The Consumer Health Brand Strategy Evolution

Webinar -15 June 2022

Speakers

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IQVIA Consumer Health supports the industry from Concept-to-Consumer

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Registration and market authorization

Product and claim development

Launch strategy and planning

Concept and strategy development

Commercialization and lifecycle management

Your biggest brand strategy challenges

Results from the registration form for this webinar

WHAT IS YOUR BIGGEST CHALLENGE TODAY?	COUNT
Creating personalised marketing strategies	19%
Understanding changing shopper journeys	18%
Keeping pace with changing consumer attitudes	18%
Offering seamless omnichannel brand experiences	11%
Beating challenger brands in e-Pharmacy	8%
Enhancing brand reputations with clinical claims	8%
Building a future fit salesforce	7%
Nurturing HCP relationships	6%
The growth of private label retail brands	5%

Tackle these with some key ingredients for a thriving brand strategy

Four strategic priorities when building a brand strategy

Marketing Investments

- Appropriate balance across different media channels
- Tracking ROI on investments

Sustained Innovation

- Keeping the brand fresh in consumer's mind
- Innovating at different levels – product, commercial and RTM

Consumer/Shopper behaviours

- Complex consumer/shoppers
- Browsing and buying across channels

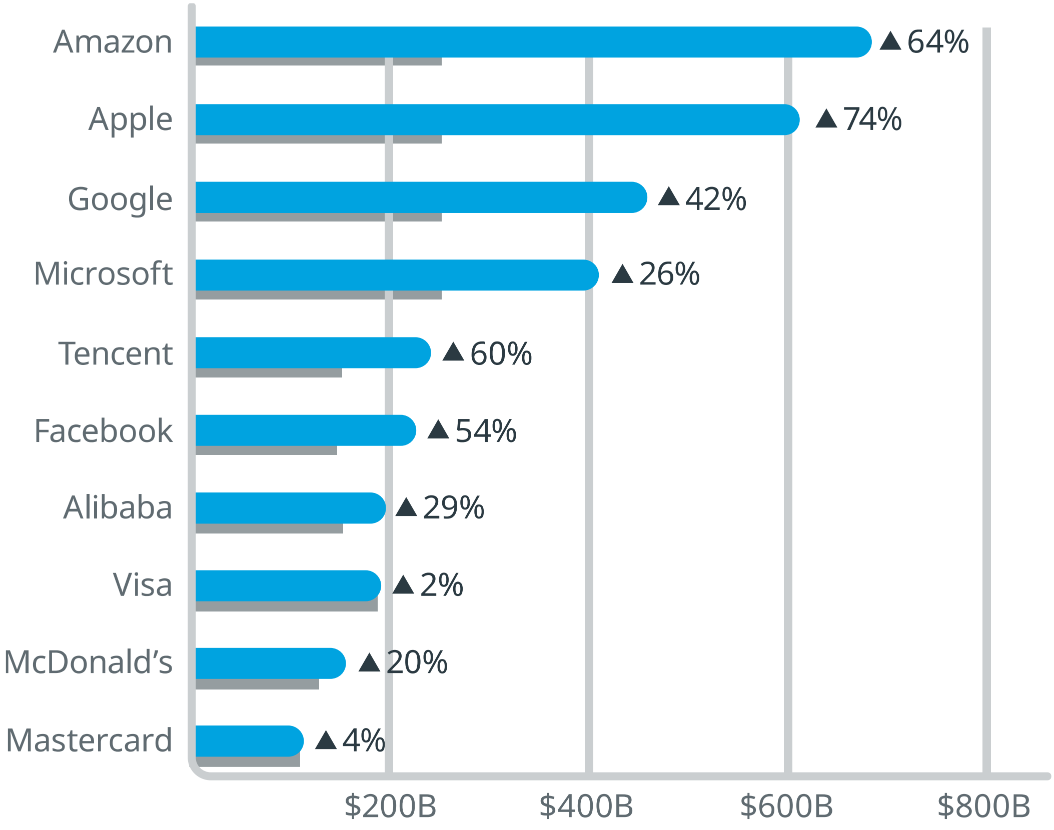
Activate across channels

- HCP vs. POS vs. D2C
- Targeting and segmentation key influencers

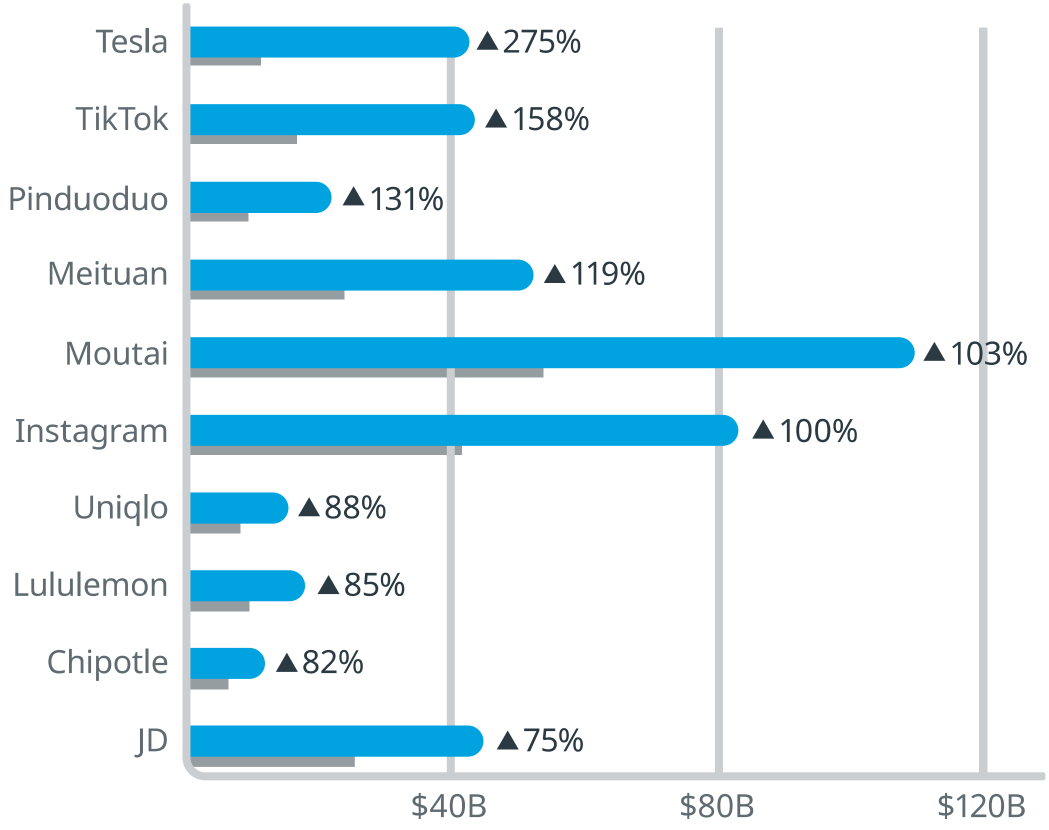
Importance of Brand Strategy

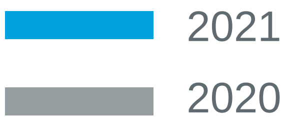
Global top brands growth rates in 2021

Growth of Top 10 Most Valuable Brands



Top 10 Fastest Growing Brands





Source: https://www.visualcapitalist.com/wp-content/uploads/2021/10/most-valuable-brands-2021.html

Brief Amazon timeline of major events

1994
- Amazon Founded

1997
- Amazon goes public
- 2nd distribution

1998
- Amazon expands into music CDs & DVDs

1999
- Amazon expands into toys and secures 1-click patent

2002
- Starts selling clothing

2003
- Amazon web services launches AWS

2004
- Enters China

2005
- Amazon Prime debut

2006
- AmazonFresh in Seattle

2008
- Acquires Audiobooks company

2009
- Kindle 2

2011
- Kindle Fire

2013
- Drone delivery plans “Prime Air”

2014
- Unveils first smartphones
- Acquires game streaming “Twitch”

2015
- Echo becomes widely available

2017
- Acquires Whole Food

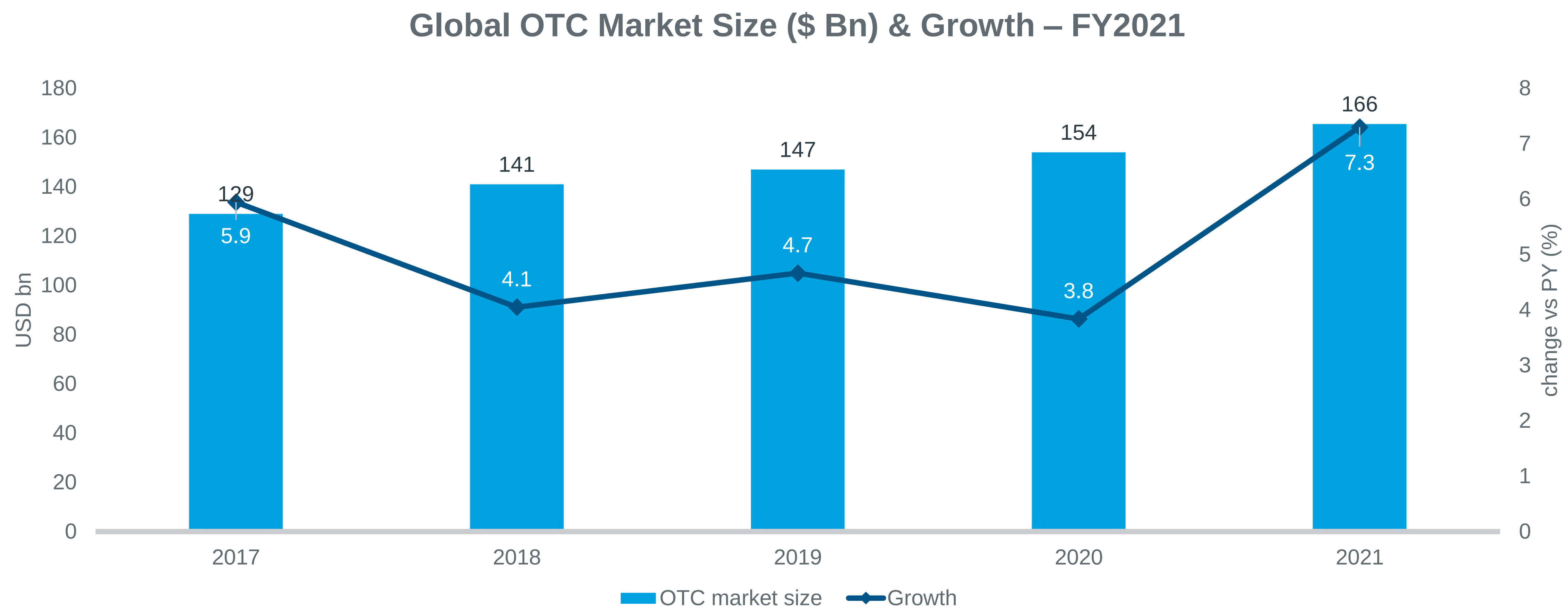
2018
- Worlds biggest online retailer

What’s Changing for Consumer Health?

Global OTC market has fully recovered from COVID impact

Global

Strong recovery since second half of 2021



Source: CH Global OTC Insights plus estimates of e-Commerce & Mass-market (excluding Venezuela)
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Top seven trends for Consumer Health in 2022 and beyond

COVID-19 is proving to be game-changing at a strategic level for the entire CH industry

Need for accelerated innovation with focus on winning back consumers/shoppers

Digital automation & machine learning for productivity, simplification, cost optimization and behaviour analysis

Erosion of traditional scale advantages resilience & agility trump scale

Sustainability is now at the core of business strategy

E-commerce is now a 'Must-Win' channel

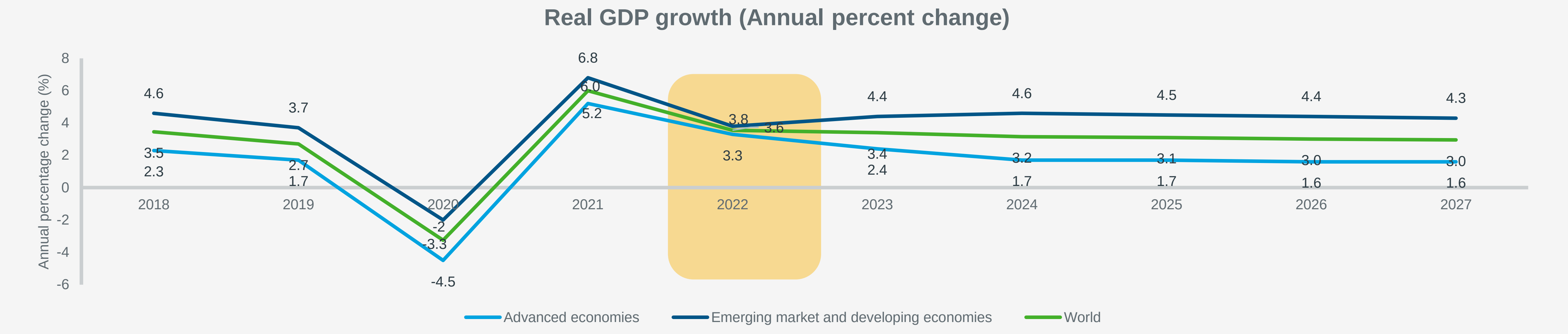
Intense M&A activity - focus on developed markets; targeted asset pruning across emerging markets

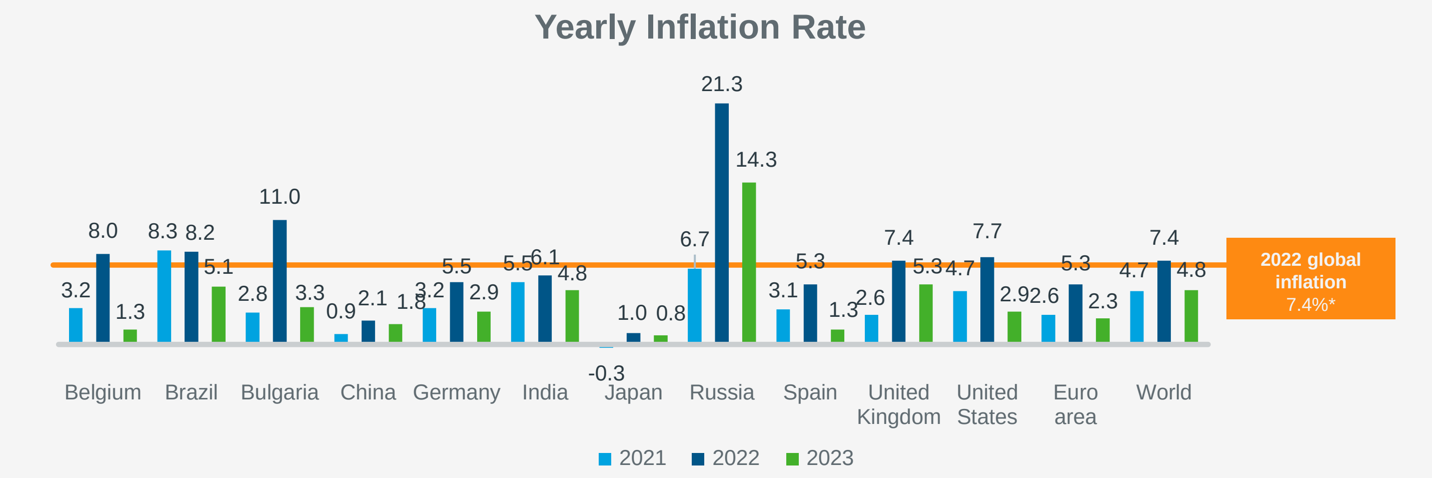
Connected consumer - able to access and share more information, eHealth- more demanding

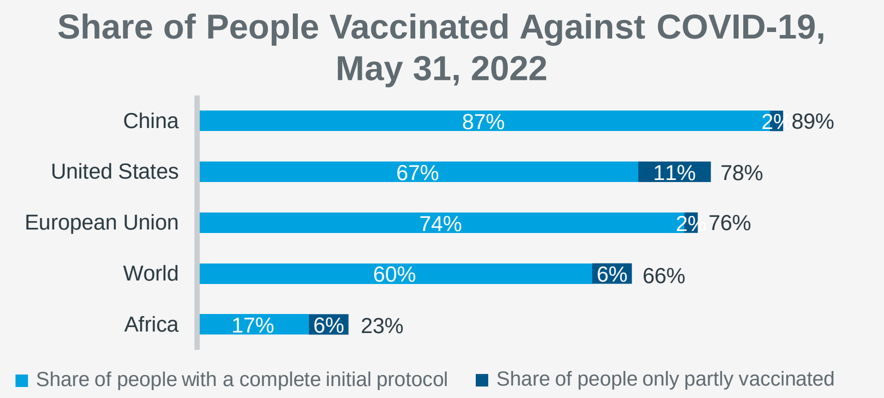
Macroeconomic Indicators

Global GDP Trends

Deep decline in 2020 followed by stronger than expected recovery in 2021; 2022 remains uncertain







Source: Official data collated by Our World in Data
Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.

Source: International Monetary Fund – Updated as of 12 May 2022
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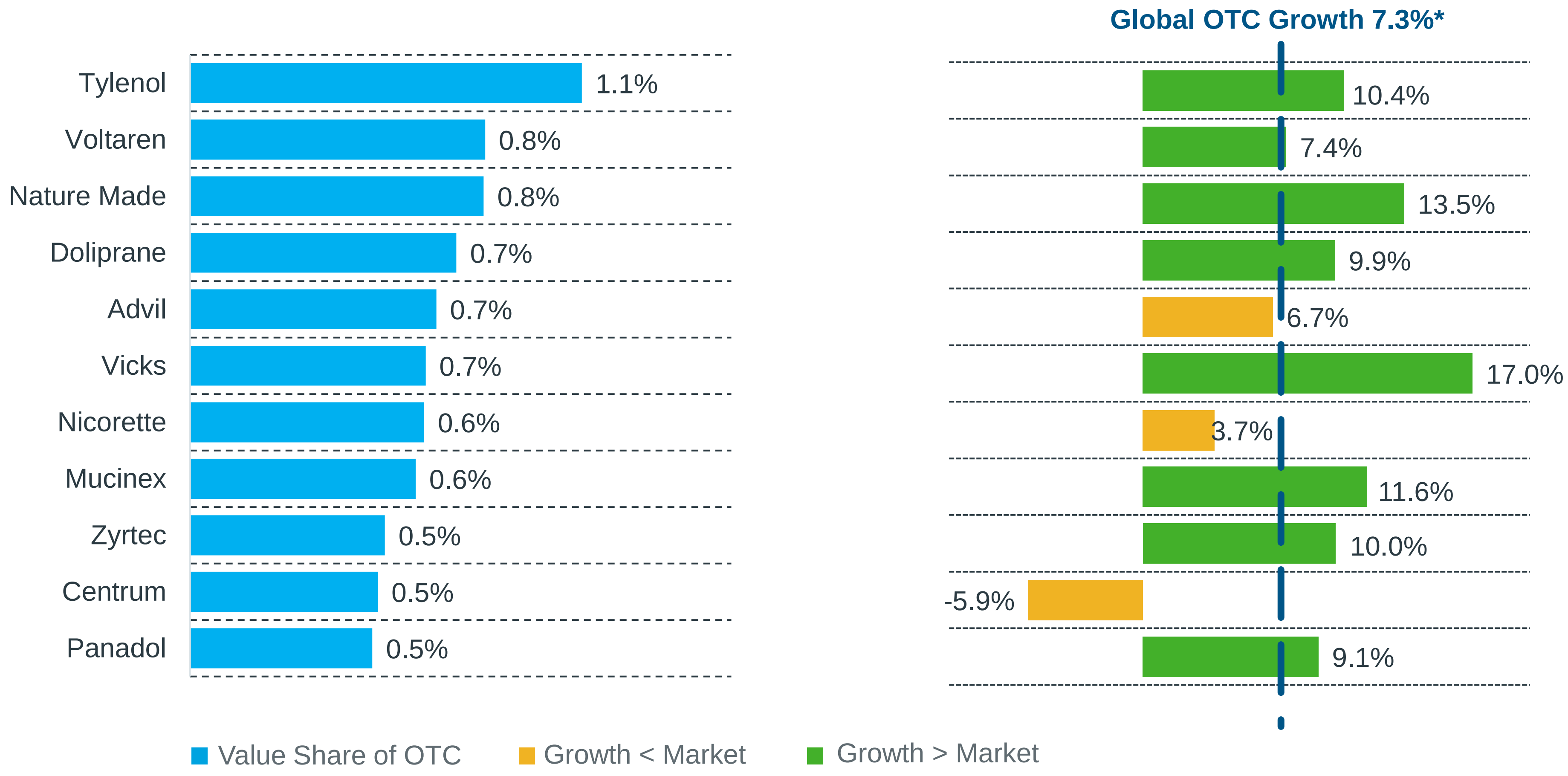
Top 10 Consumer Health Brands Performance – FY 2021

Global

Bigger brands continue to build on their trust with consumers and supply reliability with retailers

Top 10 Brands Value Share & Growth (%) – Full Year 2021

Top 10 brands account for 7.6% of the total market



* Global Estimated OTC Market growth

Source: CH Global OTC Insights plus estimates of e-Commerce & Mass-market (Excluding Venezuela)

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Sparking Fresh Innovation Ideas

Key Ingredients for a thriving brand strategy

Four strategic priorities

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Activate across channels

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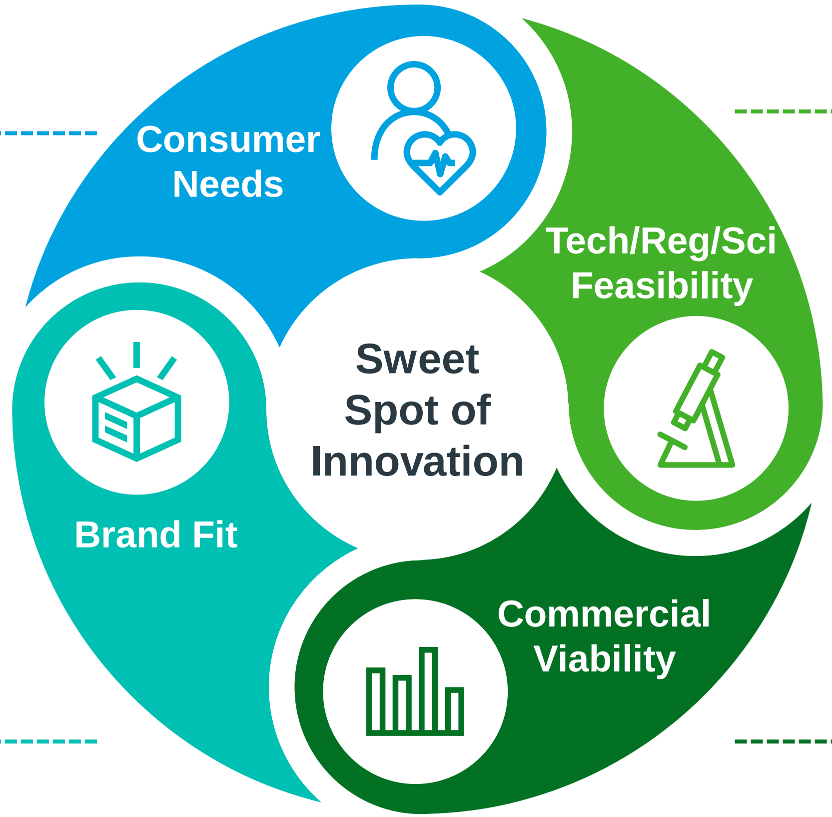
The past main innovation approach around line extensions is not in sync with advanced tech developments and consumer needs

Focus on new formulations, packaging

Rigid and established innovation processes



Low budgets for scientific evidence and consumer-focused claims

Main drivers are commercial viability & brand fit

The CH industry needs to leave their comfort zone to stay competitive

Smart technologies are disrupting healthcare

We see blurring lines between the physical, digital, and biological worlds…

Connected Intelligence

- Broad access to information
- "Big data" mining and processing (AI / ML)
- Predictive analytics
- High-tech diagnostics
- Genomics & Microbiome

"Personalized" Consumers

More individual control on health & wellness

Better Selfcare

Health solutions are delivered in new ways disrupting existing value chains

Smart and connected consumers seek their pathway to better health and wellness

Product or service value demonstrated by relevant evidence and meaningful claims is key

Independent from the innovation approach

1

Innovate by new evidence

2

Innovate by new hardware

3

Innovate by new service offerings

Relevant messages for new & established products

New label or marketing claims
New or extended indications
Other new benefits

Improve in a meaningful way

Rx-to-OTC switch
Advanced formulation technologies
Innovative product combinations

Holistic solutions instead of products only

Digital health solutions
Diagnostic tools (DIY)
Personalized health offerings

New ways to generate relevant evidence now exist

The chosen approach depends on the purpose of the study

EVIDENCE GENERATION SPECTRUM

Clinical Science (Ph I-IV)				Consumer Science (PMR)
Randomized Controlled Trials	*Hybrids*	**Real-World Evidence**	*Hybrids*	**Real-World Consumer Perception Studies**
Efficacy and safety in a clinical setup		Efficiency and safety in the real world		Consumer-reported insights
Regulatory level: Label changes – New indications Marketing level: Communication claims				Marketing level: Communication claims

What other consumers are "saying" about a product is gaining high influence on buying decisions!

12,612

Case study – Real-World Consumer claims related to recovery from skin conditions and recovery journey

Background & Objectives

The client wanted to support their skin health brands by generating **consumer claims** around the users' **recovery journey** satisfaction

Objectives: To get **consumer reported proof** that users are satisfied with regular usage of the product and that it offers a **simple yet effective solution** for their skin infection

Methodology

Retrospective Real-World Virtual online study (N=500)

Males and Females aged 20-45 y.o.

Belong to BCD socioeconomic class

Experienced a skin infection and treated the infection primarily with client's brand in the past 12 months

Outcome

Claims of high satisfaction with regular usage of their product

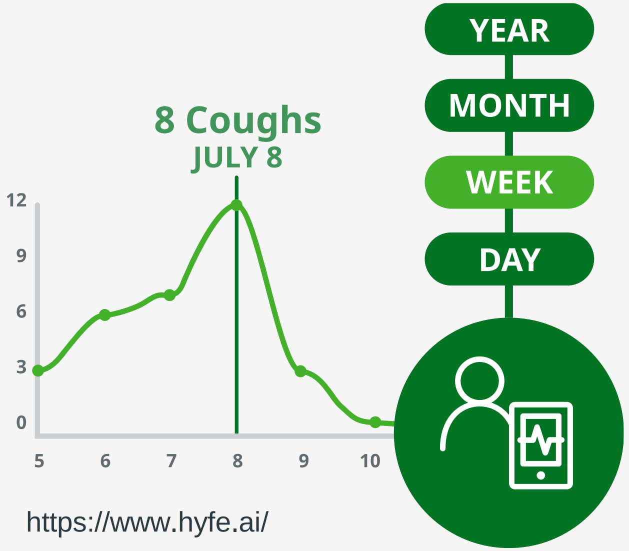
Consumer trust, relayed in high intent to recommend the product

Differentiation vs. competitors

Peer-to-peer claims are very important in an evolving consumer health environment

Case study: Digital tracking of cough & sleep

Can your product reduce the number of cough events?



https://www.hyfe.ai/

Proofing the reduction of cough frequency over time can lead to new claims for C&C products

Sleep quality is affected by C&C and allergic rhinithis[1]

Would a claim around improving sleep quality not be relevant for C&C / allergy sufferers?

1 Liu J, Zhang X, Zhao Y, Wang Y. The association between allergic rhinitis and sleep: A systematic review and meta-analysis of observational studies. PLoS One. 2020 Feb 13;15(2
2 Abdelhafeez M. Effectiveness of intranasal steroids on rhinitis symptoms, sleep quality, and quality of life in patients with perennial allergic rhinitis. Eur Arch Otorhinolaryngol. 2022 Jan;279(1):249-256.

There is an opportunity to develop innovative evidence for established products

Innovation in Rx-to-OTC switch – Pushing self-medication boundaries are on the rise

Supporting consumers in their self-care journey as regulator momentum is accelerating and current trends support more advanced & chronic condition switching

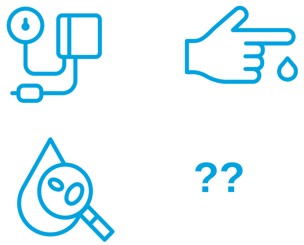
Recent more aggressive switches

- Broader self-medication options are an underlying trend
- More complex new chronic indication switches
- Examples: Psoriasis, erectile dysfunction, Chlamydia, Malaria prevention, oral contraception

New evidence methodologies to enable switch

- Companies start to employ new methodologies such as RWD & RWE for switches
- Usage of RWD source from Rx situation
- RWE studies in actual-use study format outside the US

Digital innovation



- Digital support enabling proper self-selection & safe use
- Consumer-friendly digital education (text, video)
- Diagnostic algorithms connecting selection, buying and usage monitoring
- Telemedicine / AR / VR

Case study – Rx-to-OTC switch for a chronic health issue

2. Innovate by new hardware

Background & Situation

OTC statin switches have not been successful so far

There are potential **concerns around proper self-selection** by consumers

However, **50% of patients who are guidelines eligible for statin therapy are not treated** and OTC availability could lead to better product access

The **US FDA** is in general open to consider digital support for self-selection[1]

1 https://www.fda.gov/regulatory-information/search-fda-guidance-documents/innovative-approaches-nonprescription-drug-products

Methodology

AstraZeneca PLC executed a study where consumers used an **online tool** to appropriately self-select a statin product[2]

The app was designed to **assess eligibility for the statin** and to deny access to individuals with certain contraindications

2 https://www.jacc.org/doi/10.1016/j.jacc.2021.06.048

Outcome

Participant selection for statin therapy was **concordant with clinician selection in 481 (96.2%) of 500 participants**.

If subjects met the criteria, the app is ready to follow up with an online purchase and later re-ordering (as a future selling channel). The medication offered in the study would not be available in stores.

More studies are ongoing[3]

3 https://clinicaltrials.gov/ct2/show/NCT04964544

If this approach is successful other chronic indications could follow

In Pharma and some CH areas we see a shift to consumer- centric and more holistic offerings

Pharma

Personalized & Precise

- Patient-centric R&D / RWE approaches
- High tech diagnostics & treatment strategies
- Selling “health” vs. “pills”

Nutrition

Personalized & holistic

- Diagnostics efforts strongly increasing
- Digital health support / digital companions
- Sustainable & holistic health concepts

Personal Care

Personalized in many ways

- Diagnostics through AI / AR / VR
- Ingredients, textures, fragrances, packaging
- Functional, life-style, or just beauty

Case study: Holistic smoking cessation solution — J&J´s Nicorette QuickMist® SmartTrack™ for behavioral support

Real-world data for consumers and manufacturer

Consumer

- Understand patterns of behavior
- Increases awareness & motivation

Spray
Apply NR in mouth

Tap
Record NR usage via app

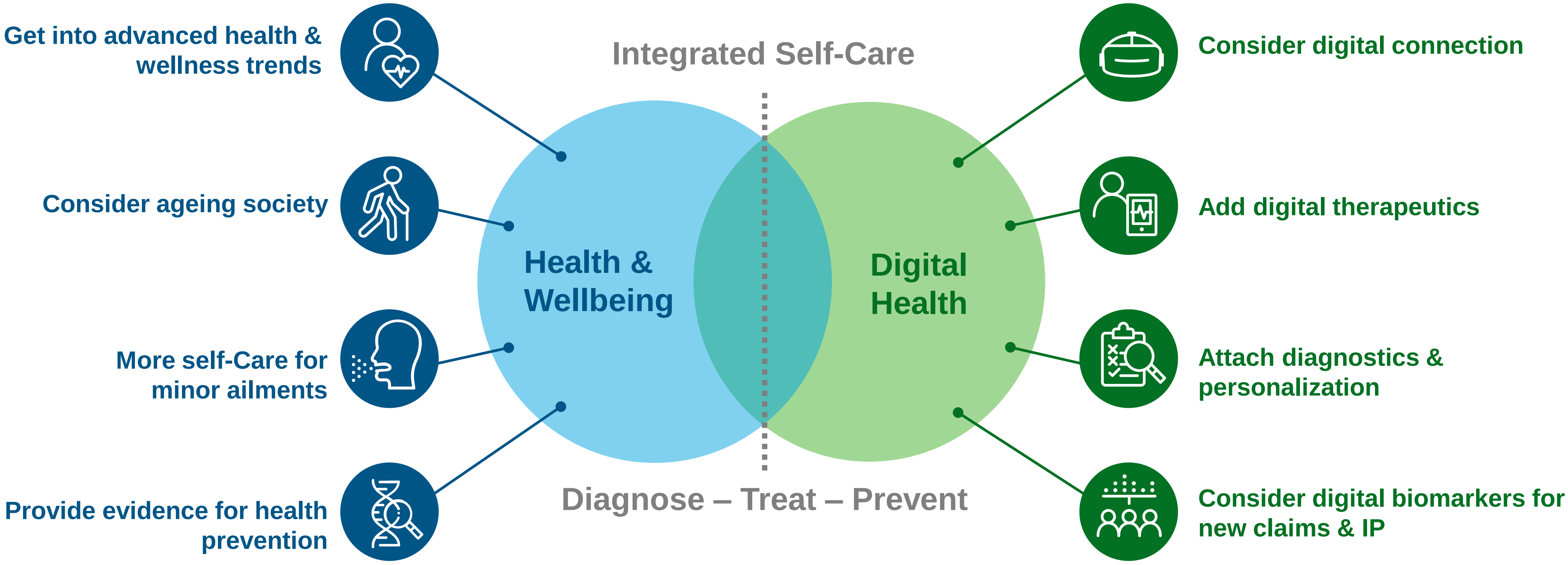
Track
Progress towards individual goals with a personalized quit plan

> It maps your quit journey, offers helpful and supportive tips and tricks and is a great tool for making you feel like you are really achieving your goals, even from the first day of use!
>
> My favorite element of the app is that it shows you how much money you are saving and for me this is a perfect motivator! This product is easily 10/10!
>
> **Consumer: CherryC015**

https://www.nicorette.co.uk/nicorette-quickmist-smarttrack/12052962.html

In CH, the evolution towards self-care demands different R&D approaches and brand strategies

We start to see convergence of classic OTC / Consumer Health approaches with the digital world



Develop integrated self-care to the next level to stay competitive

Nurturing Brand Equity

Key Ingredients for a thriving brand strategy

Sharing four strategic priorities

Marketing Investments

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Sustained Innovation

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Questions being asked of marketers are similar around the world

The challenges facing today's marketers are not uncommon

How to predict sales impact with changes to marketing investment?

How to measure ROI across all tactics in **real time**?

How to make **right marketing investment** allocation decisions?

Where to invest the next dollar for **greatest return**?

How to deliver financial goals with **external landscape** changes?

How do you grow the business with timely decisions, minimal complexity and cost?

Marketing investment decision optimization solution

Synthesis of brand's knowledge estate

- Multiple marketing investments
- Synergistic effects
- Diminishing marginal returns
- Long-term impact
- Risk analysis tied to financial goals

- Outside perspective, leveraging Marketing Elasticity Engine
- Frequent updates to keep up with changing marketplace
- Leverages other brand research and insights

- Software solution drives speed and efficiency
- Focused on driving decisions
- Scalable for multiple brands and portfolio

Case study – Sensodyne Growth from 100Mio to 1Bn+ in 20 years!

Achieving success in a Niche sub-category by leveraging science and core brand strengths

Background

- Sensodyne launched by Block Drug, a Brooklyn company established in 1907
- In 2000, purchased by GSK for $1.2Bn along with several other brands (Sensodyne @$100M sales)

Current State

Category Focus:

- *World Experts in specialist Oral Health*

Consumer Insight:

- 1/3 of global adults complain of sensitivity (TAM: $6Bn)
- Only 30% have condition awareness

Shopper Insight:

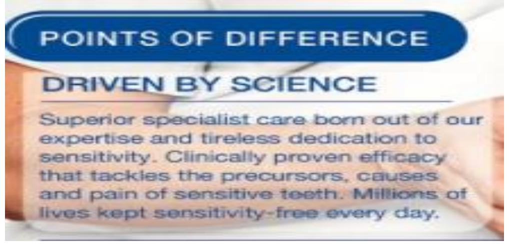
- Oralcare Aisle next to Colgate
- Charge a premium (+10% minimum)

Innovate:

- Science First Innovations only
- One step change every 2 years; incremental innovation every year

Learnings

- Always nurture the ‘core’ of your brand
- HCPs and Science can build brands in CPG as well (not just Pharma)


POINTS OF DIFFERENCE

DRIVEN BY SCIENCE

Superior specialist care born out of our expertise and tireless dedication to sensitivity. Clinically proven efficacy that tackles the precursors, causes and pain of sensitive teeth. Millions of lives kept sensitivity-free every day.

- Keep it SIMPLE

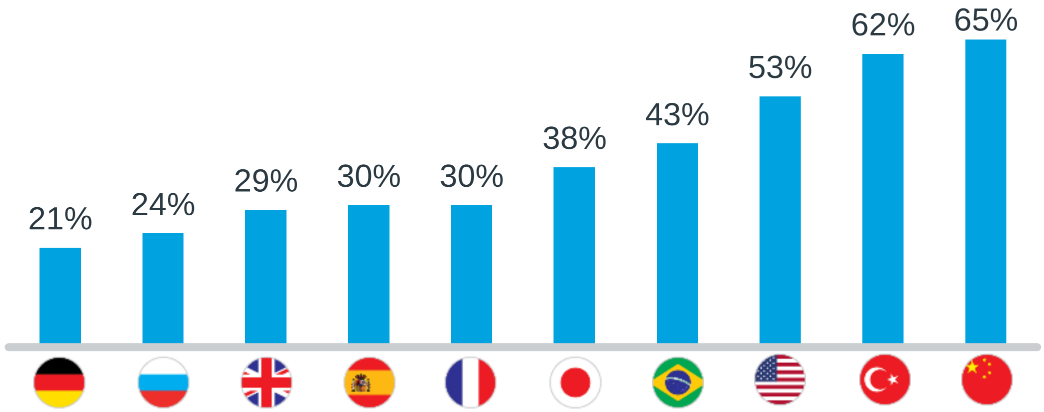
Relentless pursuit of excellence in one segment can deliver market beating returns!

Understanding Digital Shopper Journeys

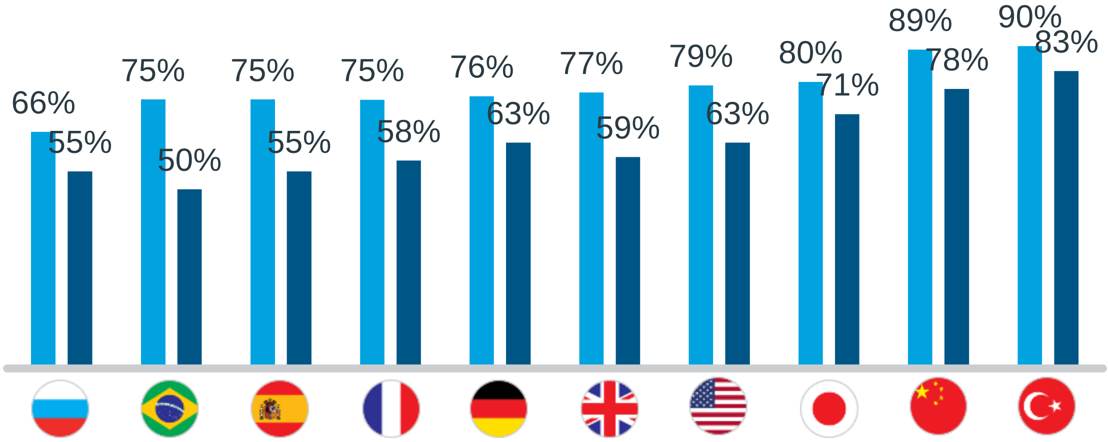
Consumers’ digital lives are becoming more sophisticated

Social Influencers are having a purchasing impact and new ways to interact are taking hold

Percentage of Respondents Across 10 Markets that Purchased a Dermocosmetic Product After Seeing a Social Media Influencer Use and Recommend It



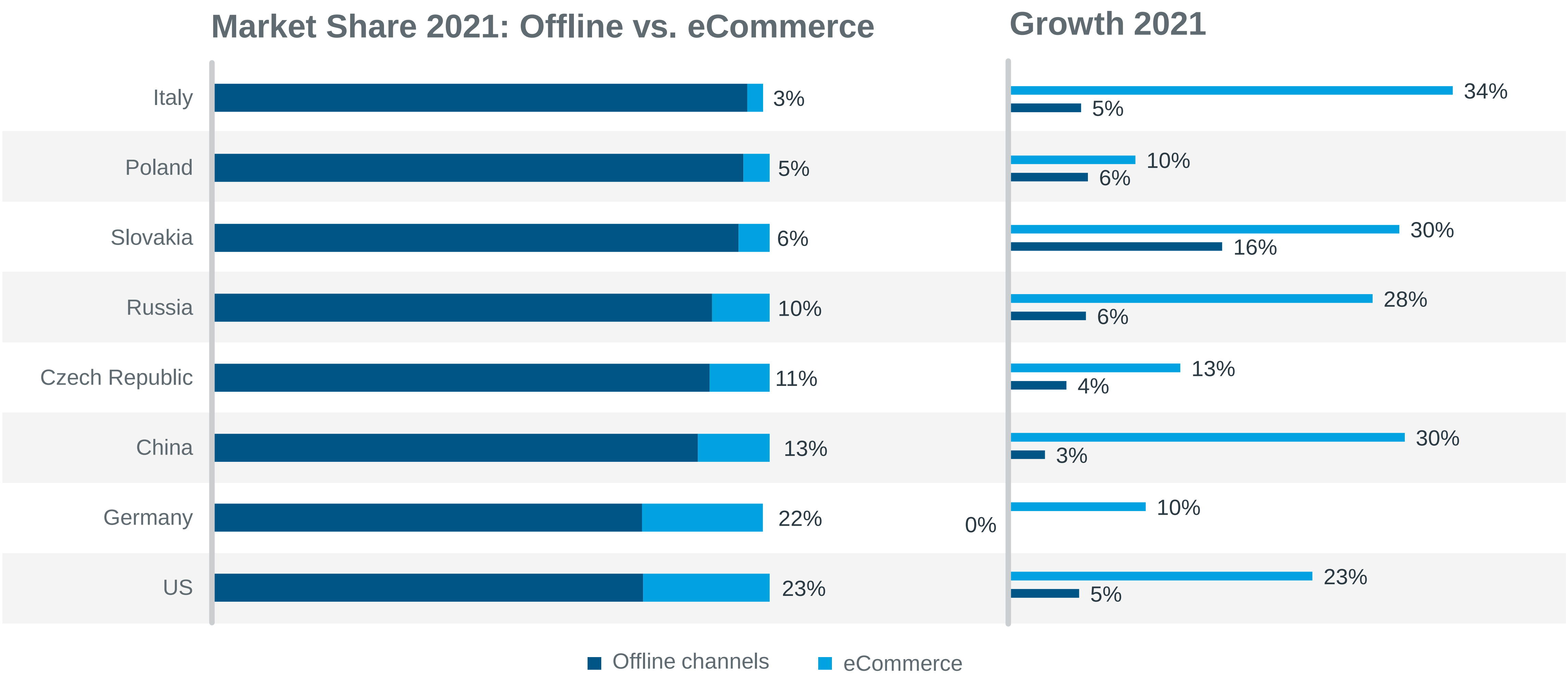
The Percentage of Dermocosmetic Buyers Across 10 Markets That are Comfortable Consulting With Hcps Online, and Consulting With AI Bots



- % comfortable to consult a pharmacist/HCP online or via app when shopping through e-Pharmacy
- % comfortable receiving product and/or condition advice from an AI bot

ePharmacy contributing about 5-10% of the global CH market

Strong growth rates highlight the increasing importance of ePharmacy



Source: IQVIA CH Global and Local data + estimates, Statista, Deloitte, eCommerce companies' news and financial releases, local pharmacy associations

E-commerce shows significant growth and is a major opportunity in consumer health, but…

…fast moving pace and variety of available tools make prioritization and resource allocation decisions challenging

Winning in eCommerce – Priorities for CH Companies

Source: IQVIA internal experts
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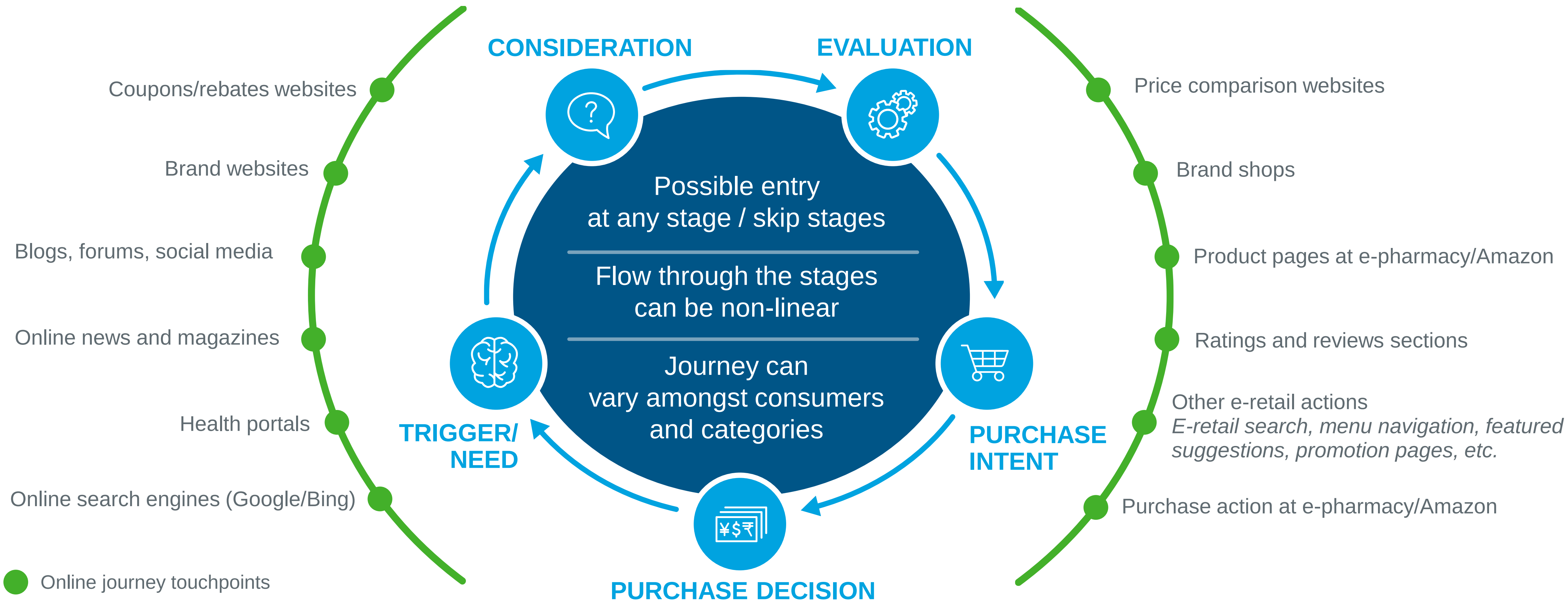
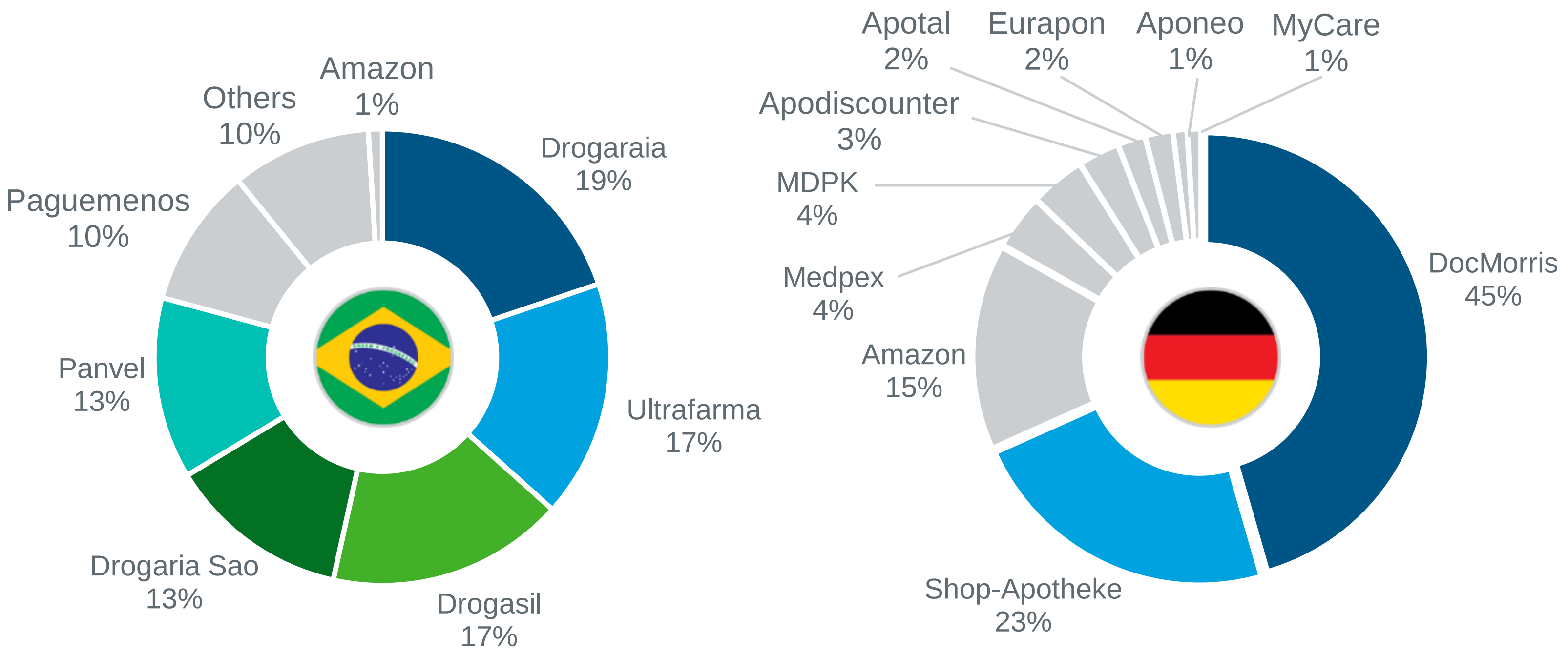
Complex online consumer/shopper journey offer myriads of opportunities to get ahead of the competition



… millions of touchpoint actions throughout a complex consumer journey

Insight: Pain e-commerce category is highly concentrated with few players

Share of Visits to Category Product Page
Top 10 E-Retailers – OTC Pain



FINDINGS

- 5 top eRetailers in BR represent >80% of category visits
- 2 top eRetailers in DE represent >70% of category visits
- AMAZON is still a secondary player in OTC but dominates with alternative products (CBD, devices for pain management e.g. massage, posture…)

RECOMMENDATIONS

Focus investments on relevant local ecom category players

IQVIA offers a “one-stop shop” solution to map your consumer/shopper journey

Cutting-edge behavioural data analysis
Powered by
XTHORIZON

Consumer Health Expertise

Holistic online & offline approach

IQVIA categorization connectivity

The IQVIA advantage

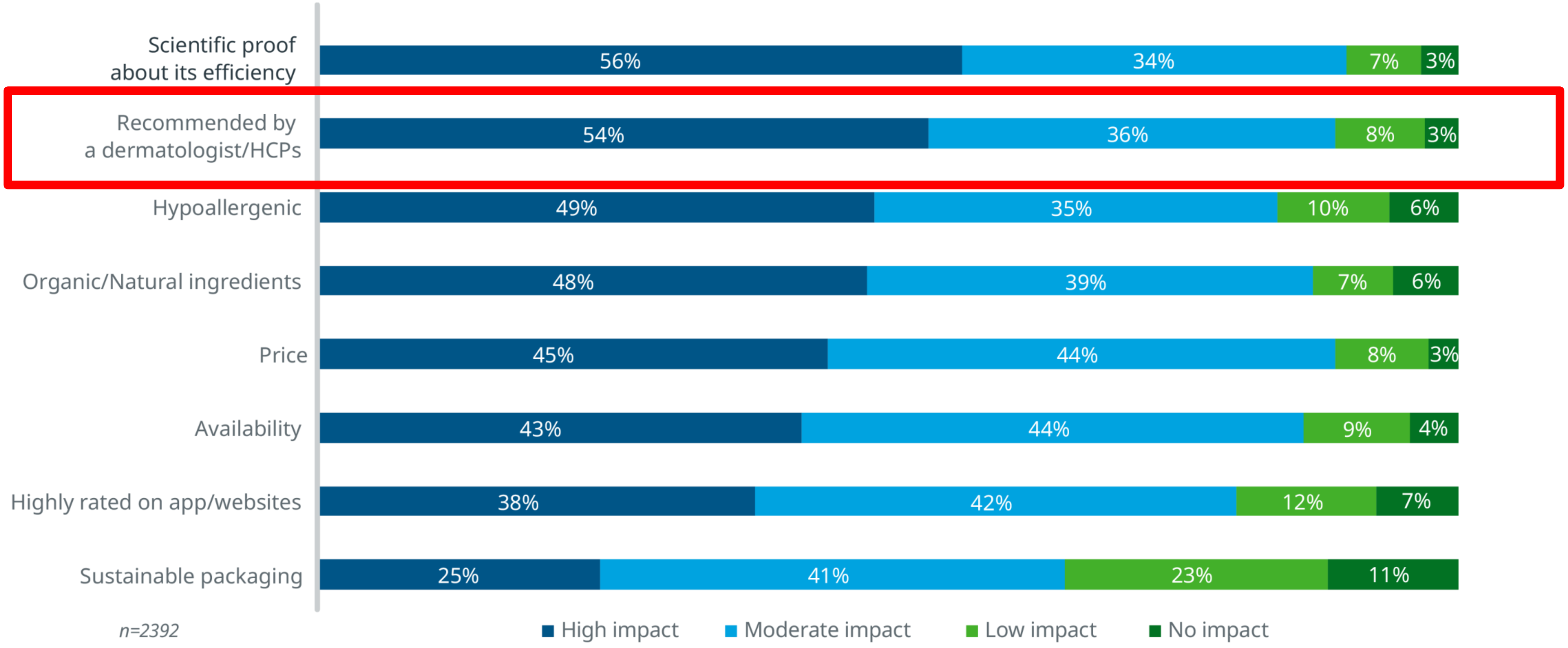
- Seamlessly **link online data** to **IQVIA product categories**
- Provide an **online & offline journey perspective**
- Connect different insights and data sources **into 1 report**
- **Map journey** across **multiple e-retailers**, comparing / contrasting key differences
- Offer a comprehensive view of **e-pharmacies** and **e-commerce players**

Always On –
HCP engagement's new normal

Recommended by an HCP second most impactful factor on purchasing decisions in dermocosmetics

Expert recommendations second only to scientific proof of efficacy

Impact of Parameters on Selecting/Buying Dermo-cosmetic Products



Q22. When selecting a skincare, haircare, or dermo cosmetic product how important for you are the following… [Please rate the impact on your decision to buy - High, Moderate, Low, or no impact]
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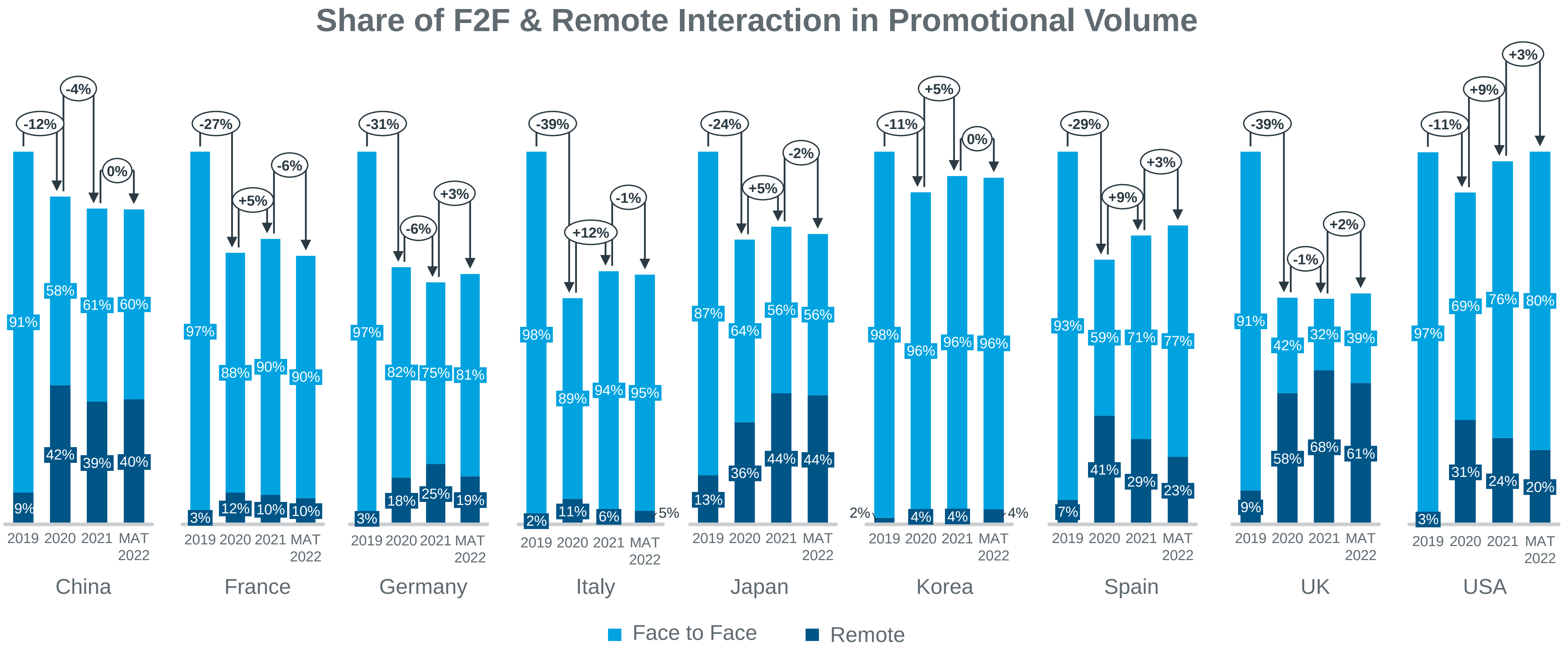
HCP engagement trends

New ways of working with HCPs are emerging; Hybrid is the future

PRE-COVID	POST-COVID
Companies push relationship with HCPs	HCPs moving toward pull relationship
Low adoption of omnichannel	Omnichannel usage has opportunity to expand
HCPs are technology adverse	HCPs embracing technology in their practices
Remote engagement not utilized	Remote engagement is key tool in engagement suite
Traditional engagement expectations	Business Leaders looking externally for assistance

ChannelDynamics: Channel volume trends

Major markets: Full year 2019 vs 2020 vs 2021 and MAT Mar 2022



Source: IQVIA ChannelDynamics, F2F includes F2F detailing and F2F meetings, Remote includes phone detailing, e-detailing (live), e-meetings (live)

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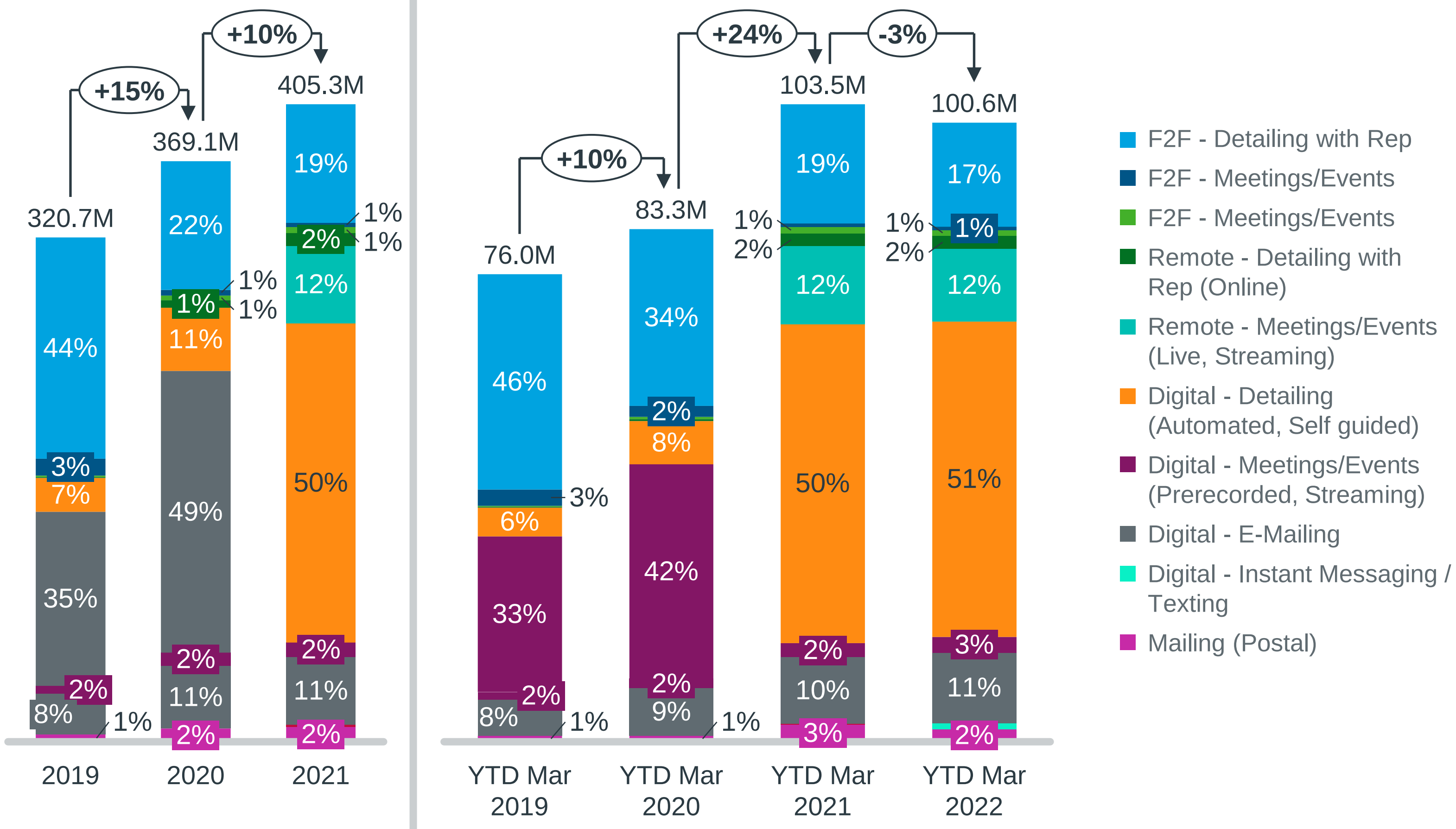
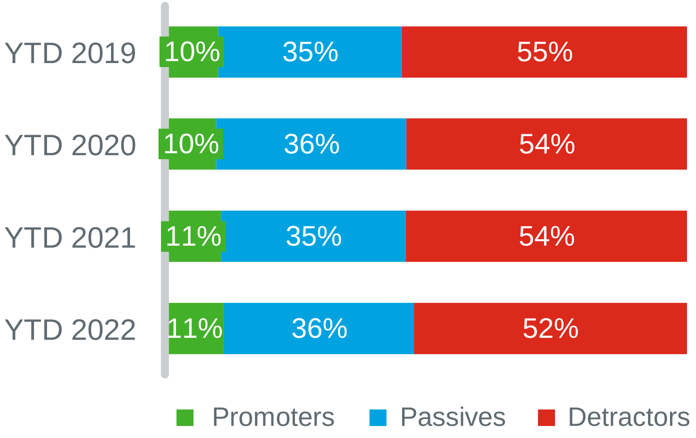
ChannelDynamics: Channel volume and performance trends

Japan: Full year 2019 vs 2020 vs 2021 and Year-to-date trends over 4 years

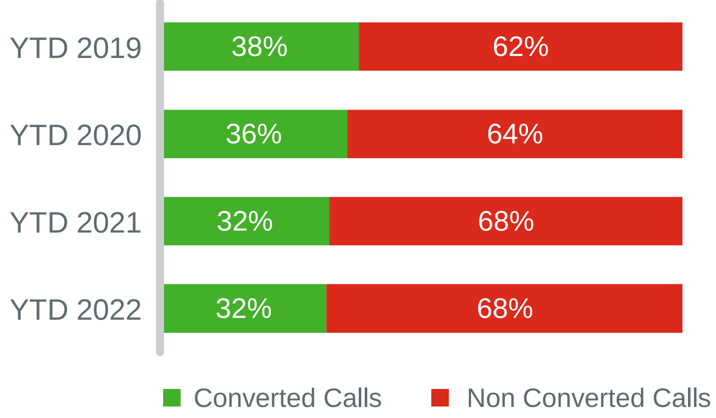
Share of Projected Promotional Volume



NPS Category share



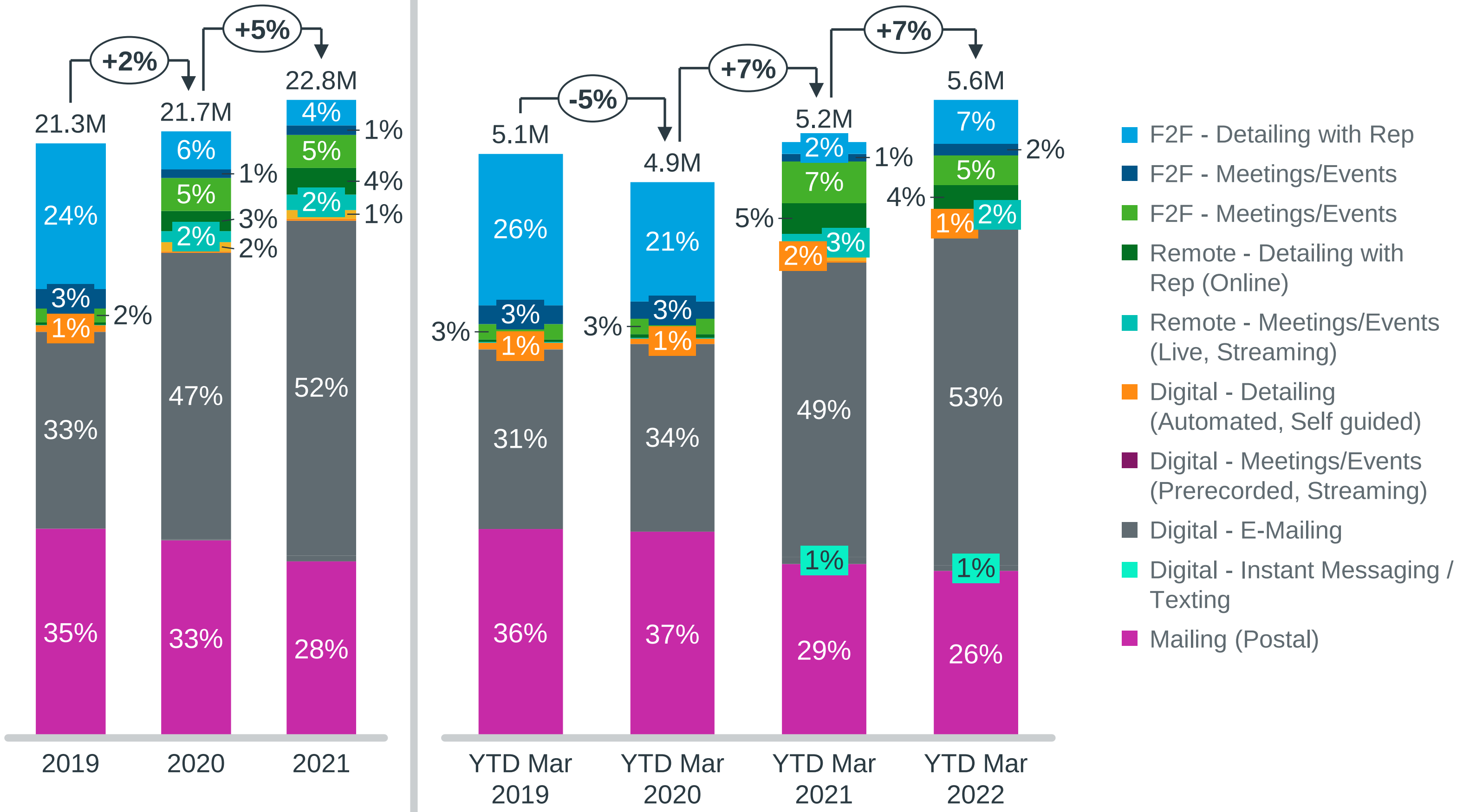
Converted Calls



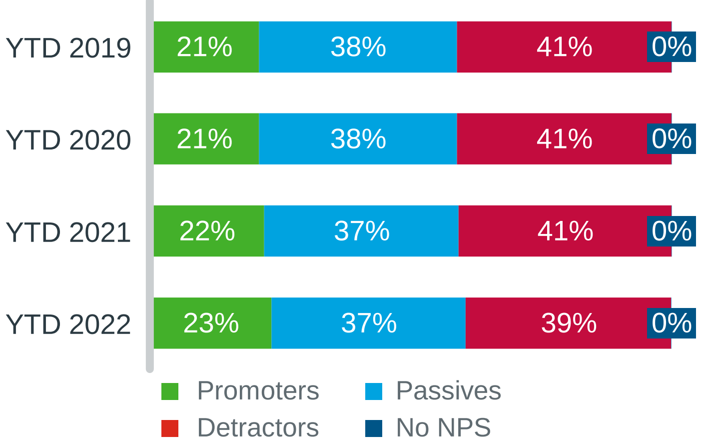
ChannelDynamics: Channel volume and performance trends

UK: Full year 2019 vs 2020 vs 2021 and Year-to-date trends over 4 years

Share of Projected Promotional Volume



NPS Category share



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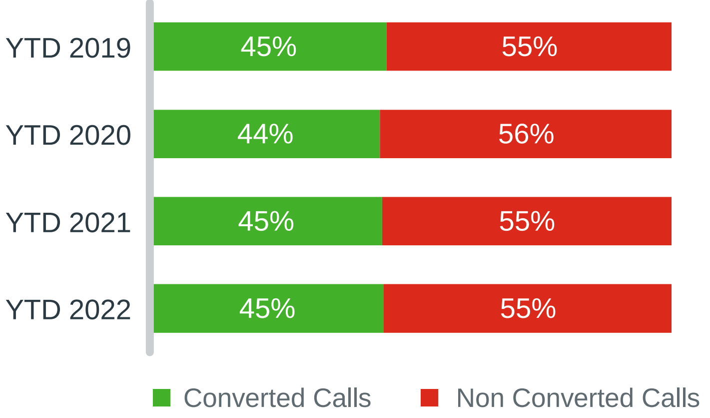

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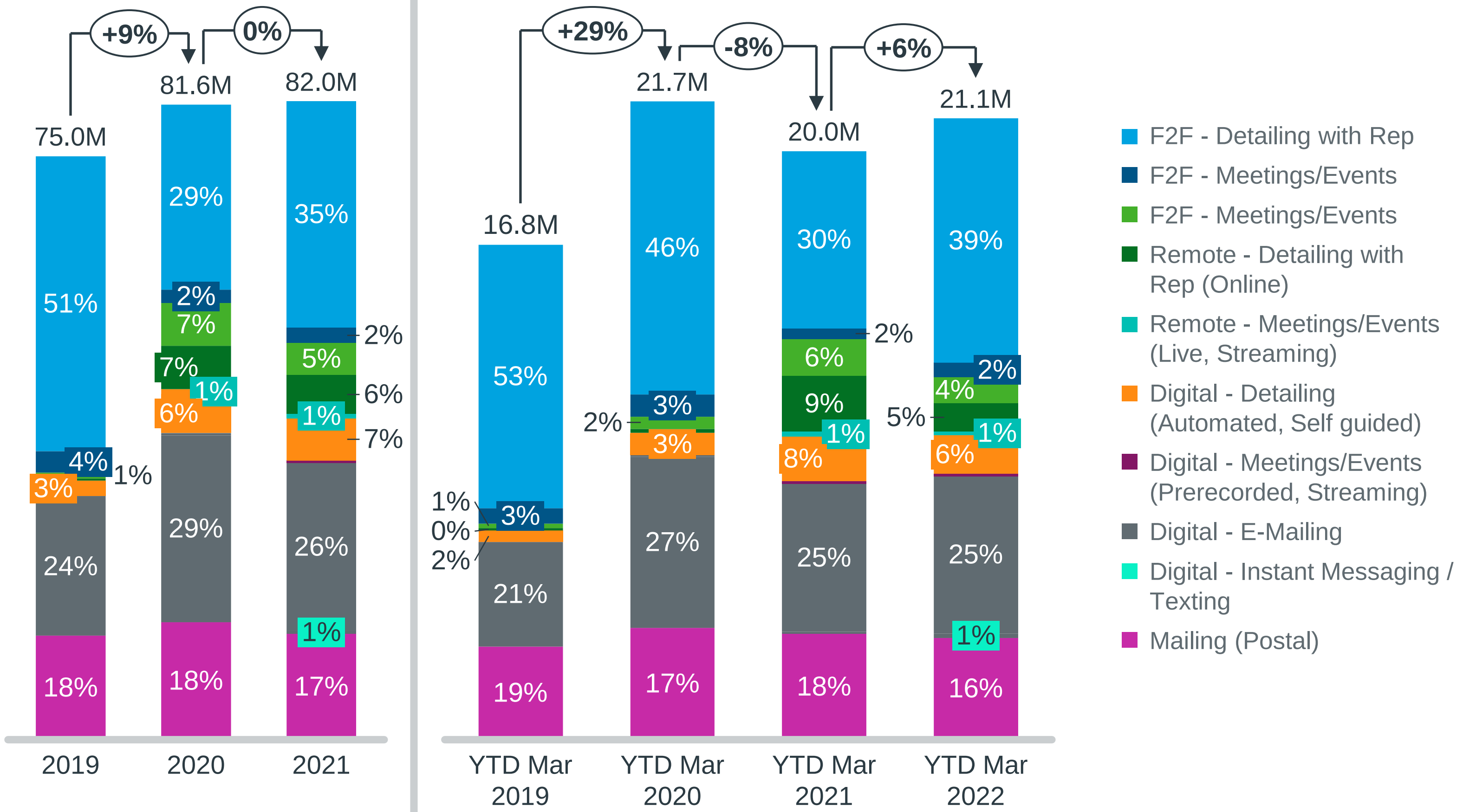
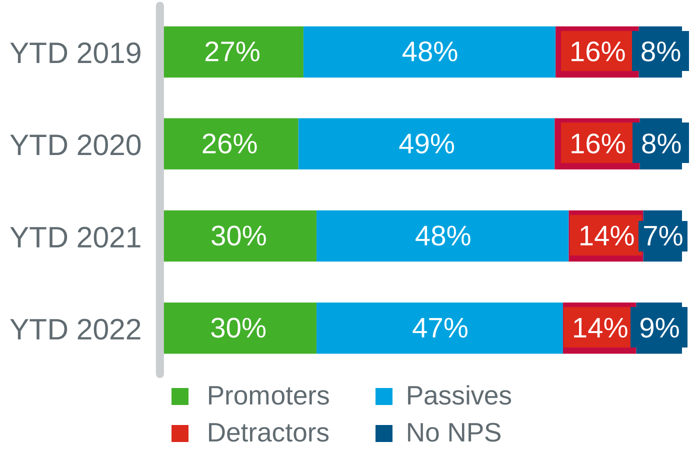
ChannelDynamics: Channel volume and performance trends

USA: Full year 2019 vs 2020 vs 2021 and Year-to-date trends over 4 years

Share of Projected Promotional Volume



NPS Category share



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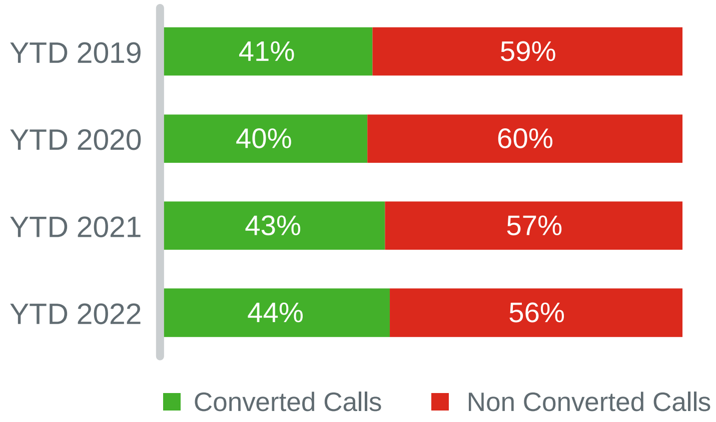
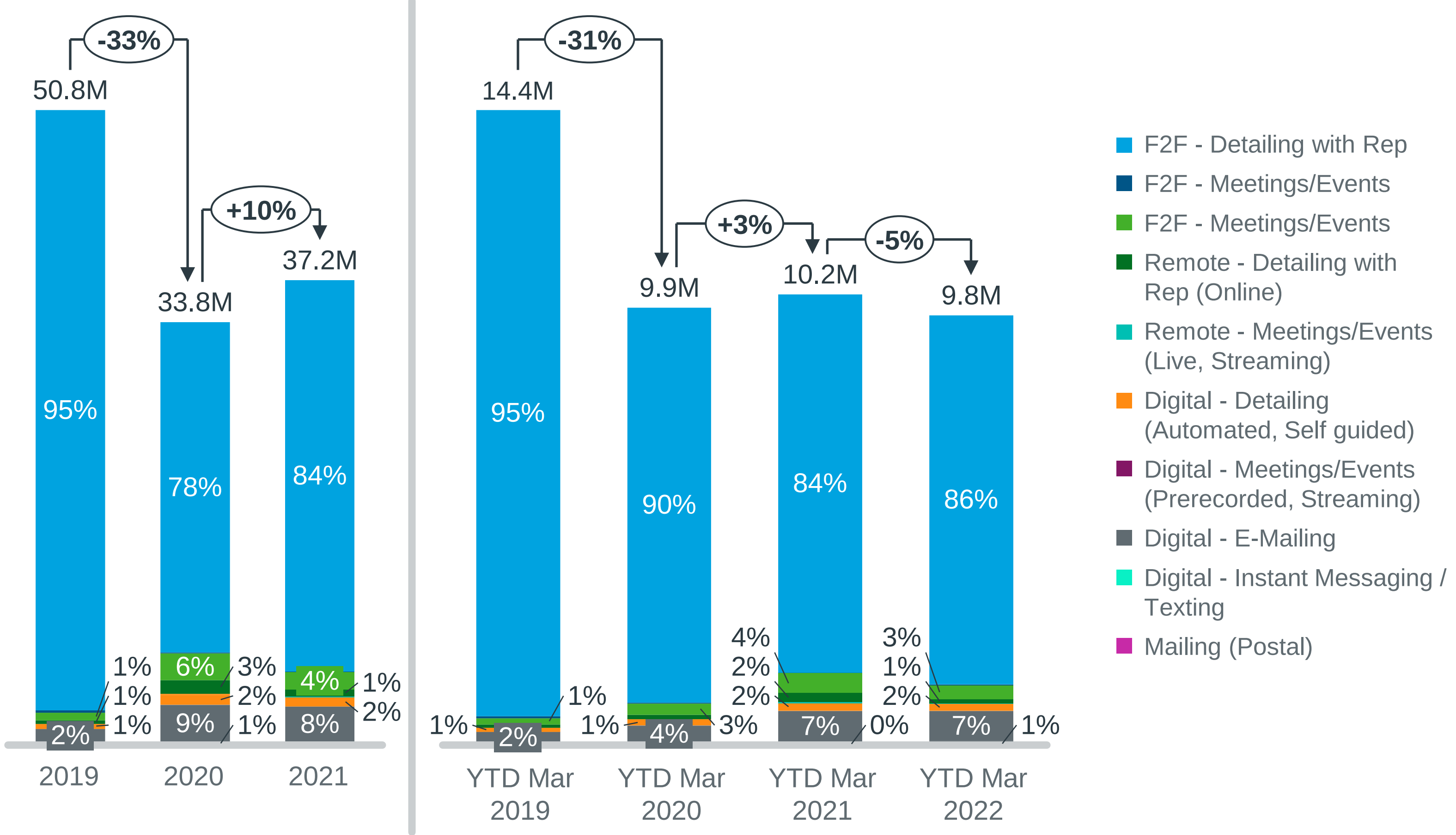


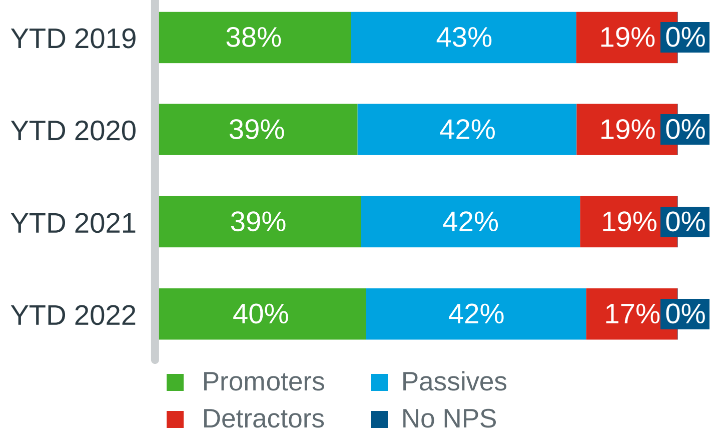
ChannelDynamics: Channel volume and performance trends

Italy: Full year 2019 vs 2020 vs 2021 and Year-to-date trends over 4 years

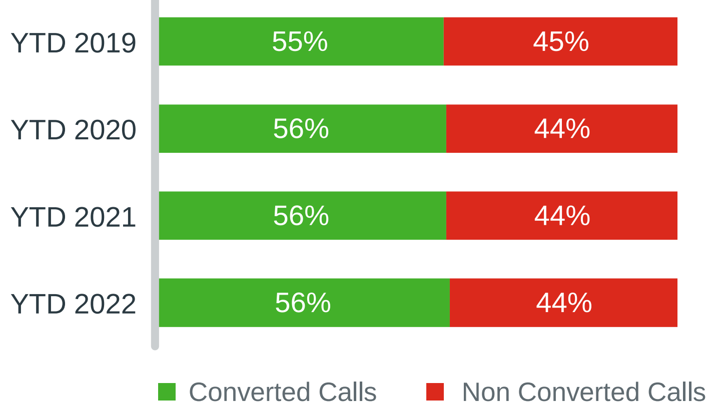
Share of Projected Promotional Volume



NPS Category share



Converted Calls



The Consumer Health Brand Strategy Evolution – IQVIA Consumer Health – June 2022

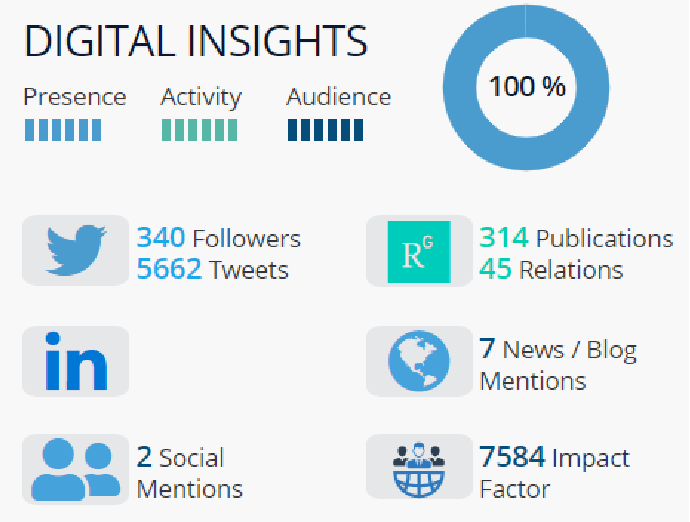
IQVIA CONSUMER HEALTH

OneKey Accelerated Insights driving personalized customer engagement

Combination of Digital Presence, Activity and Audience

Digital insights

Combination of Scientific Presence, Activity and Audience

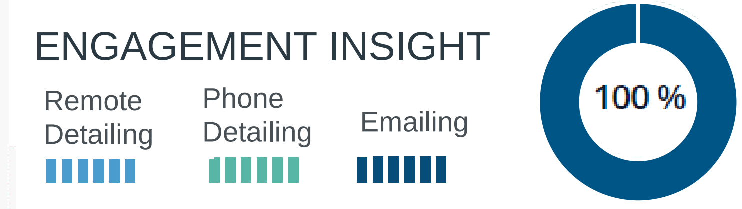


Scientific insights

Engagement insights

Engagement score with identification of HCPs:

- who received **remote detailing** calls
- who received **phone detailing calls**
- who opened **emails**
- **Call pressure**
- **OWA** insights
- **Telemedicine** flag



Proprietary data targets the most effective channel to reach key target HCPs

Field force accessibility and activity

IQVIA CRM/ OK contributors' promotional data
- The biggest Database of UK Pharma filed force activity
- Circa 2M contacts per year aligned to named HCPs

Email accessibility and activity

OneKey permission-based emails
- Database of email addresses
- Additional response/ click through data available

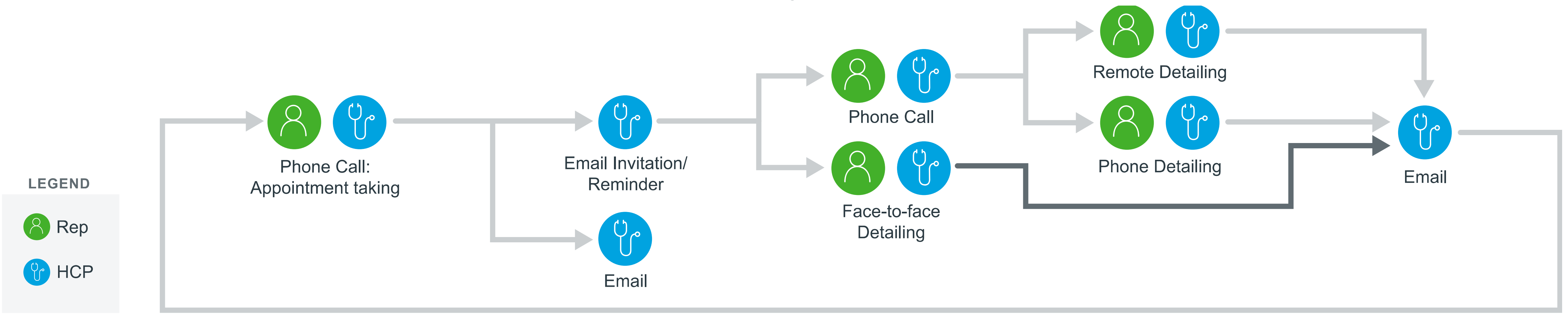
Online accessibility, digital profile & activity

IQVIA internal data and multiple OK contributors
- Collected from multiple internal and external sources
- Social media, OK Digital, OWA, speaker, publication etc.

Direct marketing accessibility and activity

IQVIA syndicated direct marketing (postal) data
- Circa 10M managed activities per year
- Target mailing preferences and mailing stops

#HCPs	A	B	C	D
Face to face	3000	4000	2000	1000
Emailing	1500	2000	1000	500
Remote detailing	600	800	400	200
Phone detailing	1000	1300	700	300



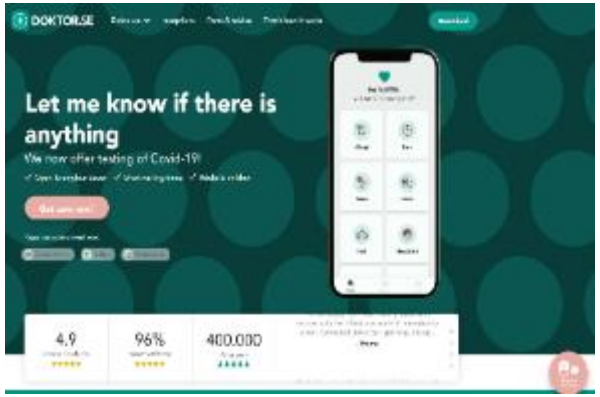
The different business models move towards each other and extend scope to create OMO experience for consumer

Online Merging Offline will blur borders between channels

e-Pharmacies

Independent pharmacies & chains

Wholesalers



Key Takeaways

Key ingredients for a thriving brand strategy

Four strategic priorities when building a brand strategy

Marketing Investments

- Appropriate balance across different media channels
- Tracking ROI on investments

Sustained Innovation

- Keeping the brand fresh in consumer's mind
- Innovating at different levels – product, commercial and RTM

Consumer/Shopper behaviours

- Complex consumer/shoppers
- Browsing and buying across channels

Activate across channels

- HCP vs. POS vs. D2C
- Targeting and segmentation key influencers

Q+A

Thank You – Please complete the survey and contact us for more information!

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