

**#97<sup>th</sup> Marketing Club** 25<sup>th</sup> Jeddah

**59<sup>th</sup> Business Club**

# **OTX Marketing**

**Tuesday 4-7-2023**

**10 PM** EGY **10 PM** KSA **11 PM** UAE

*FOUNDER & HOST*

**Dr.Mahmoud Bahgat**



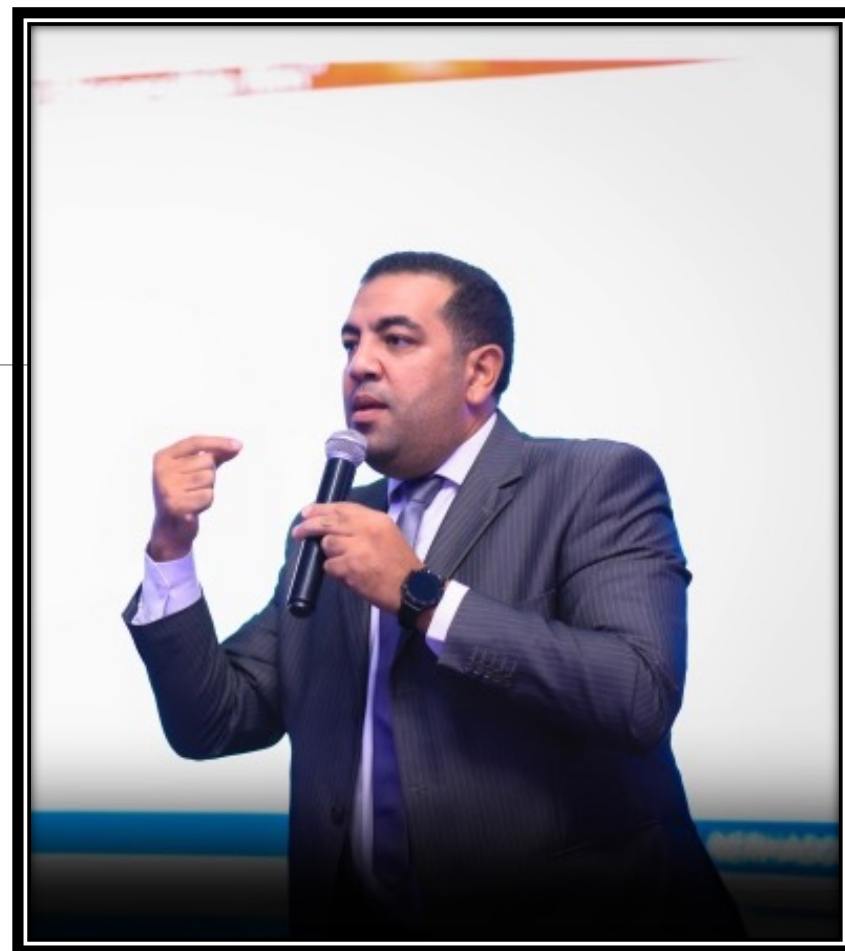
*INSTRUCTOR*

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**Senior Product Manager**



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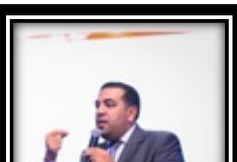


# OTX

## New Aspect in OTC market

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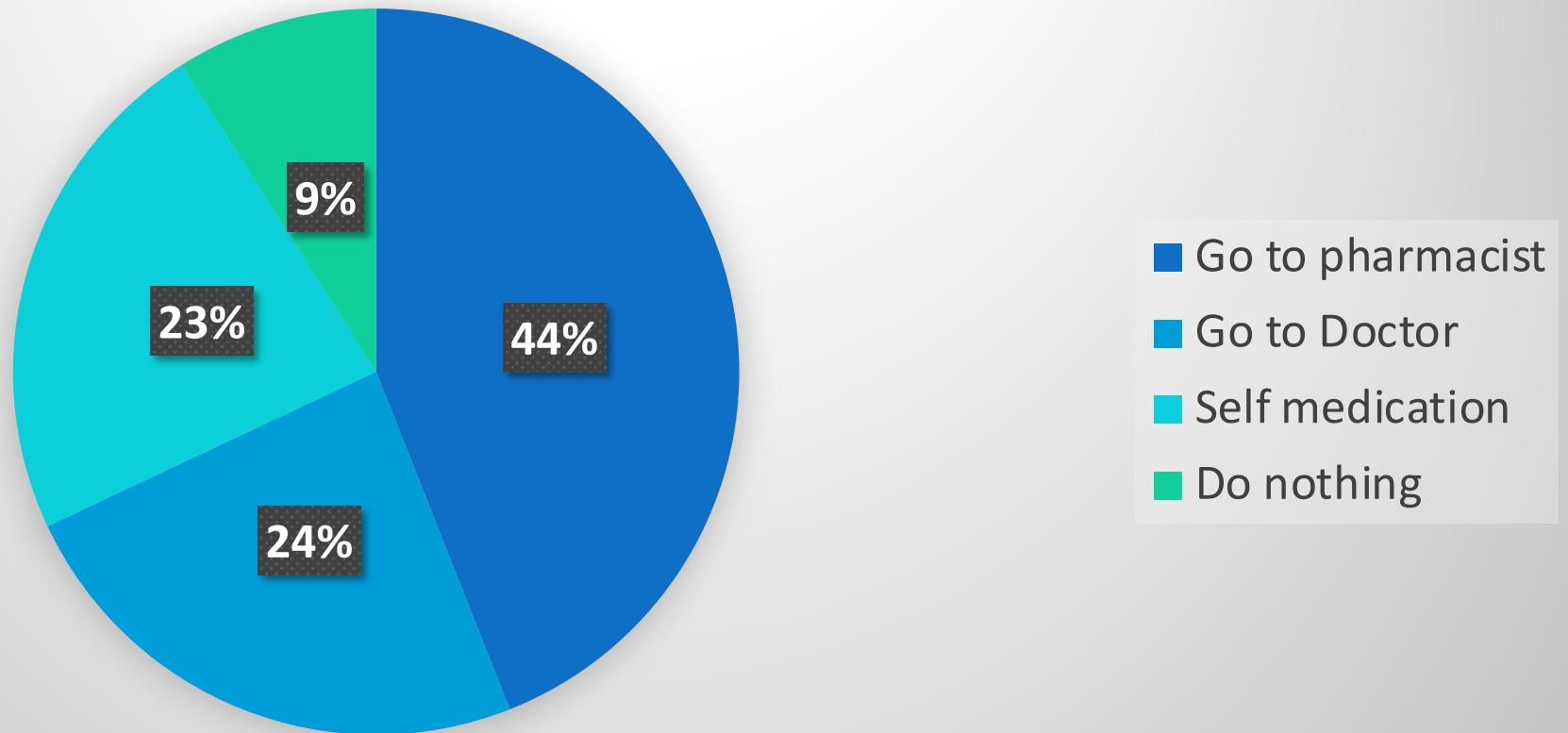
BY: MAHMOUD M. HAMED





# What do people do when they get sick?

Consumer behavior in case of illness

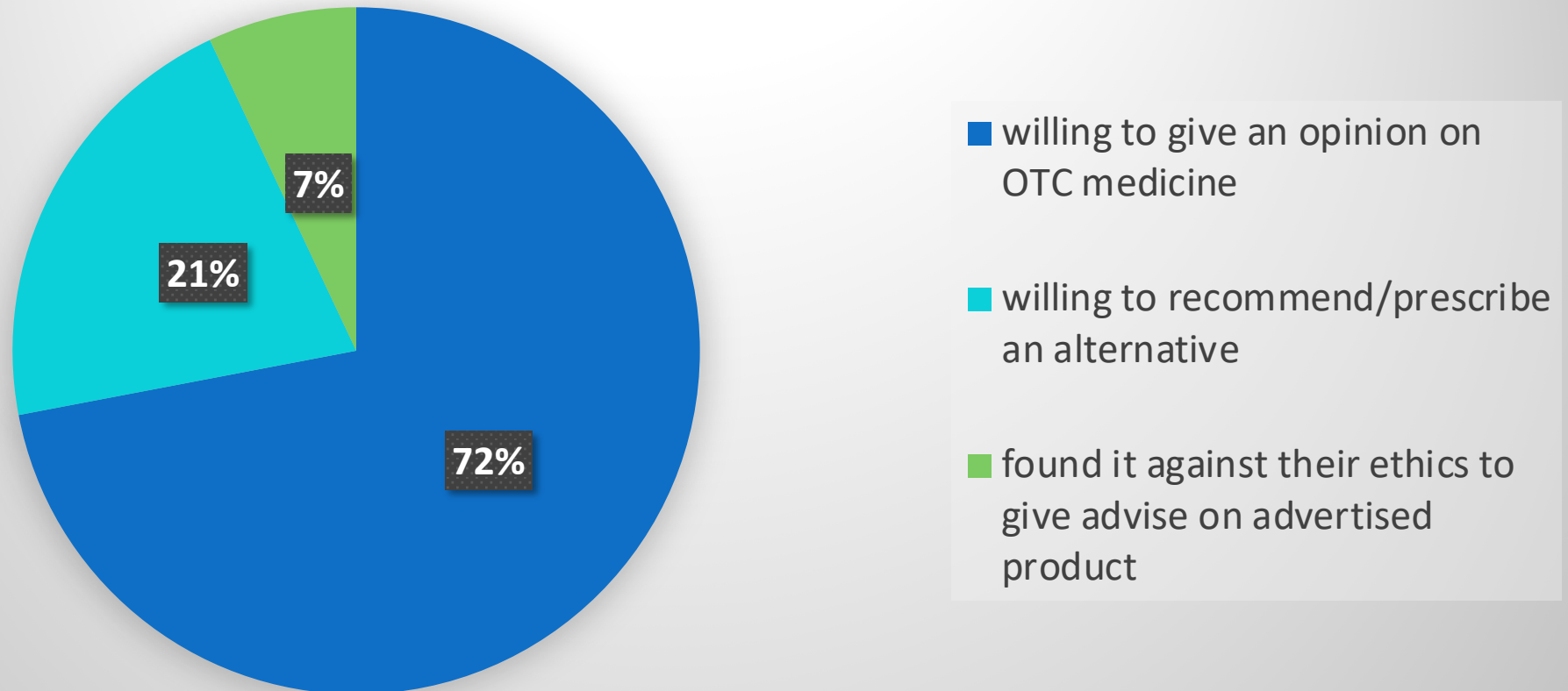






# What do Drs think about OTC medicines?

Survey among Doctors on OTC medicines





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- Changing the marketing status of a drug from prescription (Rx) to over-the-counter (OTC), known as an Rx-to-OTC switch.
  - More than 700 current OTC products contain drugs or dosages that were available only by prescription less than 40 years ago.



# Key factors among consumer

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1. **Time and money:** Lack of availability of time has increased OTC
2. **Belief:** The belief in self medication has increased and people start treating minor elements by themselves
3. **Awareness:** Increasing awareness among the consumer made them realize that some medicines and health supplements must be available in the home all the time.
4. **Lifestyle:** Changing lifestyle lead to development of various lifestyle diseases for which herbal medicine is best remedy.





# OTX

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# OTX meaning

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- X means "a combination of" Prescription and Over-the-counter.
- OTX drugs are essential drugs that can be bought without a prescription but which are dispensed on the advice of the patient's physician
- So, Physician plays a very important role in providing the appropriate therapeutic focus and attention to the specific needs of the patient that they know very well.





# OTX Products...what are they?

- Drugs are used for the treatment of well-defined pathologies, the need to support the daily well-being of the population with products that are able to provide the body with the targeted supply of nutrients that support physiological activity (such as vitamins, minerals and other compounds) has become increasingly established.
- Most imp. Examples: cough & cold, antacids, antipyretics and NSAIDs.

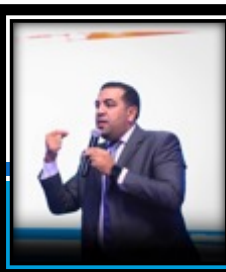


- It is still prescribed as a medicine and also has the advantage of OTC classification, so it can be displayed in store and is accessible to consumers, and in that case it is classified as an OTX medicines, which is a non-official classification used by some companies in the pharmaceutical industry.
- Depending on the active ingredients, topical, local, or systemic preparations may be classified as Rx/OTX or OTC.





- HCP plays an important role in OTC products and HCPs' recommendations remain critical at least during the first 3-5 years of the medicine reclassification to an OTC medicine.
- Tip of the day : Never shift your full focus to brand consumerization and ignore the HCP role, specially if you are new to the OTC world.





- Regulations for OTX medicines are highly dynamic and subject to change in accordance with country regulations.
- Companies could request a classification change for a medicine from authorities, The request could be approved or denied.
- OTX medicines are typically displayed and accessible in pharmacies.





# Worldwide OTC

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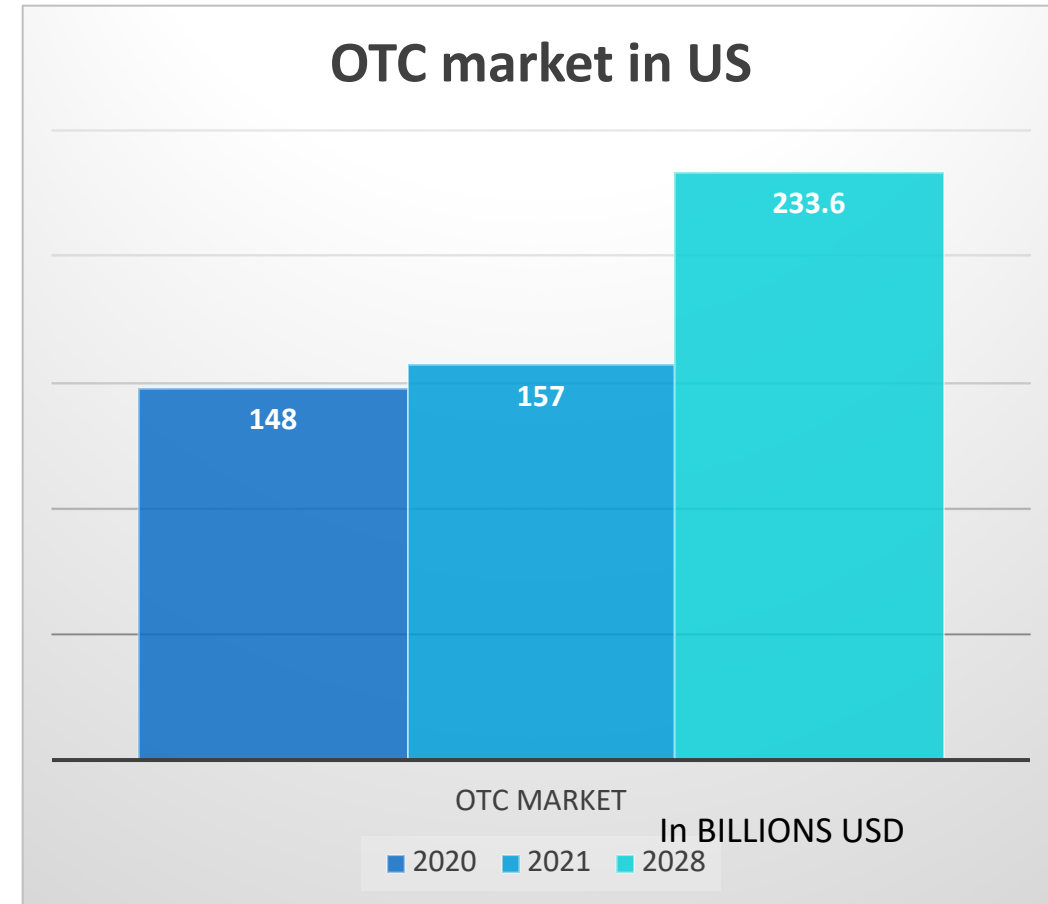




# US OVER-THE-COUNTER (OTC) DRUGS MARKET SIZE & SHARE



- The OTC Drugs market is projected to grow from \$157.0 billion in 2021 to \$233.6 billion in 2028 at a CAGR of 6.8% in forecast period, 2021-2028.

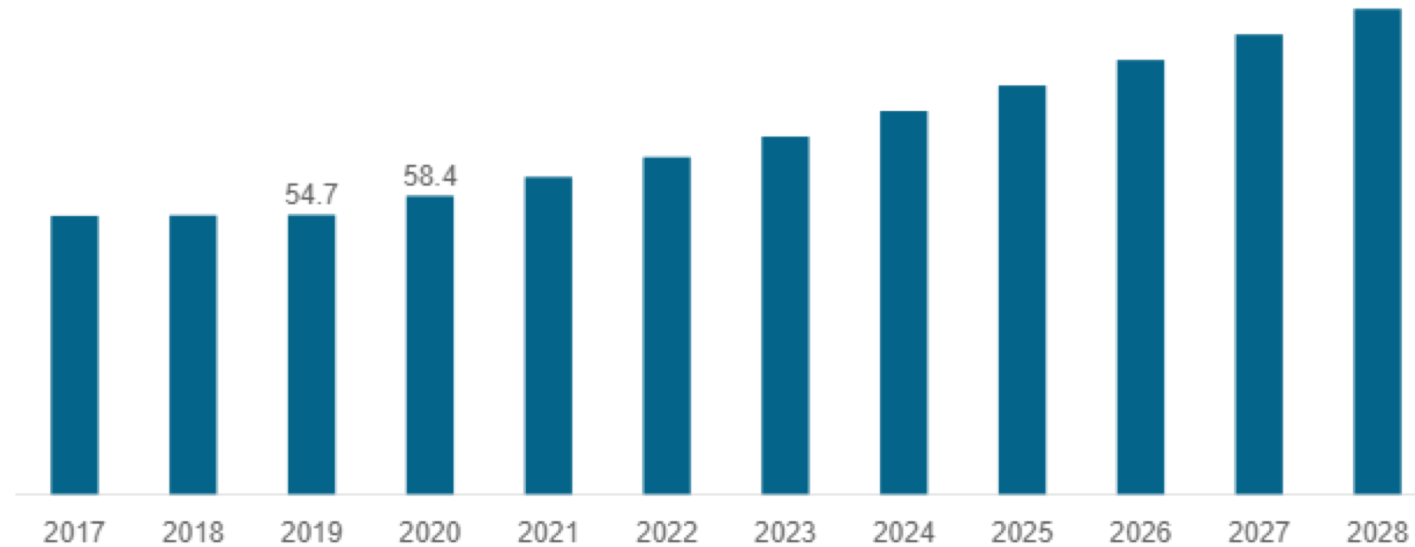




# USA OTC market trends



North America OTC Drugs Market Size, 2017-2028 (USD Billion)



[www.fortunebusinessinsights.com](http://www.fortunebusinessinsights.com)







# EUROPE OVER-THE-COUNTER (OTC) DRUGS MARKET SIZE & SHARE



Study  
Period: 2018 - 2028  
CAGR: 5.4 %

European over-the-counter (OTC) drugs market was valued at USD 35,258 million in 2021 and is expected to reach USD 48,377 million in 2027,





# INDIA OVER-THE-COUNTER DRUGS (OTC) MARKET SIZE & SHARE



Study Period: 2019-2027  
CAGR: 9.2 %

Cough, Cold, and Flu Products  
Analgesics  
Dermatology Products  
Gastrointestinal Products  
Vitamins, Minerals, & Supplements (VMS)

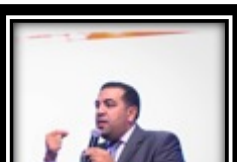




# OTX and COVID-19

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- In late 2019, COVID stroked the world and started a new way of self managing cases.
- The protocol of managing COVID was on every cellphone allover the world.
- Acetaminophen and Ibuprofen, Vit C, Zinc supplements got a hike that never happened.
- Those sectors got growth rates that never happened and after COVID started to diminish, they went back to their normal ranges.





# OTX/OTC drugs and COVID-19

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COVID-19 caused a disruption in import & export of products across the globe.

Specially OTX/OTC brands made a growth in revenues.  
E.g.: Tylenol.







# Nutraceuticals

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# Nutraceuticals

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- Nutraceuticals have attracted considerable interest due to their potential nutritional, safety, and therapeutic effects.
- These products could have a role in a plethora of biological processes, including antioxidant defenses, cell proliferation, gene expression, and safeguarding of mitochondrial integrity.



# Benefits of Nutraceuticals

1. Used to improve health, prevent chronic diseases, postpone the aging process, and in turn increase life expectancy, or just support the functions and integrity of the body.
2. These are considered to be healthy sources for the prevention of life-threatening diseases such as diabetes, renal and gastrointestinal disorders.





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3. Nutraceuticals exhibit disease-modifying indications related to oxidative stress including allergies, Alzheimer's disease, cardiovascular diseases, cancer, eye conditions, Parkinson's diseases, and obesity.





# Categories of Nutraceuticals

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- These products can be classified on the basis of their natural sources, pharmacological conditions, as well as chemical constitution of the products.
- Most often, Nutraceuticals are grouped into four categories that include
  1. Dietary supplements
  2. Functional food
  3. Medicinal food
  4. Pharmaceuticals.







# Categories of Nutraceuticals

## 1. Dietary supplement

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- This represents a product that contains nutrients derived from food products
- And is often concentrated in liquid, capsule, powder, or pill form.
- Although dietary supplements are regulated by the United States Food and Drug Administration (FDA) as foods, their regulation differs from that which is involved in drugs and other food products.

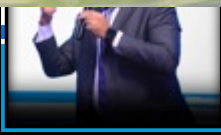




# Categories of Nutraceuticals

## 2. Functional food

- Functional food includes whole foods and fortified, as well as enriched or enhanced dietary components
- That may reduce the risk of chronic disease and provide a health benefit beyond the traditional nutrients it contains.





# Categories of Nutraceuticals

## 3. Medical food

- Medical food is formulated to be consumed or administered internally. under the supervision of a qualified physician. Its intended use is specific dietary management of a disease or condition for which distinctive nutritional requirements are established by the medical evaluation and on the basis of recognized scientific principles.



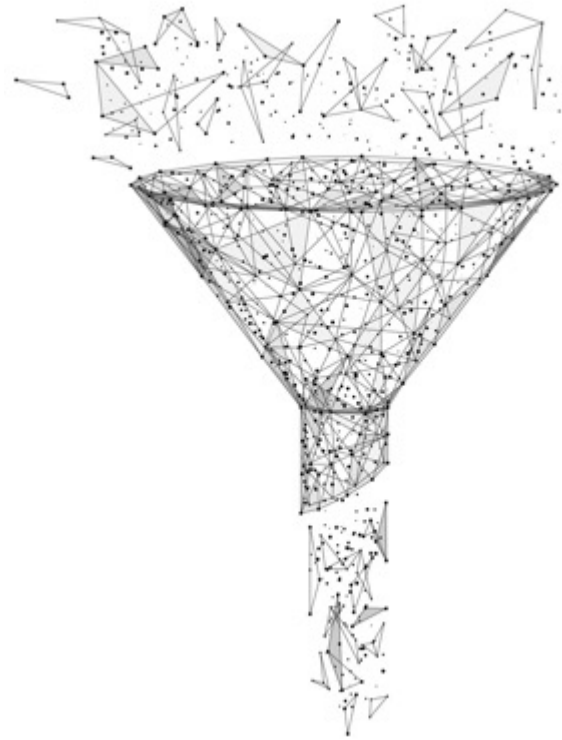


# Categories of Nutraceuticals

## 4. Pharmaceuticals

- Pharmaceuticals are medically valuable components produced from modified agricultural crops or animals.
- The term is a combination of the words “farm” and “pharmaceuticals.”
- Proponents of this concept are convinced that using crops, and possibly even animals, as pharmaceutical factories is much more cost-effective than conventional methods, with higher revenue for agricultural producers.





# OTX marketing

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# OTX marketing route is an interesting one

- Marketing to doctors alone is becoming that more difficult.
- Brand differentiation based on ingredient differentiation alone is not winning the battle for mindshare and prescription share.





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- The importance of doctors lies in the fact that they are very important opinion builders for healthcare products.
  - So, promotion to doctors and simultaneously promoted to the end consumer through the doctors through in-clinic activities where the product is connected to patients.







# Think OTX brands







# How to think OTC/OTX

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1. Emotional tactics
2. Consumer research
3. Stay on your consumer mind
4. Consumer loyalty
5. Ratings and Reviews





# 1. Emotional tactics

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Always healthcare products depends on rational aspect, Unlike OTCs, which depends on (Positive storytelling or solving a crisis as never there is a one).

Example: in case of analgesics, the game play around the absence of the problem (not like Rx: exaggerate the problem).





## 2. Consumer research

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Chances that people will Google cough syrup when their throats are under a constant attack is much higher than they will Google about Pepsi when they are thirsty.

It has become increasingly important for marketers to know how people are searching for their products online.

You should have a complete knowledge of which keywords are dominating the search





### 3. Stay on your consumer mind

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- The sales cycle of OTC medicines is short.
- This may be positive or negative.
- In an era where marketers are armed with social media, emails, and mobiles, it's not at all difficult to achieve a sustainable or multi-channel marketing approach.
- Example: Bayer & (P&G) campaigns on social media and on ground activations.





## 4. Consumer loyalty

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- This frequent use makes the OTC/OTX industry ideal for customer loyalty programs, which can increase repeat purchase rate.
- Loyalty programs are also a treasure trove of data.
- Which you can use to do things like making intelligent product recommendations to your customers based on their purchase history, geographic location, age, gender, and more.





## 5. Ratings and Reviews



When customers see that the product is getting more praise than a rebuke from a wide range of people, it automatically becomes a social proof.



like a trust badge.



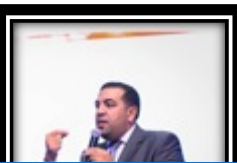
The reader starts to feel “good” about the product and that’s what marketing is all about.





# FMCG to FMHG

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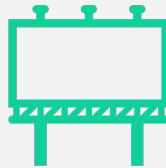
# Fast moving consumer goods to fast moving health goods



OTC medicines are using the FMCG way to connect with consumer at emotional level, to build brand loyalty to increase awareness and brand reorganization in mind of consumer.



BUT conventional print and television advertisement won't work.



Company has to use some innovative advertisement.



# Examples

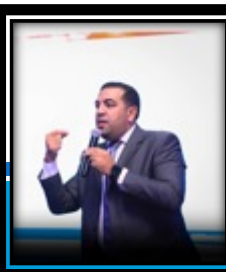
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# Vicks Vaporub

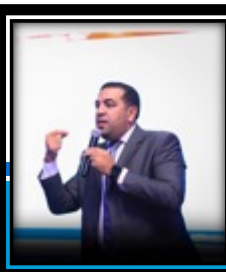
- Organize talks on touch therapy for patients by the doctor (in his or her clinic) and subtly Vicks Vaporub can be promoted.





# Pediasure

- organize for direct-to-consumer product promotion through in-clinic activities.

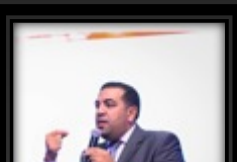




# Digital media world

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31.3% OF OTC PRODUCTS ARE SOLD ONLINE  
(COSMECEUTICALS SPECIALLY).





# Get Creative with Mobile

- **34% of shoppers use their smartphones in-store**
- To compare products and prices, search for offers and discounts, and read product reviews. But although health brands are increasing their mobile presence, progress is slow. Most offer mobile optimized sites and mobile coupons, but few offer diagnostic tools, symptom-based filtering, and other creative digital features to help inform product selection.





# Invest in Both Seasonal & Continuity Campaigns

- OTX pharma products are often tied to key seasons. Allergies, colds, flu, and sports industries all resonate with different consumers at different times of the year. Continuity programs and seasonal activations can be an effective way to foster brand loyalty and offer OTX brands a way to leverage their seasonal benefits.







# Create & Disseminate Useful Content Online

- Health education portals like WebMD can be hugely influential on a typical purchase path. They provide useful information about a wide range of conditions, treatment options, and even active ingredients in medicines. OTX brands can tap into this thirst for information by creating their own content.
- Some brands have already started, building knowledge hubs full of original surveys, infographics, videos, and feature-length articles on important health issues.



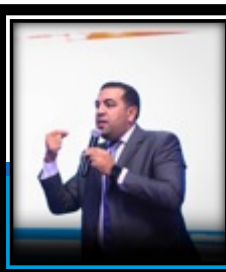


**Sudocrem<sup>®</sup>**

**Sudocrem**, one of the UK's top baby brands, runs one of the most popular and influential parenting blogs in the world. Every month, its diverse content engages 1.1 million people on Facebook, 1.4 million on Twitter, and over 250,000 on YouTube.



GSK partnered with obé Fitness to promote awareness for Centrum vitamins as an essential part of a New Year Wellness program.





# Tap into Social Media

- OTC pharma brands can start by sharing useful information, such as educational videos, infographics, Facebook Live events, or helpful Tweets, to directly interact with users and answer queries. Instagram, with its Instagram stories, is also a compelling platform to share first-person accounts and authentic, emotion-based content.





# Package Intelligently

- Packaging is a key differentiator among OTC/OTX brands. It's not just a container, it's an effective communications tool that helps to tell a brand's story and provide important product information.





# Incorporate Influencers in Marketing

- Influencer Marketing is especially useful for an industry like OTC, where people aren't as receptive to advertising – But people do trust familiar faces talking about a brand – be they friends, family members, or someone they admire.





# Incorporate Influencers in Marketing

- 93% of consumers trust user-generated content (UGC) more than traditional advertising. So, authentic information coming from trustworthy influencers in online health communities and social forums can go a long way in creating affinity with an OTC pharma brand.

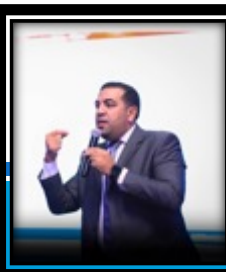






# Co-Branded Loyalty Programs

- In contrast to consumer-packaged goods (CPG), consumers buy OTC products on an ad-hoc basis, rather than impulse.
- For OTC manufacturers and retailers, successfully planning production and promotions — from supply chain management to media buying strategies — requires more accurate and granular data insights.
- OTC pharmaceutical loyalty programs offer this kind of data, which is why they are often key to long-term growth and success.







# 4 key trends in OTC pharma market

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# 1. It's All About Wellness and Illness Prevention

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- Having impacted the food and beverage industry, OTC is also feeling the rising tide of the 'wellness' ideas.
- Categories like weight management, sports nutrition, and skin health dominate this category, and is one of OTC pharmaceutical marketing companies biggest sales and growth opportunities.
- The challenge? Stiff competition from the beauty industry. This could lead to marketing challenges in the face of advertising-friendly industries.





## 2. Millennials are Going Online to Research and Manage Their Health

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- Millennials treat visits to the doctor as a last resort.
- 55% of millennials believe online health information is as reliable as the information they get from their doctor, favoring OTCs and other alternatives, which they learn about online.
- It's no surprise that a group, which relies on chatbots, forums, Facebook, and messaging apps to ask questions and post videos and images, would turn to these same digital tools for healthcare advice.
- For potentially embarrassing topics, like sexual health, these channels offer a level of comfort and discretion that a doctor's office can't match.





### 3. Cost Conscious Consumers Are Less Brand Reliant

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- Consumers share an increasing belief that the drug ingredients – and not the brand – are what matters.
- **50% of Millennials buy OTC medicine over their preferred brand because they have a coupon, and 64% buy OTC brands because they're on sale.**
- This trend has spread widely. For the OTC Pharma industry, where consumers are often overwhelmed by product options with little guidance on differentiation, there's a lot of brand building to do!





## 4. Natural Products & Transparent Labeling Are Growing Priorities

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- OTC shoppers are paying attention to transparency in labeling .
- Claims like ‘organic’, ‘GMO free’, ‘gluten free’, and ‘no artificial colors/flavors’ are growing the fastest in stores. Parents believe natural OTCs are “safer” and have fewer side effects than traditional medicine.
- **72.3% of parents give their children natural OTCs first before administering traditional medicine.**
- OTC brands seeking to reach these safety-conscious consumers should take these priorities into consideration when developing and marketing their products.





# Thank You!

## Q& A



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