

Taking the Red Pill —————

How Can OTC Drug Brands Penetrate More Households

A look at the Canadian OTC drugs market, and examples on how market research can help brands in this market on differentiating themselves to get ahead of the competition.

Taking the Red Pill

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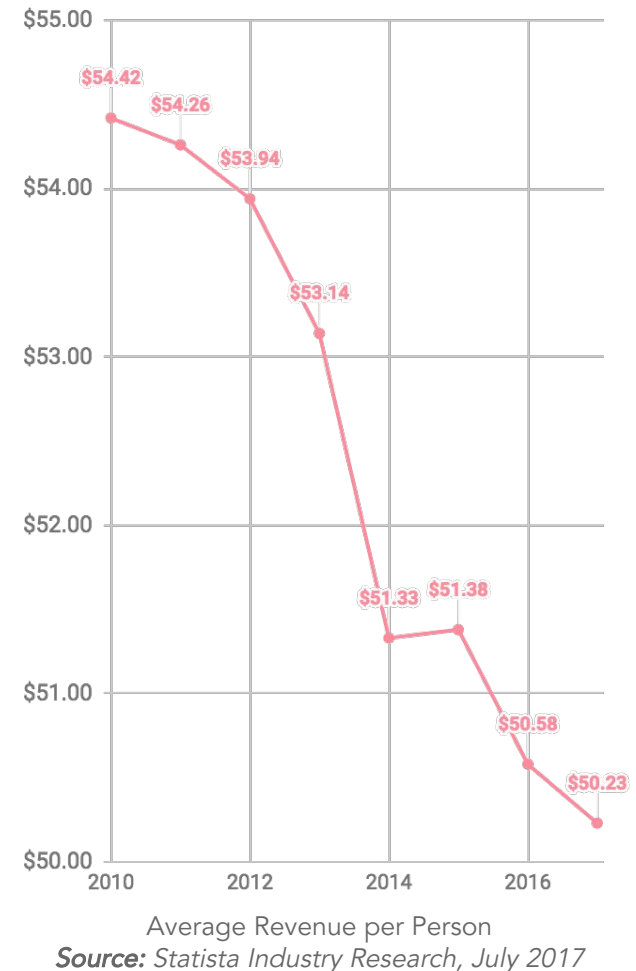
Introduction

The State of the Market

Just like many other categories, Pharmaceuticals are reaching a state of commodity. Simply looking at the overall revenues of the Canadian market shows us a deep negative trend in year over year revenues. The reduced retail prices, proliferation of private-label brands and other variables are making sustainable growth unachievable for many brands.

According to *Statista's industry research in July 2017*, Canadian OTC Pharmaceuticals market revenue is in decline. **The size of the total revenue was \$1,850BN in 2010, where it has been \$1,837BN in 2017.** Along with these numbers, **average revenue per person has declined from \$54.42 in 2010 to \$50.23 in 2017.**

According to the reports the Government of Canada has published, **Canadian pharmaceutical prices have been on average lower than foreign countries;** where foreign countries are France, Germany, Italy, Sweden, Switzerland, the United Kingdom and the United States.



Introduction

The State of the Market

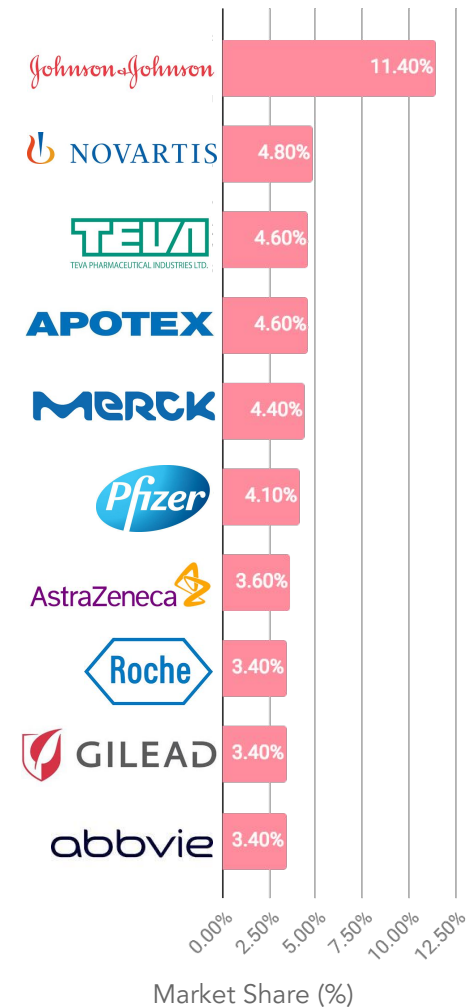
When we look at the top 10 players in 2015 Canadian Pharmaceuticals market, **47.7% of the market has been occupied by these companies, where the smallest company owns 3.4%.**

This shows the dominance of large corporations in the market. When we shift our focus to retailers, we see that in Shoppers Drug Mart, there are 202 anti-acid SKUs, 382 cough/cold/flu SKUs, 261 painkiller SKUs, and 676 multivitamin SKUs listed. In Loblaws, there are 337 cough/cold/flu SKUs, 176 digestion SKUs, and 57 allergy SKUs listed. *(as of 26/02/2018)*

More and more SKUs are being introduced everyday, which is making it more difficult for brands to stand out.

There are many other variables affecting the overall category beyond what we mentioned above. Some variables are population change, new entrants to the market, and government regulation changes. However, all this leads to uncertainty for the consumer and points in the direction of commoditization for brands overall.

But, how can brands get ahead of the competition and differentiate themselves in the market?



Source: IMS Pharmafocus 2021

Getting Ahead of the Competition

How Can OTC Drug Brands Stand Out In the Crowded Marketplace

Examples of Alka Seltzer, Voltaren, Aspirin, Advil, and Aeries shows us one thing; the importance of brand and marketing in the market.

Imagine a consumer with a terrible headache entered a Shoppers Drug Mart and wanted to buy a painkiller immediately. She went to the painkillers section directly, and now, she has 261 options. There are four probable ways she will follow according to her instincts;

1. She will purchase the product she bought before and has worked on her.
2. She will purchase a product that her friend suggested to her, or she saw ads on television, on billboards, or somewhere else.
3. She will purchase a product that differentiates itself from other products with its packaging design, which gives a to-the-point message.
4. She will purchase the product with the lowest price, since she doesn't think there is a real difference between brands.

This example shows us the importance of the brand awareness, customer experience of a product and product's marketing elements like messaging and packaging design.

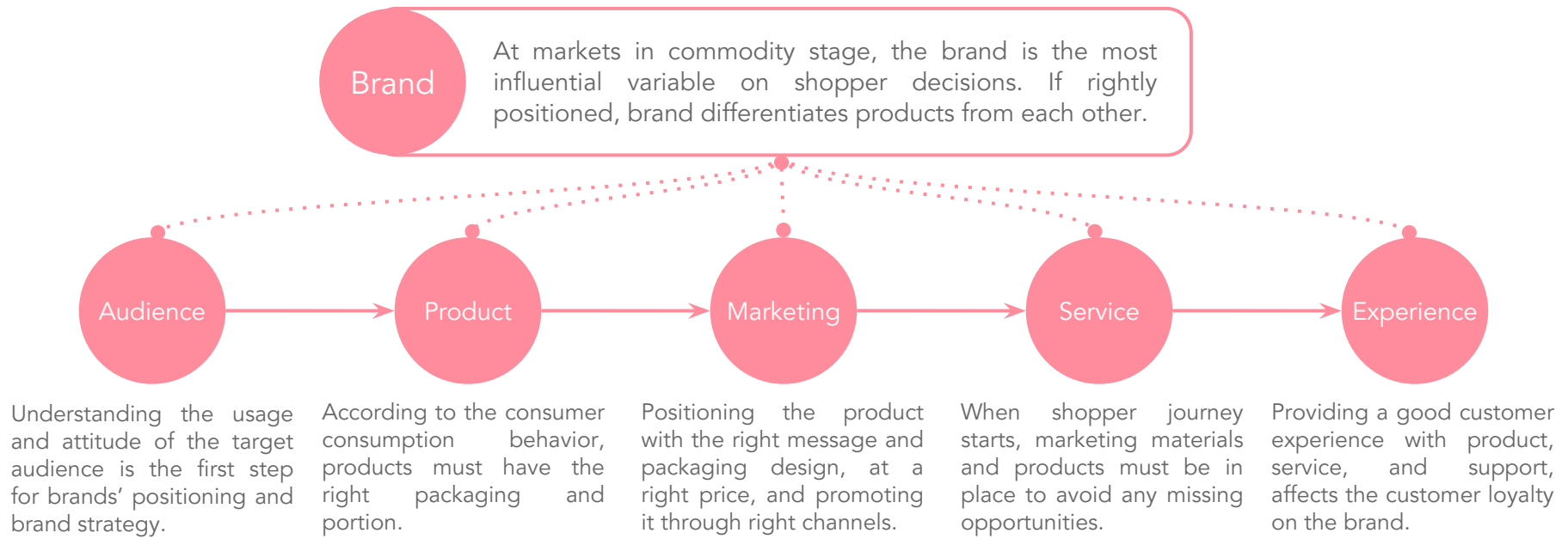


Getting Ahead of the Competition

How Can OTC Drug Brands Stand Out In the Crowded Marketplace

Sustainable Growth consists of 6 elements that need to be invested for the brand to continue its growth within any market. These elements are brand, audience, product, marketing, service, and experience. Let's evaluate the OTC Pharmaceuticals market according to these elements, and express what they mean for Pharmaceutical companies.

The shift in the market is a given. Brands who want to achieve a **sustainable growth** need to apply a customer-centric strategy to be within the shoppers' minds.



Getting Ahead of the Competition

How Can OTC Drug Brands Stand Out In the Crowded Marketplace



Number one thing OTC drug brands need to do is, strengthening their brand awareness across the target audience of the product.



Understanding the audience will allow companies to identify best marketing channels, implement product's positioning in the right orientation, identify consumers' triggers to develop better promotion campaigns and marketing messages. Audience's consumption behavior helps companies to drive their product development efforts.



Brands can create traffic to the desired retail channel by conducting the right marketing campaigns. According to the product category, they can affect shopper decisions by applying relevant trade marketing activities.



The shoppers engage at the retail level, brands must be ready and communicate effectively in-store. Marketing promotions must be well displayed, along with correctly applied discounts and products. Everything must be ready on the shelves for shoppers to engage with.



Product must fit into consumers' consumption behavior. Product portions, package materials, and shape must fit the lifestyle of the target audience.

Market Research Helps Differentiate

OTC Drug Brands Can Differentiate Using Market Research

Market research helps companies to be data-driven for each step of the sustainable growth. Companies can understand their target audience, measure their performance at each step, develop better marketing materials and build better strategies for their products.

OTC drug brands can use the following market research methodologies to achieve sustainable growth.

- Usage & Attitude Research
Better understand how consumers use, consume and look at the specified product category.
- Customer Segmentation
Cluster the customers of a product according to their behavior, demographics and perception.
- Product Testing
Get feedback on the product prototypes or on-the-shelf products.
- Concept Testing
Select the best packaging designs, apply the right pricing, use the right marketing message.
- Pre-test and Post-test
Understand how the ads are performing before publishing it, and after publishing.
- Brand Tracking
Track the brand awareness, usage, perception, and purchase intent of the target audience.
- Enter & Exit Surveys
Learn why and how consumers purchase OTC drug products in-store.
- Store Audits
Audit out-of-stock and price status, availability of marketing materials.

Taking Action

How to Conduct Market Research Studies

When it comes to conducting market research studies, there are several options brands can consider.



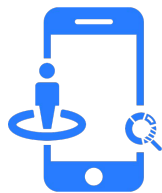
Traditional Market Research

Traditional market research companies offer extensive solutions; they conduct this kind of studies via pollsters or surveying consumers when they are within central research facilities. When the vendor is selected right, results include high quality in some studies but might fail to provide correct answers at some studies due to the approach to the customer.



Online Market Research

Consumers who are members of an online panel receive an email each time there is a new research study they can attend to, and share their answers on their web browser. Benefits are the reach and the approach to the consumers, but it is not in-the-moment. Instead, rather answers get collected after the experience.



Mobile Market Research

The difference mobile research companies bring to the market is since they are using mobile technologies like cameras, microphones, and GPS, and since the answers are collected from consumers directly; results are richer, have a higher quality, and collected in-the-moment when customers have the experience.

Taking Action

How to Conduct Market Research Studies



The Old Way

TRADITIONAL MARKET RESEARCH

POLLSTERS

TARGET AUDIENCE

PAPER/TABLET SURVEYS

DATA ENTRY

INSIGHTS

Weeks to Months



The New Way

MOBILE MARKET RESEARCH

TARGET AUDIENCE

BEHAVIORAL, RICH MOBILE FORM

INSIGHTS

Days to Weeks

The Power of Mobile Insights

Mobile Market Research Solutions Tapping Pharmaceuticals

As mentioned, mobile market research is a research methodology that connects businesses with consumers via smartphones. By connecting businesses with consumers directly, mobile market research allows businesses to collect insights from consumers and shoppers on their product usage, consumption behavior, shopping decisions, or in-store experience. Leveraging smartphone technologies, consumers/shoppers can be triggered according to their behavior, and answers can include rich multimedia (voice, pictures, videos), location and different types of answers.

How does it work? There are four steps you need to follow when conducting a mobile market research study.



1. Create

Create your project by specifying your objective, target audience and questionnaire.



2. Collect

After your launch your project, targeted consumers/shoppers start sharing their answers.



3. Validate

Collected answers get validated through the platform via algorithms and data auditors.



4. Insights

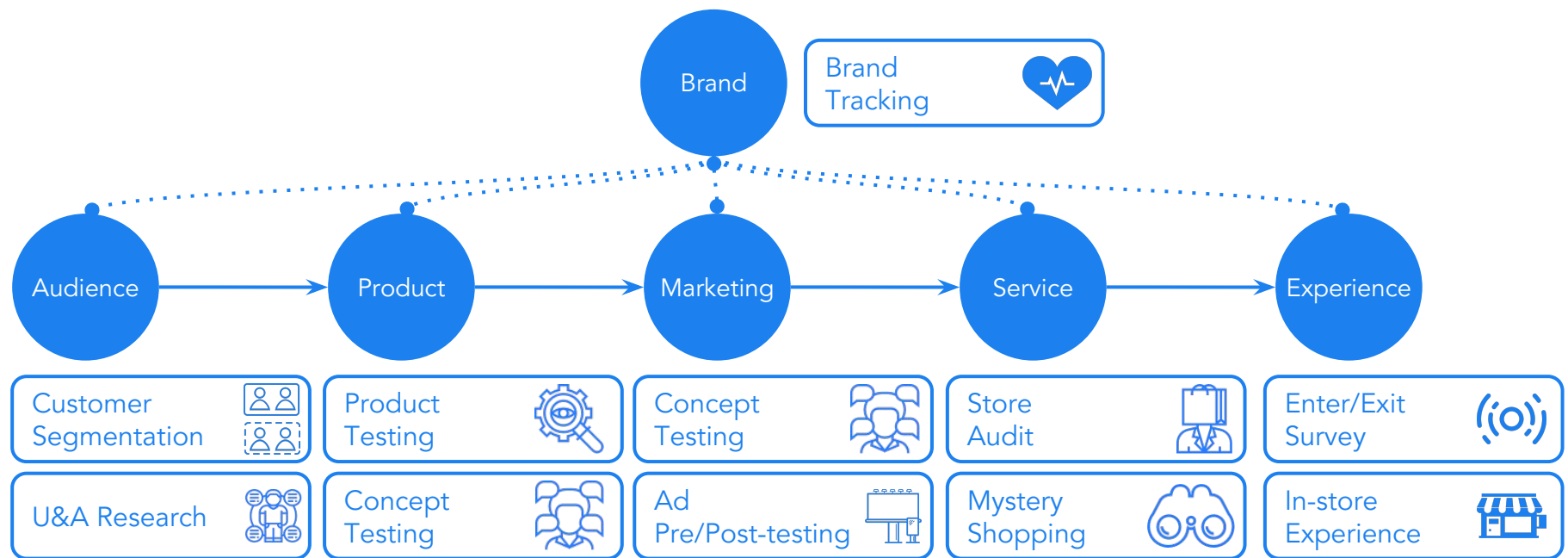
Access to the collected data, and generate insights out of them via web services.

The Power of Mobile Insights

Mobile Market Research Solutions Tapping Pharmaceuticals

Two main differentiators mobile market research bring to the market are, connecting businesses with real consumers/shoppers directly, and collecting in-the-moment answers from them.

Even though some mobile market research providers do not cover all steps of sustainable growth in an extensive way, Twentify covers all steps with its market research solutions.



Case Studies Customer Experience

A Drug Store Brand Measure Flu Shot Experience In Their Stores

Problem



A drug store brand provides free flu shots across Canada in its stores. To be sure they are executing against the regulations and understand the consumer behavior and preferences, they want to measure the performance, the attitude of their pharmacists and in-store experience from people who had flu shots.

Solution

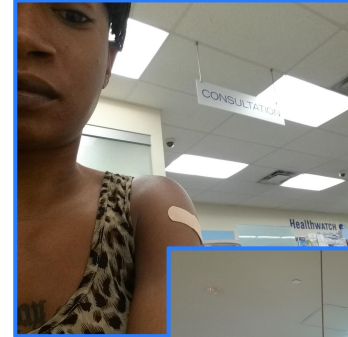
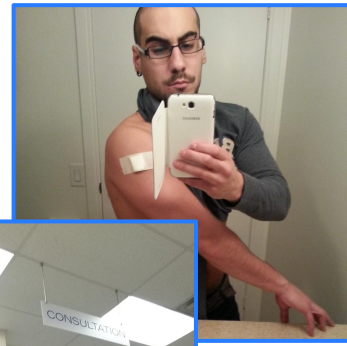


The brand wanted to conduct a mystery shopping study, where a person enters the specified store, gets in the line for the flu shot, takes the flu shot and shares their experiences. Since the brand wants to collect insights from real people, they preferred mobile market research provider, Twentify.

Results



Within 10 days, 50 people from 8 cities have visited the specified stores, took the flu shot and shared their experiences. Thanks to that information, the brand saw the uplift of offering a free flu shot on their revenue via other products and measured the performance of their employees to take instant actions on the field for better customer service.



Case Studies Ad Testing

An FMCG Company Wants to Select the Best Advert

Problem



When a company plans and executes a marketing campaign, it needs to be aware of the local market dynamics and act according to the consumer demand and opinions. The company is going to run a mass marketing campaign for their toothpaste brand and wants to be sure about the advert they are going to use.

Solution



The brand wanted to conduct an Advert Concept Testing study, where they want their target audience to evaluate the packaging design options. Since the brand seeks to collect insights from real people, they preferred mobile market research provider, Twentify.

Results



In 1 hour, 422 consumers are surveyed, evaluated the adverts and shared their comments on the advert concepts. The company identified the best advert option between the alternatives to ensure that the right message is being communicated and represented.



Case Studies Package Testing

Packaging Design and Naming for a New Multivitamin Product

Problem



A pharmaceuticals company develops a new multivitamin product. Before the product launch, the company wants to understand which name alternative and packaging design would reflect the attitude of the target audience the most. The selection will be made across six name alternatives and eight packaging options.

Solution



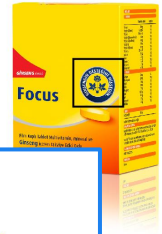
The brand wanted to conduct a concept testing study, where they want their target audience to evaluate the packaging design and naming options. Since the brand wants to collect insights in an efficient and trustable way from real people directly, they preferred mobile market research provider, Twentify.

Results

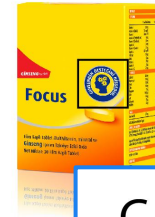


Within 5 days, 400 people across the country have shared their thoughts on the name and packaging design alternatives, and their positive and negative thoughts on them. These insights helped the brand to select the best performing option across the list to ensure that the right message is being communicated and represented.

A



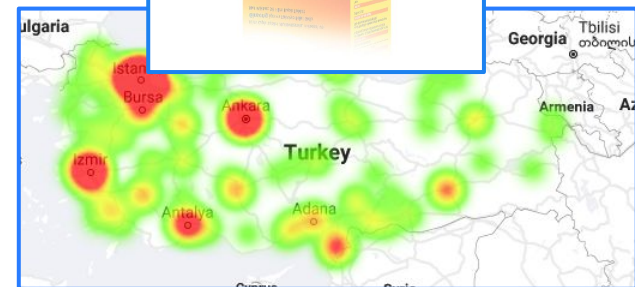
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C



D



Case Studies Mystery Shopping

A Tobacco Company Audits and Observes In-store Activities

Problem

One of the biggest global tobacco companies is running mystery shopping continuously to audit appliance of trade marketing activities and see competitive activities. However, their current vendors are slow, and visits are not 100% trustable due to the lack of technology integration.



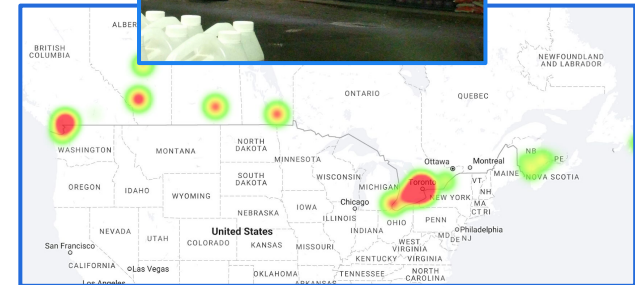
Solution

To be faster and move with a trustable partner, the company preferred Twentify to audit their trade marketing activities and observe the market. Every month, they wanted to run mystery shops at 2,200 different stores across the country.



Results

In 14 days, the company audits 2,200 stores with Twentify and sees trade marketing appliance. At this monthly recurring solution, the company is auditing different criteria by leveraging flexibility at Twentify platform.



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ABOUT

Twentify provides an effective and efficient mobile insights platform allowing businesses of every size to reach hundreds of thousands of consumers and shoppers for their market research and field audit needs. Using Twentify, smarten your business with mobile research and audits.

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