** As the Government prepares to present the National Health & Supplements Bill for its final reading in Parliament, the Medicines Classification Committee's July 2016 meeting will focus on submissions relating to natural health products. These include proposals to change the classifications of lithium and natamycin from Rx to unscheduled medicines when the recommended daily dose contains <3mg, enabling the ingredients to be used in natural health products. The MCC will also consider increasing the recommended daily dosage limits in unscheduled medicines for certain ingredients to the following levels:

- Boron 9mg
- Folic acid 1,000mcg
- Iodine 800mcg
- Iron 45mg
- Potassium 3,000mg
- Selenium 200mcg
- Vitamin A 6mg retinol equivalent (20,000IU)
- Vitamin D 75mcg (3,000IU)
- Zinc 50mg

## NZ: New role will free up pharmacists' time

**NEW ZEALAND:** A new role has been developed to help pharmacists spend more time with patients. Pharmacy Accuracy Checking Technicians will be trained and certified to carry out the final check on a dispensed item, part of a process that currently sits with the pharmacist, who will "still ensure that the prescription is legally correct, clinically safe, appropriate to dispense, and talk with patients", said Health Minister, Jonathan Coleman. This follows a successful pilot in 2015 run by the Pharmaceutical Society on behalf of Health Workforce New Zealand. A framework has been developed to enable the national introduction of the new technician role later this year, managed by the Pharmaceutical Society.

## Australia: Victoria pharmacists can vaccinate

**AUSTRALIA:** The Victorian Government has permitted trained pharmacists to administer flu and whooping cough vaccinations to adults at approved pharmacy premises. The move brings the state in line with the rest of Australia.

## ACMS: Releases scheduling recommendations

**AUSTRALIA:** A delegate of the Secretary to the Department of Health has released the following interim recommendations made by the Advisory Committee on Medicines Scheduling at its March 2016 meeting:

- Raise the pack size of mass market loratadine 10mg or less divided oral preparations from five to 10 dosage units for consumers aged 12+ years for seasonal allergic rhinitis
- Amend the Schedule 2 (Pharmacy-only) entry for paracetamol to restrict pack sizes to no more than 100 tablets or capsules and no more than 50 wrapped powders or sachets of granules for domestic supply and limit bulk pack sizes to hospitals, nursing homes and pharmacies for dispensing purposes
- Do not include divided preparations of ketoprofen 200mg or less per dosage unit for oral use in Schedule 3 (Pharmacist-only), as the current scheduling remains appropriate
- Do not permit mass market sale of naproxen 200mg in packs of 12 or less dosage units when not labelled for children aged under 12 years, as the current scheduling remains appropriate

## DoH: Releases final decision for paracetamol + ibuprofen

**AUSTRALIA:** A delegate of the Secretary to the Department of Health has released a final decision regarding the scheduling of paracetamol when combined with ibuprofen. After considering various submissions and advice from the Advisory Committee on Medicines Scheduling, the delegate has decided to permit the S2 classification of paracetamol combined with ibuprofen in preparations for oral use when labelled with a recommended daily dose of ibuprofen 1,200mg or less in divided doses in packs containing not more than 12 dosage units. The amendment has an implementation date of 1st June 2016.

## PBAC: Reaffirms Panadol Osteo delisting

**AUSTRALIA:** The Pharmaceutical Benefits Advisory Committee has reaffirmed its decision to delist Panadol Osteo from the PBS, despite appeals from the Pharmacy Guild, Painaustralia and the Consumers Health Forum, who raised concerns about the clinical and financial implications of such a move. PBAC reasons that as paracetamol 665mg tablets contain the same active ingredient as the 500mg immediate release form of paracetamol, six paracetamol 665mg modified release tablets are therapeutically equivalent to eight paracetamol 500mg, which are less expensive.

**Comment from PBAC:** Panadol Osteo is possibly a more convenient form of paracetamol due to the less frequent dosing; it is generally taken 3x per day whereas the 500mg product is generally taken 4x per day ... However, the 500mg immediate release tablet is significantly less expensive than Panadol Osteo – a box of 100 tablets can be bought for as little as A\$2 (US\$1.52).

## TGA: Urged to create online pharmacy “safe list”

**AUSTRALIA:** A report published in the *Medical Journal of Australia* urges the Therapeutic Goods Administration to develop a “safe list” of online pharmacies to protect consumers from counterfeit drugs. According to co-author, Dr Conor Hensey, less than 5% of the world’s 36,000 active online pharmacies are thought to be legitimate and a safe list could provide consumers with easy, reliable access to authorised online pharmacies.

## Guild: Launches second stage of consumer campaign

**AUSTRALIA:** The Pharmacy Guild of Australia has launched the second stage of its consumer campaign, designed to strengthen community pharmacy’s position as a trusted source of health service and advice. The second phase will have a strong digital focus, including digital advertising, ads in relevant online publications, mobile targeting and search engine optimisation. This follows the

2014 “Discover More. Ask Your Pharmacist” promotion that aimed to encourage more consumers, especially women aged 24-45 years, to visit their local pharmacy for advice and services. All ads direct consumers to [askyourpharmacist.com.au](http://askyourpharmacist.com.au), where visitors can use a “find a pharmacy” feature for the services they want.

## Psoriasis: Pharmacies invited to join derma programme

**AUSTRALIA:** Pharmacies are being invited to join a new Dermatology Network Pharmacy Program, reports *Pharmacy Daily*. Supported by LEO Pharma, marketer of psoriasis treatments Daivobet and Daivonex, the programme aims to provide community pharmacies with a range of resources to help improve long-term clinical outcomes for patients with psoriasis by addressing the key reasons for non-adherence to topical treatments. Pharmacies can enrol at [pharmaprograms.com.au](http://pharmaprograms.com.au).

**Comment from former Pharmacy Guild National President, Kos Sclavos:** Simple things, like reinforcing the correct amount of medicine to use and the best way to apply [it] can have a huge impact on clinical outcomes.

## LDP: Drafts MHLW restructuring options

**JAPAN:** Lawmakers of Japan’s ruling Liberal Democratic Party have drafted several options to restructure the Ministry of Health, Labour & Welfare. Some consider the scope of the MHLW to be too broad and it is thought that a restructuring will enable more focus to be given to important issues, such as the ageing population and falling birth rate. The draft, which will be included in the party’s pledge for the upcoming election of members for the House of Councillors in July, contains three options:

- Divide into three entities – Social Welfare, Children & Child-rearing and National Consumer Affairs
- Separate into two entities – Social Welfare and a combination of Children & Child-rearing and National Consumer Affairs
- Remain as one entity but have two cabinet ministers

Elsewhere, a new function has been added to the MHLW’s website that enables stakeholders to submit Rx-to-OTC switch candidates. Submissions will be subject to review by the Review & Evaluation Conference, which was established in 2015 comprising members of industry and consumer groups.

## China: To launch “large scale” probe into pharma companies

**CHINA:** The National Development & Reform Commission, China’s top price regulator, plans to launch a “large-scale and systematic” antitrust investigation into foreign and local pharmaceutical companies, according to the State-owned newspaper *China Daily*. The NDRC is collecting evidence to see whether companies have violated competition regulations and has summoned Pfizer, as well as a number of distributors and medical device manufacturers, to provide data and information. The move has been in preparation for a long time but there is currently no proof to suggest that any regulations have been broken. At an executive meeting of the State Council in April 2016, China’s Premier Li Keqiang pledged to push through healthcare reform with more drug price reductions and the establishment of a drug price tracing mechanism.

## CFDA: To increase medical device budget

**CHINA:** The CFDA plans to increase its medical device budget by 126% in 2016. Medical devices accounted for only 3% of gross spending in 2015 but the CFDA is in the process of tightening regulations in the sector via quality inspections and crackdowns on inadequate products.

The CFDA has also released a checklist to help local agencies monitor the product quality of 25 types of medical devices. For each product type, the checklist details the factors regulatory officials should look out for, including technician qualification, manufacturing facilities, product design & development, raw material purchases and production management.

## **S Korea: To toughen up anti-smoking measures**

**S KOREA:** The Ministry of Health & Welfare and the Ministry of Strategy & Finance, have jointly announced plans to introduce anti-smoking measures that will also affect e-cigarettes, reports the *Korea Herald*. The proposals aim to strengthen the regulations of e-cigarettes, chewing tobacco and other novel tobacco products, including taxation, advertising, sales and warnings to the same level as regular cigarettes. The price of e-cigarettes is also expected to rise as the government aims to impose taxes in line with the amount of nicotine they contain. It is also planned to prohibit sales of cigarettes in packs of less than 20 to make them less accessible to teenagers. Tobacco ads will also be banned in retailers near to school, while graphic images and larger warning signs will be added to cigarette packages.

**Comment:** The smoking rate among S Koreans last year dropped to an all-time low of 39.3% in 2015 vs 43.1% in 2014. This was largely the result of a sharp increase in tobacco costs from Won2,550 (US\$2.23) to Won4,500 (US\$3.94) early last year. However, during the same period the use of e-cigarettes among adult males has grown to 7.1% vs 4.4%, and 9 out of 10 of these also smoked traditional cigarettes.

## **Company news**

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### **RB: Fined over Nurofen Specific Pain Products**

**AUSTRALIA:** The Federal Court has fined RB A\$1.7mn (US\$1.3mn) for misleading consumers over its Nurofen Specific Pain Products range. The Australian Competition & Consumer Commission has appealed the penalty as it does not feel it acts as an adequate deterrent for a company of RB's size.

### **Blackmores: Global deal focuses on China**

**AUSTRALIA:** Blackmores has acquired Global Therapeutics, an Australian provider of retail Chinese

herbal medicine formulations, for A\$23mn (US\$17.5mn). The deal comprises Global Therapeutics' full product portfolio, including the Fusion and Oriental Botanical brands, which have a strong position in health food stores and pharmacies respectively. In the past 12 months, Global Therapeutics generated A\$20mn (US\$15.2mn) in domestic sales, with vast opportunities to increase growth by penetrating the Asian market.

#### **Comment from Blackmores CEO, Christine Holgate:**

The acquisition of Global Therapeutics affirms Blackmores' position as the leading natural health company in Australia and gives us a foothold in the rapidly growing Chinese herbal medicine market ... It will bring us closer to our Chinese consumers.

### **Shanghai TCM: Forms j-v with Tsumura**

**CHINA:** Shanghai Traditional Chinese Medicines, a wholly-owned subsidiary of Shanghai Pharma, has agreed to form a joint-venture with Japanese kampo medicine company Tsumura & Co with a total investment of RMB1.2bn (US\$185mn). The j-v will be dedicated to the manufacture and sale of prepared TCM products, formulated TCM granules and TCM extracts, with Shanghai TCM contributing RMB306mn (US\$47.3mn) cash for a 51% stake. The CFDA is attempting to liberalise the TCM granules segment and drafted new regulations in December 2015 allowing TCM manufacturers to add granules to their business scope upon filing with the provincial-level FDA. The Strategic Planning Guideline for TCM Development 2016-2030 issued by the State Council in February 2016 also included TCM granules for the first time.

### **China: Pharma companies form procurement platform**

**CHINA:** Six pharmaceutical companies – Guangzhou BaiYunShan, Shanghai Pharma, Nanjing Pharma, Harbin Pharma, Tianjin Pharma and Chongqing Pharma – have signed a MoU to co-found a pharmaceutical procurement platform. Serving the participating companies, it aims to reduce procurement and operation

costs; minimise the impact of price fluctuations by enhancing the collective negotiation power of the companies in raw material and product purchases; and enhance collaboration in product and business networks. Set to be based in the Nansha Free Trade Area in Guangzhou, the platform will take the form of a j-v with Shanghai Pharma and Guangzhou BaiYunShan each holding a 23.75% stake, Harbin Pharma owning 15% and Nanjing Pharma, Tianjin Pharma and Chongqing Pharma each owning 12.5%.

## Piramal: To split

**INDIA:** Piramal Enterprises has confirmed that it will demerge its Healthcare and Financial Services divisions. The *Economic Times*, which first reported on the change of structure earlier this year, quotes Chairman Ajay Piramal: "I think the businesses are mature and can stand on their own. The size is becoming large. The restructuring will give a little more focus and a little more transparency for shareholders, [who] will have a choice to own shares in either entity. The demerger will be within two years."

In other news, Piramal Enterprises' Consumer Products division is to acquire four heritage brands from Pfizer for Rs1.1bn (US\$16.6mn): Ferradol, a nutritional supplement for adults and children; Neko medicated soap, indicated for body odour and minor skin infections; Sloan's muscular pain reliever, available in balm and liniment forms; and Waterbury's Compound for building cough / cold immunity. The agreement also includes the trademark rights for Ferradol and Waterbury's Compound in Bangladesh and Sri Lanka.

### Comment from Executive Director, Nandini

**Piramal:** [Our] Consumer Products division currently ranks seventh in India, but we aim to be a Top 3 player in the OTC market by 2020. Acquisition is one of the important routes to help us achieve our goal and in the last six months we have done two ... The first was the Little's baby care brand and second was the gastrointestinal portfolio of brands from MSD. We believe these brands from Pfizer will fit our portfolio and also strategically help us move closer towards our stated objective.

## Strides Shasun: Board approves divestment

**INDIA:** Strides Shasun's Board of Directors has approved the divestment of its UK arm Shasun Pharma Solutions to the current management team for an enterprise value of £25mn (US\$36.5mn).

## Sanofi: Recalls Combiflam

**INDIA:** Sanofi is recalling some lots of Combiflam (paracetamol + ibuprofen) in India after the Central Drugs Standard Control Organisation found that batches of the analgesic failed disintegration tests.

## RB: Admits disinfectant linked to deaths

**S KOREA:** RB has admitted responsibility for selling a humidifier disinfectant that has been linked to the deaths of around 100 people in S Korea and hundreds of injuries. RB is one of several companies whose products were withdrawn from sale in 2011 after allegedly causing lung conditions. Head of RB Korea, Ataur Safdar, apologised to victims at a news conference, saying that the company wants to make amends, including setting up a Won10bn (US\$8.7mn) compensation fund. The apology was rejected by victims and their families, with campaigners urging the public to boycott RB products. Civic groups representing those affected also plan to file a complaint against RB CEO, Rakesh Kapoor, and seven Board members for allegedly failing to conduct safety tests on the disinfectant. *Reuters* reports that several S Korean retailers, including Lotte Mart, will stop ordering RB products such as Dettol antiseptic and Durex condoms.

## Mundipharma: To establish Betadine facility

**SINGAPORE:** Mundipharma plans to establish a new Betadine facility in Singapore that will combine R&D, manufacturing and distribution to help expand the antiseptic's presence in the region. The hub is expected to be operational by January 2018.

## Strepsils: Reclassified

**SINGAPORE:** RB's Strepsils MaxPro (flurbiprofen) Honey & Lemon Lozenges 8.75mg has been reclassified from POM (Prescription-only) to P (Pharmacy-only).

## Robinsons Retail: Acquires TGP stake

**PHILIPPINES:** Robinsons Retail has acquired a 51% stake in The Generics Pharmacy, the Philippines' largest generics drugstore chain. Robinsons Retail owns the South Star Drug chain and the acquisition will increase the group's number of outlets to around 2,200 nationwide, making it the largest drugstore operator in terms of number of stores in the Philippines.

**Comment from Robinsons Retailer President & COO, Robina Gokongwei-Pe:** We are very excited to partner with TGP. This is because TGP strongly believes in its vision to offer quality products at very affordable prices and in convenient locations. It is an honour to continue the company's legacy and to further grow the business.

## Results

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### Blackmores: Reports record results

**AUSTRALIA / ASIA:** Blackmores has reported its 10th consecutive quarter of year-on-year growth, with sales of A\$532mn (US\$405mn) in the nine months to 31st March 2016, +63% vs the prior corresponding period. Every region and business experienced strong growth. Profits after tax were up by 145% at a record A\$76mn (US\$57.8mn). Sales of Blackmores branded products in Australia rose by 71% to A\$369mn (US\$281mn), while Blackmores Asia in-market sales of A\$98mn (US\$74.6mn) grew at 64%, with year-to-date revenue already exceeding the previous full year. "The strength of demand for our brand in Asia is reflected in the growth from Asian shoppers whom we estimate account for 50% of group revenue", said CEO, Christine Holgate.

## India: Mixed performances

**INDIA:** Emami's net sales grew by 18.3% to Rs26.2bn (US\$395mn) in the 12 months to 31st March 2016; Q4 sales were up by 21.2% to Rs6.7bn (US\$101mn). The upturn during the last quarter was driven by the domestic business (+23%), which was boosted by the extended winter having a positive impact on seasonal brands such as Boroplus antiseptic cream. The international business grew by 15% in fiscal 2016 (+17% in Q4), despite economic challenges in overseas markets like Russia.

Emami Director, Mr Mohan Goenka said: "In the backdrop of a challenging macro-economic environment, we are happy to announce the domestic business growth of 23% in Q4 and 20% in FY16. The prolonged winter this quarter has helped our winter brands to register a positive growth. Going forward, we will continue to strengthen our core portfolio and focus on topline growth. To augment the same, we are in the process of launching some innovative brand extensions, which we expect to do well in the coming months. We are also strengthening our distribution network to expand our presence further to the deepest corners of the country."

Meanwhile, Piramal Enterprises reported revenue growth of 29% to Rs66.1bn (US\$996mn) in fiscal 2016. Net profit rose by 126% to Rs9.51bn (US\$143mn). Healthcare revenues were up by 14% to Rs35.6bn (US\$536mn). Consumer Products rose by 10.1% to Rs3.93bn (US\$59.2mn), driven by organic and inorganic initiatives. Although Financial Services accounts for only around one-third of revenues, the division grew by 98.9% in fiscal 2016.

Dr Reddy's consolidated revenues in the year to 31st March 2016 were Rs154.7bn (US\$2.3bn), reflecting year-on-year growth of 4%. Global Generics revenues rose by 7% to Rs128.1bn (US\$1.9bn), primarily driven by North America, Europe and India.

Wockhardt sales in fiscal 2016 (April 2015-March 2016) were flat vs 2015 at Rs4.5bn (US\$67.8mn). The International business contributed 68% of total revenues.



# Japan: Taisho self-medication sales rise in most categories

**JAPAN:** Taisho Self-Medication sales rose by 2.5% in fiscal 2015 vs 2014 to ¥180.7bn (US\$1.7bn). In the 12 months to end-March 2016, sales of leading OTC tonic drink Lipovitan and Pabron nasal inflammation treatments and cold remedies were down. However, higher sales were recorded in most OTC categories vs the previous fiscal year, notably RiUP hair loss treatments. Domestic sales were up by 1.7% to ¥148.1bn (US\$1.4bn), while the overseas business, which is being developed mainly in Asia, grew by 6.9% to ¥29.9bn (US\$281mn). Sales of "others" were ¥2.7bn (US\$25.4mn), -0.7%.

Takeda Consumer Healthcare revenues rose by 8.9% to ¥80.1bn (US\$754mn) in the 12 months to March 2016, owing mainly to an increase in sales of Alinamin vitamins. Other key brands also recorded growth. Operating profit was up by 10.0% to ¥18.9bn (US\$178mn), owing mainly to an increase in gross profit from a rise in revenues. Takeda is transferring the CH business into a wholly-owned subsidiary, Takeda Consumer Healthcare Company, with the aim of becoming a leading player in Japan and across Asia. Operations are set to commence in April 2017.

Daiichi Sankyo's OTC sales rose by 11.6% to ¥53.4bn (US\$502mn) in the 12 months to end-March 2016. ☒

## Japan: OTC sales for 12 months to end-March 2016 – Taisho and Takeda

### Taisho Self-Medication

Brand	Category	Sales ¥bn	Sales US\$mn	Index
Lipovitan	Tonic drinks	60.5	569.2	097
Pabron	Cough, cold & allergy	24.8	233.3	098
RiUP	Hair loss treatments	16.5	155.2	111
GI Treatment Series	Gastrointestinals	4.1	38.6	100
Livita	Food for Specified Health Use	3.9	36.7	097
Naron	Systemic analgesics	3.7	34.8	099
Vicks	Cough, cold & allergy	3.6	33.9	104
Colac	Laxatives	3.3	31.0	100
Zena	Tonic drinks	2.7	25.4	090
<b>TOTAL *</b>		<b>180.7</b>	<b>1,700.1</b>	<b>102</b>

\* Includes ¥29.9bn (US\$281.3mn) from overseas sales, growing at 6.9%

### Takeda Consumer Healthcare

Brand	Category	Sales ¥bn	Sales US\$mn	Index
Alinamin A/EX	Single vitamins	25.2	237.1	122
Alinamin V	Tonic drinks	14.9	140.2	100
Benza	Cough, cold & allergy	9.8	92.2	102
Biofermin	Antidiarrhoeals (probiotic)	8.6	80.9	106
Borraginol	Haemorrhoid preparations	4.5	42.3	109
<b>TOTAL</b>		<b>80.1</b>	<b>753.6</b>	<b>109</b>

Source: Published company figures. Based on exchange rate of US\$1 = ¥106.29 from [oanda.com](http://oanda.com) on 1st May 2016

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- Vital facts & figures for the Top 20 OTC players across the world, as well as the leading 250 OTC brands
- M&A activity, j-v and alliances since 2011
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