

Brand management

Branding alert for OTC brands? Why awareness is becoming more important

Traditionally, many OTC brands find their way to consumers with the help of recommendations from pharmacies and doctors' surgeries. However, people are increasingly buying their health products independently without advice in drugstores and supermarkets or online. As a result, brand awareness, memorability and association with health issues are becoming more strategically relevant in OTC marketing.

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For a long time, the pharmacy trade with over-the-counter products for health care was considered a special market segment. With the growth of online specialist retailers and the expansion of drugstore and discounter product ranges to include food supplements and other health-related products, there is more movement in the segment: outside the pharmacy, OTC brands need to be less recommended by staff, but all the better discovered and remembered by end consumers.

Brick-and-mortar pharmacies are not dying out despite increasing digitalisation. Nevertheless, faster availability of over-the-counter medicines via online mail order means that direct-to-the-customer measures for OTC products will become increasingly important in the future. If an OTC brand does not "brand" itself to the consumer, it will find it very difficult to make itself recognisable as a potential problem solver in complaint contexts. Differentiation from low-priced options is also unlikely to be possible in the absence of awareness or unclear branding.

Fast codes are the goal

In order to increase awareness and build up mental availability, a communicative approach is indispensable.

The use of digital communication is increasingly taking centre stage and assuming a leading role. It is important to consider the different effects on call-to-actions and actual late purchases. Nonetheless, continuous communication and brand maintenance are necessary in order to convey brand products to consumers in a valuable way. A brand "without images in the mind" is basically not a brand at all.

The prerequisite for a self-initiated purchase of brands - without the support of a pharmacist or without additional reading aids - is unaided or aided brand awareness in the respective indication environment. Positive image values in the brand status are not wrong either, but they are not always decisive for whether brands are relevant for people in everyday situations and are purchased. Today, it is much more important that consumers think of a brand or product in certain situations than the question of how much and to what depth they know about this brand. Thinking about brands in everyday life requires simple signalling codes that can be called up quickly and offer a better solution than alternatives in specific situations. Memorised brand assets make it easier for consumers to make decisions. Such brand assets can be, for example, colour codes, lettering, logos, claims or packaging.

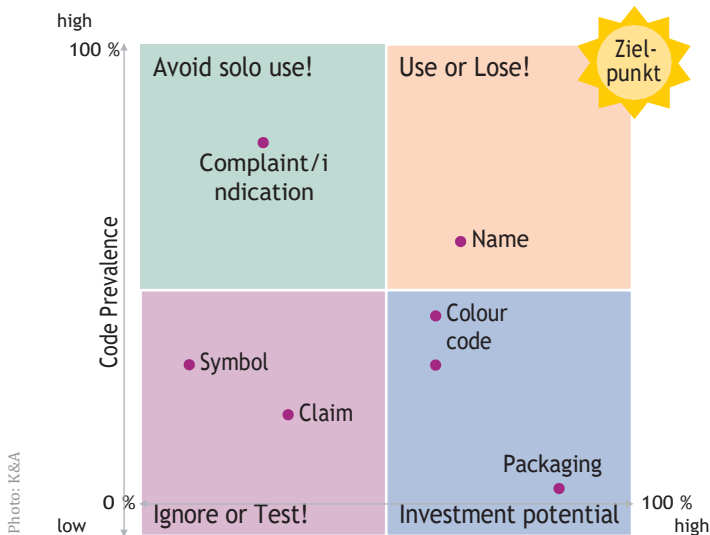
Packaging plays a particularly important role in codifying brands, especially for products in the pharmacy sector. From the world of brands, the Nutella jar, the Toblerone triangles, the Coca-Cola design bag, the Red Bull can, the Ritter Sport square, the Pringles roll, the red Mon Chéri chocolates or the WC duck all have strong packaging codes. There are also brands of OTC products that differentiate themselves through their packaging design alone: The Eucerin pharmacy cosmetics range, the blue Orthomol packs, the orange Voltaren packs with the jumping man, and others.

Unfortunately, only a few brands have strong branding. According to marketing professor Jenni Romaniuk from the Ehrenberg-Bass Institute, a brand is only strongly branded when consumers can clearly assign brand assets only to their own brand and distinguish it from competitors.

Consistent branding is still handled too late in the brand management strategies of pharmaceutical manufacturers. Brand strategy considerations are all the more important if a branded product is to generate lasting demand - regardless of price discounts.

The bottom line is that there are too few market examples that have the necessary distinctive characteristics for successful market management.

Fig. 1
DISTINCTIVE BRAND ASSETS FOR AN OTC BRAND



A brand is only strongly branded when consumers can clearly recognise the brand assets, as illustrated by a model

brand assets for themselves. Without clear branding, such brand constructs are more likely to be interpreted as "fake brands".

Dilution of brand identities in the absence of brand signals also increases interchangeability: if consumers perceive little difference in quality or contextual benefit, if the brand design provides hardly any memorabilia and if there are no recommendations from those affected or from the brand owner.

medical professionals, the price is ultimately the deciding factor.

Example: The OTC segment of intestinal health

The situation is somewhat different with OTC purchases than with fast-moving consumer goods, as the reason for taking the product is usually associated with discomfort. The selected OTC product acts as a problem solver - which contributes to a positive feeling in the event of an effect. In addition, with OTC the problem solver in "problem times" is an important companion in everyday life during the reduction in symptoms. After recovery, however, many OTC products are quickly forgotten. The context therefore plays a role.

Xeomed and K&A BrandResearch conducted a joint in-house study on 'Branding for digestive complaints' in order to gain an insight into how consumers orientate themselves according to indication in order to find suitable products, therapies or brands for their specific needs in the over-the-counter pharmacy market.

As part of a four-week online survey, played out on the industry-specific advice pages of

Xeomed, the focus was on complaints in general - frequency and intensity - and the participants' approaches to solving them, as well as specifically on five gastrointestinal products and brand or product awareness, purchasing and recommendation behaviour.

One key learning: brand awareness can still be greatly improved. The unsupported awareness of Iberogast and Buscopan is highest among social media activists affected by gastrointestinal complaints (see Fig. 2). Consequently, the laws of Byron Sharp are fully applicable to OTC marketing: Those who are hardly known as

brand, is spontaneously placed in the relevant situations are hardly remembered or not remembered at all.

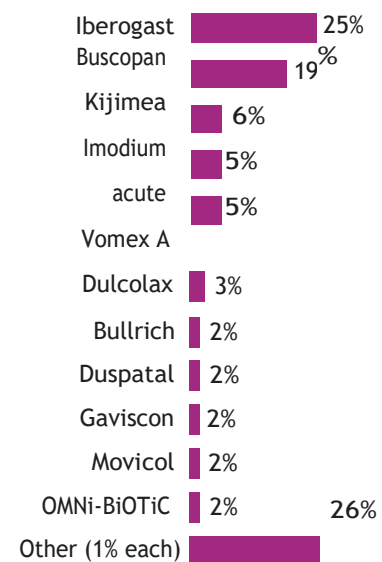
If you are not very well known, you will also struggle in branding and communication.

Unfortunately Only a few brands have distinctive branding.

cation of its product benefits and benefits.

Whoever is known and more strongly remembered in the gastrointestinal segment dominates the overall segment, the application areas and mental availability.

Fig. 2
UNAIDED AWARENESS OF OTC BRANDS FOR GUT HEALTH

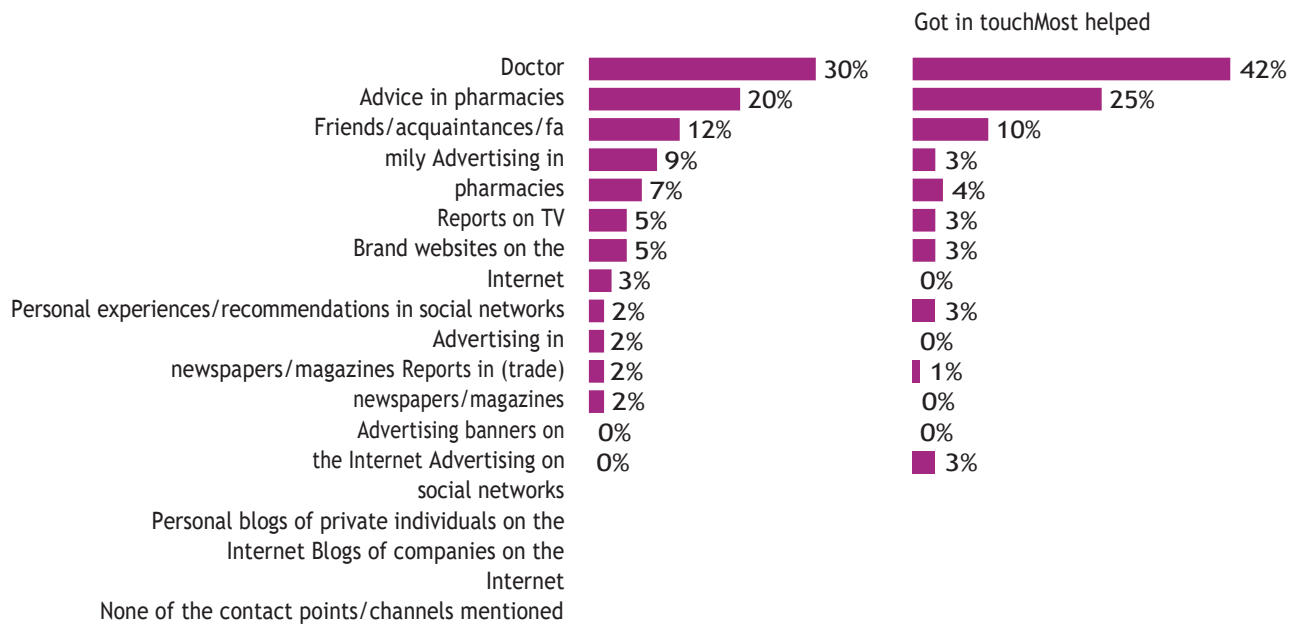


Source: K&A Brand Research's own calculations, basis: Xeomed gastrointestinal study from June 2023, n=339, Figure © Healthcare Marketing 2023

As examples from the OTC intestinal health segment show, few brands apart from the frontrunners have a strong unsupported brand awareness

Fig. 3

RECALLED CONTACT POINTS FOR MEDICINAL PRODUCTS FOR THE GASTROINTESTINAL TRACT



Source: K&A Brand Research's own calculations, basis: Xeomed gastrointestinal study from June 2023, n=339, Figure © Healthcare Marketing 2023

According to Xeomed and K&A BrandResearch's own study on 'Branding for digestive complaints', helpful touchpoints from the consumer's point of view are primarily referrers such as doctors, pharmacists and acquaintances

The challenge outlined above may not yet be too painful a problem for most OTC brands, as there are still consumers who obtain information from pharmacies or doctors' surgeries. However, most consumers now obtain their information online. There is no discernible difference in user behaviour by age: 94 percent of over 16-year-olds are now online, where they search for information independently. However, the first purchase is still most likely to be made at the local pharmacy. The contact points doctor and pharmacy have also - The online touchpoints still have a stronger effect on medication reminders than online touchpoints (see Fig. 3).

The main contexts for the purchase and preference of OTC brands for the prevention of bowel and stomach complaints are previous (positive) experiences with medication and recommendations from those affected or people with medical knowledge. In the case of common ailments or widespread diseases, it is irrelevant for medicine buyers whether they are actually dealing with experts such as doctors or pharmacists during the information search or with laypeople - other sufferers - or artificial intelligence. In addition, specific symptoms or ailments provide faster access to the attention of those affected. Other factors for improved brand selection are easy-to-remember

Information on efficacy profiles - such as strength, side effects -, everyday simplifications, ingredients such as plant extracts or similar, as well as specific mechanisms of action.

Identify starting points

As there is little branding for most OTC products in the gastrointestinal environment and the advertising is also relatively unspecific, it can be predicted that they will be quickly forgotten after the intake phase. However, a consistent reminder culture for OTC brands is needed in order to be better mentally anchored outside of over-the-counter pharmacy distribution in the future.

The best way to achieve this is through the targeted adjustment of key contexts, touchpoints and memorable brand assets. In order to position the brand contextually and make it visible, it must be embedded in the consumer's OTC journey. For this to succeed, the needs and questions of the target group as well as their behaviour and touchpoints must be known. The key questions from the patient's perspective are: What do I have? What does this mean for me? What can I do about it? The signalling codes, brand assets and USPs of the brand must be integrated into this journey in relation to the respective context. Because context creates relevance for the consumer.



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