Hermes Pharma Q&A: OTC and supplements market insights & trends

Germany's Hermes Pharma is a leading expert in user-friendly dosage forms, with healthcare players around the globe sourcing their products from the company. We asked Hermes Pharma CEO, Dr Jürgen Ott, to share his insights on the trends driving the European CHC market today, the main challenges that players face and Hermes Pharma's key strategic competitive priorities.

Dr Jürgen Ott has more than 23 years of experience across sales, marketing and general management in pharma, life sciences and healthcare, and has held senior leadership roles at P&G, Bionorica, and Dermapharm. Drawing on his background in both multinational and family-owned businesses, he brings a consumer-first mindset to the traditionally technical world of drug development in the CDMO space. At Hermes Pharma, he is spearheading a cultural and strategic shift that integrates consumer insights early into product development, helping OTC and CHC brands achieve higher success rates, greater loyalty and faster time to market.

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IE: What do you consider to be the key challenges facing supplements players in Europe?

Dr Ott: In Europe, we're seeing three key challenges intensifying. Firstly, consumer expectations continue to rise across all markets, and supplements are no exception. Efficacy will always remain the baseline, but people also demand convenience, better taste and overall sensory experience, as well as brands that can demonstrate responsible sourcing and credible sustainability — not just marketing language.

Secondly, it's getting harder to bring differentiated innovation to market. Many brands are working from the same ingredient toolkits and the same scientific literature, which means products can quickly become interchangeable, accelerating price erosion. To protect long-term value, companies need points of difference that are genuinely hard to replicate and that are sustainable over time, whether through delivery format innovation, sensory design or formulation and manufacturing know-how, rather than relying on ingredients alone.

Thirdly, regulatory complexity remains a real barrier to growth. Despite a shared EU framework, significant heterogeneity remains between countries in terms of interpretation and enforcement. This makes pan-European launches more difficult and increases the importance of proactive compliance planning.

IE: What are the consumer trends influencing and driving innovation / operational activity and how do you identify these?

Dr Ott: Modern consumers have moved beyond the "bitter pill era." They expect supplements

to be enjoyable, not simply effective and safe. As a result, sensory performance has become a key driver of innovation — including taste, mouthfeel, smell, and visual appearance — because these factors influence adherence and long-term use.

Consumers are also taking a more holistic approach to health, linking supplements with quality of life, self-determination and vitality across the life course, from early adulthood through to healthy ageing. This supports sustained demand for prevention, longevity, mental performance and self-improvement.

In many cases, these products accompany consumers for years, sometimes even a lifetime, so they must remain convenient, easy and pleasant to take anytime and anywhere. User-friendly dosage forms such as orally disintegrating granules (ODGs), effervescent tablets, instant drinks, chewables and gummies help products fit into real routines, anytime and anywhere.

To identify and act on these trends, Hermes Pharma puts consumer insights at the centre of innovation. Unmet needs are often unspoken — people may struggle to articulate them or may not even recognise them. We uncover these needs through structured qualitative and quantitative research, including consumer studies, user-group forums, interviews, and usage testing, combined with close collaboration with brand owners.

IE: How has demand for dosage formats evolved in recent years and is the market moving towards personalised and flexible dosing options?

Dr Ott: In the consumer healthcare market, consumers have little tolerance for dosage forms that are unpleasant, inconvenient or hard to swallow. They want products that slot easily into daily life – portable, intuitive and pleasant to take. Easy-to-use formats are on the rise, especially ODGs and chewables, marking a clear departure from traditional tablets and capsules where swallowability is often a barrier.

We are also seeing growing scepticism towards traditional tablet formats and "medicine-like" products. Consumers increasingly question whether products deliver real benefits, which raises expectations around both experience and credibility.

On personalisation, the market is moving less towards fully bespoke manufacturing and more towards flexibility. In practice, personalisation means giving consumers choice, such as adaptable formats and dosing options that fit different routines, preferences and needs.

IE: Are there any emerging supplement ingredients and formats that you believe will become disruptive in the future?

Dr Ott: User-friendly dosage forms, particularly ODGs and chewables, aren't just being seen as convenient alternatives to tablets. Instead, brands increasingly use them as premium delivery platforms for specific, high growth need states, such as longevity, mental performance, mood support and self-optimisation. That combination of format plus positioning is proving highly effective in driving consumer adoption and repeat use.

Currently, magnesium stands out as a "super-hero nutrient" because of its role in a wide range of vital functions, and we're seeing growing interest in specific organic salts as brands focus on tolerability and consumer perception. Vitamin D3 and B vitamins also remain strong, reflecting continued demand for foundational wellness support.

We're also experiencing sustained interest in omega-3, CoQ10 and microbiome-related ingredients, including probiotics and postbiotics. Looking ahead, anti-ageing compounds such as NAD+ precursors, spermidine, quercetin and senolytic concepts are attracting growing attention. The winners will be the brands that can translate these into credible, consumer-friendly products with clear benefits and strong everyday appeal.

IE: What strategies are you using to stand out in a competitive market? How important is trade detailing and HCP engagement to Hermes Pharma's strategy?

Dr Ott: Hermes Pharma's strategy is built around specialisation and partnership. We have a long history in user-friendly dosage forms, which positions us strongly for today's consumer-driven CHC market. Rather than operating as a transactional manufacturer, we act as an innovation partner. We combine deep technical expertise and up-to-date consumer insights with our customers' brand strategies, and we integrate design-thinking principles into our innovation process. This results in highly differentiated products with clear consumer value and strong potential for market success.

Trade detailing and HCP engagement remain important, particularly through education. Pharmacists and other healthcare professionals play a key role in helping consumers make informed choices, especially as format and adherence become stronger decision factors.

We support our clients with scientifically grounded, user-centric concepts that also resonate with HCPs. We also prioritise long-term collaboration — many of our client relationships span more than 30 years.

IE: How has e-commerce and DtC impacted the business? Has Hermes Pharma invested in this sales channel or plans to?

Dr Ott: E-commerce and direct-to-consumer have raised expectations around convenience, speed and product experience, and they have also increased competitive intensity by making comparison and switching easier. As a result, brands need products that perform well not only on shelf, but also in an online environment where reviews, repeat purchase and consumer feedback play a much bigger role.

Hermes Pharma supports this shift by developing CHC products that meet real consumer needs and expectations, in full alignment with the channels our clients serve, whether pharmacy, retail or online. However, we do not pursue DtC activities ourselves. Our focus remains on enabling our brand-owner clients with differentiated, consumer-friendly products and scalable manufacturing that supports their chosen go-to-market strategies.

IE: What is Hermes Pharma doing in terms of sustainability and how do sustainability goals influence business decisions?

Dr Ott: At Hermes Pharma, we don't treat sustainability as a separate strategy. We apply it as a lens for everyday business decisions, from product design and formulation choices through to manufacturing efficiency and packaging design.

We also believe in credible, recognised external assessment. Sustainability ratings, such as EcoVadis, provide a trusted benchmark

Hermes Pharma has earned a number of EcoVadis Medals

in our industry because they evaluate multiple dimensions, including environment, labour and human rights, ethics and sustainable procurement.

Hermes Pharma has earned several EcoVadis Silver Medals in recent years, a recognition awarded only to the top 15% of companies assessed. This reflects the strength of our sustainability management system and our commitment to transparency across the value chain.

Sustainability has also become a shared responsibility between brand owners and their CDMO/CMO partners. Our role is to help clients make practical trade-offs that support product performance, compliance and long-term consumer trust, while steadily reducing environmental impact.

IE: What are the main regulatory challenges that Hermes Pharma faces and how do you ensure compliance across different regulatory markets?

Dr Ott: Regulatory requirements in supplements and CHC continue to increase in both scope and complexity, particularly across Europe where interpretation can vary significantly by country. Hermes Pharma monitors regulatory developments in every market we serve to stay aligned with country-specific requirements, and we work closely with our clients, drawing on their expertise in their respective markets.

As a pharmaceutical manufacturer, we operate to GMP standards and apply high pharma-level quality systems across our processes. This gives brand owners confidence in consistency, traceability and compliance.

Most importantly, we build regulatory thinking into the innovation process from the start. We consider the regulatory pathway early in product design, not as a final-stage hurdle. This helps avoid late-stage reformulation, reduces risk, and supports smoother scale-up and market launch across multiple regions.

IE: How do you anticipate that the EU's upcoming introduction of maximum permitted levels for vitamins & minerals in supplements (expected in 2026) will impact Hermes Pharma?

Dr Ott: We expect the introduction of maximum permitted levels to end the "race for higher dose." That will shift the focus away from headline milligram numbers and towards smarter formulation and delivery. Brands will increasingly look for formats and technologies that support effective delivery at lower doses, including bioavailability-focused approaches.

The change is also likely to trigger significant reformulation activity across the market, as many existing products will need to be adjusted to remain compliant across Europe.

For some brands, higher-dose formulations may move out of the supplements space altogether and into medicinal product territory. As a GMP manufacturer, Hermes Pharma is well positioned to support customers through that transition, whether it involves reformulation within supplements limits or development under pharmaceutical-grade requirements.

IE: What are Hermes Pharma's top strategic priorities?

Dr Ott: For decades, we have specialised in user-friendly dosage forms with market-leading technical expertise and superior technology and we will continue to invest here. We also prioritise our role as an innovation partner, helping customers translate brand strategies into differentiated, consumer-relevant products.

Quality and reliability remain the foundation of everything we do. As a German pharmaceutical manufacturer, we operate to high GMP standards and maintain the systems and discipline required to deliver consistently and reliably, at scale and in compliance across multiple markets.

To achieve all this, we rely on our decades of experience and established track record. As part of a family foundation, we can operate independently of short-term shareholder pressures. This allows us to think and invest with a long-term horizon and offer customers investment security, business continuity and true partnership.

Finally, market expansion is closely tied to our customers' growth. Our focus is to support brand owners entering new countries and regions worldwide with the right formats, scalable manufacturing capabilities and regulatory readiness, resulting in innovative products that help their brands grow.