

IDMA OTC Conference: Rx-to-OTC Switch.... Is it Worth the Effort?

A Report

IDMA Marketing Committee organized a one-day conference on Friday, 26th May 2023 at Bombay College of Pharmacy, Santacruz (East), Mumbai. The conference was on OTC and was aptly titled “**Rx-to-OTC Switch.... Is it Worth the Effort?**”. IDMA acknowledges and thanks Bombay College of Pharmacy for hosting the conference at their banquet hall in their premise. The conference was attended by professionals from the Pharma industry, comprising Owners, Promoters, Top Management, SBU Heads, Marketing & sales managers, business development managers, market research professionals, agencies, and others. There was a total participation of 171 persons from more than 75 pharmaceutical companies pan India. The conference was supported by the following companies:

- 1) Smart Laboratories
- 2) Indoco Remedies & Warren
- 3) Havas Life Sorento Pvt Ltd.
- 4) Marg ERP
- 5) Apex Laboratories (Zincovit)
- 6) Sirmaxo Laboratories and
- 7) Alkem Laboratories Ltd.

Mr. Ulhas Joshi, Director, Stratex Enterprises mentioned that there is a significant scope for growth of the market for Over-The-Counter (OTC) medicines in India, and reputed companies from the Pharmaceutical Industry and the Fast-Moving Consumer Goods (FMCG) sectors – both play an important part in the OTC market. Some brands in the OTC market have been OTC since their inception, and have been marketed as pure OTC brands. But a fair proportion of the OTC market constitute Rx brands that are now marketed as OTC brands. Some have achieved remarkable success and some have not done too well. Many pharma companies face a dilemma: “**To-be or Not-to-be in the OTC space**”.

IDMA believes that this is an appropriate time to discuss the subject of the potential of the OTC segment, and help disseminate to the pharmaceutical industry, the key factors for success for brands that switch from Rx to

OTC. Accordingly, IDMA organized this one-day OTC Conference titled “**Rx-to-OTC Switch.... Is it Worth the Effort?**”.

Mr. Sundeep Bambolkar, Joint Managing Director, Indoco Remedies Ltd., and Chairman, Marketing Committee – IDMA, welcomed the audience to the conference. In his Opening remarks, he referred to India’s ambitious growth plan by 2047, the young population’s aspirations and opportunities for businesses to grow. He highlighted that many pharma companies could tap the growth opportunity in the OTC market. And, if they are unsure, they could even adopt a cautious approach of Rx to OTC, but they must not miss the opportunity.

Mr. Ulhas Joshi, Director, Stratex Enterprises, a Marketing & Sales Consultancy firm, set the Context for the day’s proceedings. He mentioned that the recent Covid pandemic not only tested our resilience, but highlighted the critical importance of self-care. And for self-care, the OTC segment becomes the talking point. He described in brief what the audience could expect during the day from the sessions to be managed by the stalwarts of the industry. He thanked IDMA for providing an opportunity to discuss the potential of the market, and to listen to and discuss with the experts, the challenges faced and overcome, and the Key Factors for Success for unleashing the potential of the hidden OTC gems in the pharma industry’s Rx portfolio.

Mr. Milind Thatte, Vice President India Sub-Continent & Managing Director, Procter & Gamble Health Limited, delivered his keynote address on the **Value of Self-care in India**. He believed OTC has a good potential, and considered OTC as the “sweet spot” between FMCG and the pharma industry. He highlighted various aspects to be considered by those wanting to be in the OTC space. He referred to absence of rules for OTC and how the industry could work together to ensure regulatory policies suitable for the OTC segment are in place. He highlighted the need to address concerns of all Stakeholders, Distributors, Doctors, Pharmacists, the importance of gaining consumer insights for the products to be marketed OTC, and the

concern for costs of demand generation through media and pharmacist level activities.

Knowing the profile and size of the overall market is important for those venturing into the OTC segment. Ms Tina Khadloya, Sr. Principal, Consumer Health & Medical Services, IQVIA, presented the **Post-pandemic OTC landscape in India**. In her lucid and informative presentation, she indicated that IQVIA looks at the overall Consumer Healthcare market, USD 11.5bn growing at a CAGR of 10%. Of this the OTC segment is 63%, valued at USD 7bn. The other categories are Personal care (medicated hygiene products, etc), Nutrition, and Patient care. All these segments are growing. Describing the market movement post-pandemic, and considering the efforts at Rx to OTC shifts being made at Pharma companies, and also the FMCG companies' entry into the segment, the OTC market is here to stay, and offers a huge opportunity. She also touched upon the key trends in the market such as accelerated innovation, digital automation, and consumer focused company trends.

For the participants to figure out whether it is "Worth the Effort" for Rx-to-OTC Switches, what could be better than have some real-life case studies presented to them. Three interesting case studies were presented, describing the thoughts behind the Rx-to-OTC journey taken up by pharma companies, the challenges faced, how they were overcome, and the results achieved. Mr. Vijay Kumar Pampana, Director Marketing, Procter & Gamble Health Ltd. **described the remarkable journey of Neurobion Forte journey from Rx to OTC, and the results thereafter**. *(The Presentation of Mr. Vijay Kumar Pampana is published in the following pages).*

Mr. Gaurav Karkhanis, General Manager, Head of Marketing, Glenmark Pharmaceuticals, **took the audience through the Candid story**. The multi-fold growth achieved by Candid, surely provided great confidence to the audience for potential growth when movements are made towards OTC, even while they kept the Doctor track active. *(The Presentation of Mr. Gaurav Karkhanis is published in the following pages).*

Some further important words of advice were provided to Rx-to-OTC journey undertakers, by Mr. Supratik Sengupta, Head of Marketing (OTC) at Lupin Limited, **while describing the Softovac story**. These real-life

cases covered how important it was to understand the need from the consumer's perspective, to study the lifestyle disruption due to the ailments, and the need to consider a **combination of 3 elements – Business Model switch, Business expectation changes and Culture and capability switches for arriving at optimal decisions**.

Mr. Ulhas Joshi mentioned that the post lunch session would be a very lively discussion on the unique sales and distribution requirements of the OTC industry. Mr. Ameesh Masurekar, Founder AllScan & Director Strategy – MediSage, **offered very useful guidelines by highlighting the key factors for success in OTC from a sales and distribution perspective**. The availability mindset required, distribution as a customer versus distribution as a partner, packaging, in-shop visibility, a basket approach for product mix, and such other issues. *(The Presentation of Mr. Ameesh Masurekar is published in the following pages).*

A company may do all the right things related to the product, pricing and availability. But, how does one ensure demand generation in this Digital Age? Ms. Ritu Mittal, Head of Marketing & Digital, Bayer took the participants through some very interesting learnings of how to provide the right inputs to ensure adequate demand is generated for the brand through effective communication in this tech-driven digital age, Ms. Ritu Mittal explained through audio-visual examples powered presentation, regarding how companies need to approach the brand promotion aspects in cost-effective ways, ensuring brand trust and other aspects from OTC brands are all ensured.

The Panel Discussion was very well moderated by Ms Susan Joshi, Ex-Managing Director, SEA & ME Region, Havas Health & You. Ms. Susan has been a veteran in the OTC segment space for many years, among her various special areas of focus in Healthcare. Her thought-provoking questions elicited interesting responses on various aspects of Rx-to-OTC switch decisions from the panellists - i) Mr. Ashok Jain, Executive Director, Micro Labs Ltd., ii) Ms Ritu Mittal, Head of Marketing & Digital, Bayer, iii) Mr. Vishal Anand, Sr. Director Marketing, Cipla Health, iv) Mr. Dhawal Katkar, Sr. Vice President, Consumer Care & Generics, Glenmark Pharmaceuticals Ltd. and v) Mr. Ulhas Joshi, Director, Stratex Enterprises.

This session gave the audience stronger insights regarding Pros & Cons of Rx-to-OTC switch decisions in Pharma companies.

Mr. S R Vaidya, Chairman, Bliss GVS Pharma Ltd. and Vice Chairman, Marketing Committee - IDMA delivered his concluding remarks & vote of thanks through a visual presentation relating the range of Rx-to-OTC brands with that of a raw mango reaching its state of optimum ripening. He aptly described the timeliness of this conference and also, highlighted the need to consolidate efforts as an industry Association to further the cause of OTC business which would benefit pharma companies with multi-fold growth in the years ahead.

Mr. Vaidya immensely thanked the Mistress of Ceremonies - Ms Pearl D'Souza, Sr. Manager, Corporate Affairs, Indoco Remedies for compering the whole conference and handling the entire day's proceedings excellently.

He thanked Wallace Pharmaceuticals for supporting the conference with 11 registrations.

He thanked the Management of Bombay College of Pharmacy for the venue and also, for providing volunteers to handle the conference. He thanked all those persons and organizations who supported and contributed to the success of this IDMA Conference. He specially thanked the Core Group for excellently initiating, planning and executing this conference and for carrying out activities that took several weeks of efforts. He proudly announced and thanked the Core Group comprising of Mr. Daara B Patel, Mr. Sundeep Bambolkar, Mr. Vilas Hegade, Mr. Ashish Shirsat, Mr. Melvin Rodrigues, Ms Sapna Patil & the entire IDMA team. He thanked Mr. Ulhas Joshi whom he called the "Sutradar" of this conference for all his efforts and guidance, cooperation and coordination and mainly for the excellent choice of speakers and superb agenda. The conference ended with all the participations thanking IDMA & networking with the sponsors.

PRESENTATIONS


Unique Sales & Distribution for OTC

Ameesh Masurekar

with support from

Dinar Mhatre & Ulhas Joshi

Size DOES Matter




The Pharma Family The FMCG Family

So as you begin a new journey from – what are the success factors that are necessary from

Pharma to FMCG
(OTC)

Success Factor 1 – Availability Mindset

- Fundamental Difference how Pharma Vs. FMCG sells
- Availability On Sales Demand (Pharma)
- Sales if Available (FMCG) – largely applies
- Much more focussed work and monitoring at Retail by partnering Distributors



Success Factor 2 – Scale of Outlets

- Total Retail outlets in India – 11.3 Mn (4.6 Urban, 6.7 Rural)
- Metro & Big Cities (500, 50% GDP), Semi-Urban (7470, 13%), Rural (6 Lac, 37%)
- Coverage (direct / indirect): Unilever 7.1 Mn, P&G 5.9 Mn, Colgate 5 Mn, Marico 3.6 Mn. Consumer Health J&J 2.5 Mn
- Going beyond Pharma Distribution is a MUST
- Modern Trade, Offline Chains, Online Platforms – great starting point



Success Factor 3 – Distributor as Customer Vs. Distributor as Partner

- Distributor who helps achieve target.
- Distributor ROI is his problem!
- FMCG – Distributor ROI is OUR (Principal company's) responsibility
- Inventory Cost, Logistics Cost, Frequency & Coverage of outlets (Beats), Rental Cost, Transport Cost, Manpower Cost...and X% minimum margin.
- Extra Margin to cover up Higher Manpower Cost, Higher Rental Cost etc....



Success Factor 4 – Packaging

- Pharma Packaging – has to meet Regulatory Compliance
- FMCG Packaging – Opportunity to advertise / market to customer & induce repeat purchase & loyalty
- What images / text can be used – Eg. Whiskey write-ups
- Combination packs for CONSUMER – which lower per unit cost & encourage customers to buy more (would never see that in pure Rx products)
- Combination packs for RETAILER – to ensure benefits of Bonus reaches Retailer



Success Factor 5 – Visibility at POS

- Works as Reminder
- Works to Convert
- Works to facilitate Impulse Purchase
- Builds brand confidence with Consumer
- Easy for Retailer to highlight key benefits to Potential Consumer



Success Factor 6 – Experimentation

- Communication working vs. not working – Pharma is a journey of 5-6 months
- FMCG – can be very rapid journey
- Online platform can further shorten the journey to few days
- Experiment in your marketing communication / pitch to consumer – prior to final release to larger audience



Success Factor 7 – Basket Approach

- Rx to OTC journey involves multiple activities and team mindset change
- There are significant costs (but significant rewards as well. PE multiple 50 vs. Branded generics 25-30) as you are going one step further. Dr to Consumer
- So difficult to align / implement if we go with 1-2 brands.
- Need to think of basket approach. If you have 1-2 brands, even go to extent of acquiring few brands to achieve a basket approach – that will attract Distributor & Retailer as well and ultimately make it successful.



Categories that can be taken Rx to OTC

- Vitamins & Nutritional Supplements (Weakness, Bone Health, Immunity, Growth)
- Derma & Skin Care (Injury & Cuts, Rashes, Wounds, Burns, Acne, Moisturizer, Dandruff, Hair Loss, Fungal infections, Nail infections, Feminine intimate care...)
- Gastro (Acidity, Indigestion, Gas, Constipation, Diarrhoea, Nausea / Vomiting, Spasmodic Pain, Probiotics...)
- Pain Relief (oral & topical)

- Cough & Cold
- Smoking Cessation
- Weight Management
- Contraceptives – both men & women
- Eye / Ear Care


Rx to OTC: Is the Switch worth the effort?

Vijay Kumar Pampana
 Director and Head of Marketing, P&G Health India

OUR STORY

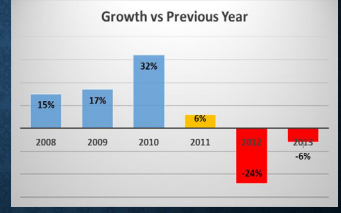


BACKGROUND




- Until a decade ago, Neurobion Forte was in Community care which was the rural HCP team
- 2011 onwards, Neurobion Forte growth slowed down and eventually declined
- Demand generation was a challenge at HCPs with stagnation in Rx.

Growth vs Previous Year



Year	Growth vs Previous Year
2008	15%
2009	17%
2010	32%
2011	6%
2012	-24%
2013	-6%

APPROACH



- ✓ Various consumer researches were conducted to identify need gaps
- ✓ Moved Neurobion Forte from Pharma team to Consumer Health team
- ✓ Ensured regulations and guard rails were engaged
- ✓ Set a Vision to Double the business in 5 years
- ✓ Slow Phasing to mitigate risk – Continue both Rx and OTC

CONSUMERIZATION JOURNEY




RESULTS



Growth vs Previous Year



Year	Growth vs Previous Year
2014	7%
2015	18%
2016	12%
2017	17%
2018	17%
2019	14%
2020	12%
2021	11%

- ❖ Doubled the business in 6 years
- ❖ Selling 2.5Bn tablets a year
- ❖ Distribution moved from 1.5L stores to ~5L stores today
- ❖ 2017 onwards, fully focused on DTC
- ❖ HCPs continued to prescribe

THANK YOU

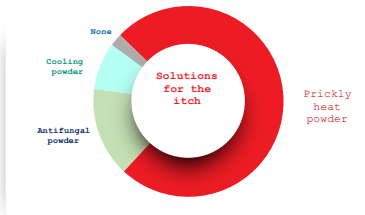
The reality is, "Rx and OTC"
we are



So what really changed ...

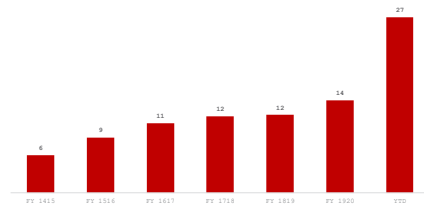


We listened to Consumers and made them listen to us



What consumers were using on their own for taking care of itching, rashes, sweat

We studied data and facts



OTCfication factor growth trend for Candio Powder



Product : Listened to the consumers and wore their words proudly



Place : We stopped being shy , and came out from under the chemist shelf



Dominance in Outlets - Disproportionate Share of Shelf

Driving brand recall at point of sale

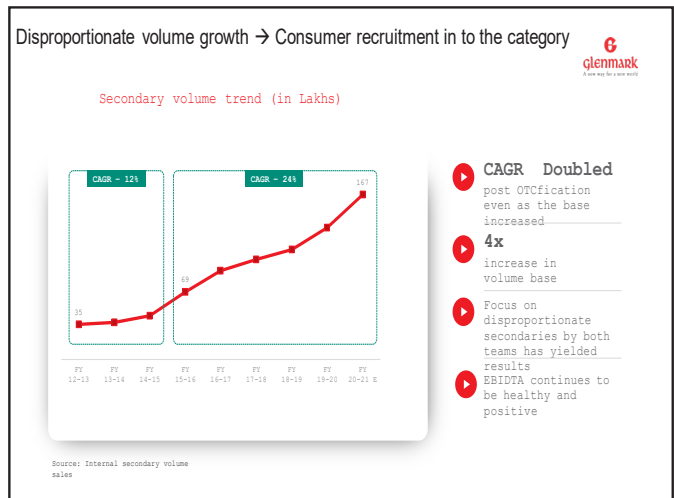
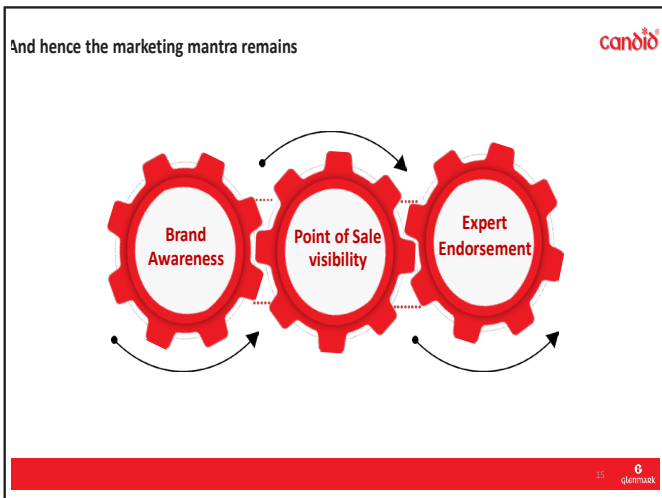


Promotion : We started speaking to the consumers directly



Promotion : We continue to trust, respect and consult our Drs





Glimpses



Mr. Sundeep Bambolkar, Chairman, Marketing Committee – IDMA delivering his Welcome Speech & Opening Remarks



Mr. Milind Thatte is presented with a memento by Mr. Sundeep Bambolkar & Mr. S R Vaidya



Ms. Tina Khadloya is presented with a memento by Mr. Nandan Chandavarkar



Mr. Sundeep Bambolkar is presented with a memento by Mr. Milind Thatte & Mr. S R Vaidya



Mr. S R Vaidya is presented with a memento by Mr. Milind Thatte



Mr. Ulhas Joshi is presented with a memento by Mr. Sundeep Bambolkar



Mr. Vijay Kumar Pampana is presented with a memento by Mr. Ulhas Joshi



Mr. Supratik Sengupta is presented with a memento by Ms. Sangeeta Barde



Mr. Gaurav Karkhanis is presented with a memento by Mr. Probhas Bondu Chakraborty



Ms. Ritu Mittal is presented with a memento by Mr. Ameesh Masurekar



Mr. Ameesh Masurekar is presented with a memento by Ms. Susan Josi



Panel Discussion (from right to left) Ms. Susan Josi, Ex- Managing Director, SEA & ME Region, Havas Health & You along with Mr. Ashok Jain, Executive Director, Micro Labs Ltd., Ms. Ritu Mittal, Head of Marketing & Digital, Bayer, Mr. Vishal Anand, Sr. Director Marketing, Cipla Health, Mr. Dhawal Katkar, Sr. Vice President, Consumer Care & Generics, Glenmark Pharmaceuticals Ltd and Mr. Ulhas Joshi, Director, Stratex Enterprises



Ms. Susan Josi is presented with a memento by Mr. Ketan Parmar



Mr. Ashok Jain is presented with a memento by Ms. Sangeeta Barde



Mr. Vishal Anand is presented with a memento by Ms. Divya Dilip Surana



Mr. Dhawal Katkar is presented with a memento by Mr. Abraham George Patani



Ms. Pearl Dsouza is presented with a memento by Mr. Ulhas Joshi



Mr. Nitin Maniar of Bombay College of Pharmacy is presented with a memento by Mr. Ajit Singh



The august audience at the full house conference



Mr. S R Vaidya, Vice Chairman, Marketing Committee – IDMA delivering his concluding remarks & vote of thanks

Thank you our supporters





Team Efforts - IDMA & Bombay College of Pharmacy



“Right choice for effervescent Packaging”

NBZ
NBZ Healthcare LLP

India's 1st Manufacturer to produce Effervescent Tubes and Caps in controlled environment of ISO Class 8 and collection & packing in ISO Class 5.



TALK TO US
for more information

www.nbzhealthcare.com
marketing@nbzhealthcare.com

+91 8422010719, 022 61214100
+91 8422010719, +91 90040 86483