Entry strategies for the German OTC market

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To create an OTC market access strategy for Germany, several areas have to be taken care of

1. **The right product in the right categories for the consumer**
2. **The channel dynamics, selection and consequences**
3. **Your expected investments in channels and media**
4. **The return on investment you can expect**

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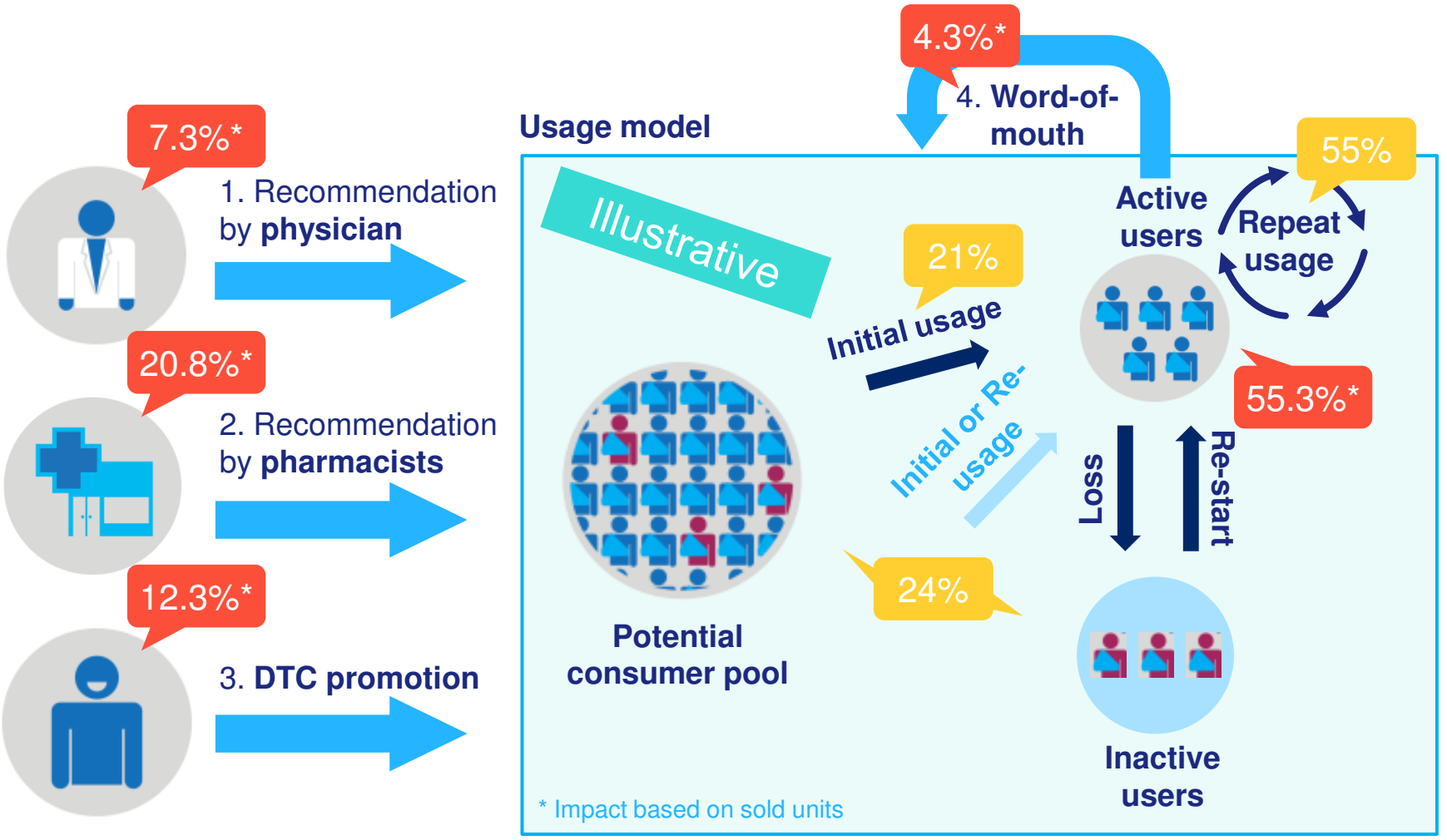
Understanding the Consumer Dynamics in the German OTC market is essential to pull the strings



Source: IMS Health; Client/GfK data (MAT 12/2014)

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Different categories have different dynamics in different channels but all require new and innovative products

OTC Group	Sales in m€	Share of sales Store vs mail order	Store +/-% € vs. prev. year	Mail Order +/-% € vs. prev. year
OTCGMS Total Market	**7,533**	**87%** – **13%**	**1,3**	**11,3**
01 HUST.+ERKAELT.MITT/ATEMW.	1,632	91% – 9%	-5,3	3,2
02 SCHMERZMITT+MUSKEL/GELENK	1,220	86% – 14%	3,1	10,1
03 PRAEP.F.D.VERDAUUNGSTRAKT	1,055	89% – 11%	5,9	17,7
04 VITAM/MINERALST/NAHR.ERG.	811	86% – 14%	2,1	15,9
06 HAUTMITTEL	716	90% – 10%	1,8	10,9
10 HERZ- U. KREISLAUFMITTEL	499	81% – 19%	-0,8	3,1
07 AUGENPRAEPARATE	325	87% – 13%	4,1	14,6
12 MITT.BLASE+FORTPFL.ORGANE	287	83% – 17%	3,9	14,4
13 BERUH+SCHLAFM+STIMM.AUFH	249	85% – 15%	7,5	18,8
18 VERSCHIEDENES	230	85% – 15%	6,6	10,2
05 TONIKA/GERIATR/MELISS/IMM	173	81% – 19%	-5,2	9,8
09 MUND- UND ZAHNBEHANDLUNG	92	93% – 7%	2,7	7,2
11 MITTEL GEGEN UEBELKEIT	70	93% – 7%	17,6	34,6
17 ENTWOEHNUNGSMITTEL	53	80% – 20%	17,1	35,9
14 PROD.Z.GEWICHTSABNAHME	51	64% – 36%	6,8	22,8
97 ALLE AND.NI.KLASS.PRAEP.	39	95% – 5%	7,5	28,5
08 OHRENPRAEPARATE	30	90% – 10%	8,6	65,0

Quelle: IMS® OTC Report / GMS off-take, figures of full year 2014 at sell-out prices

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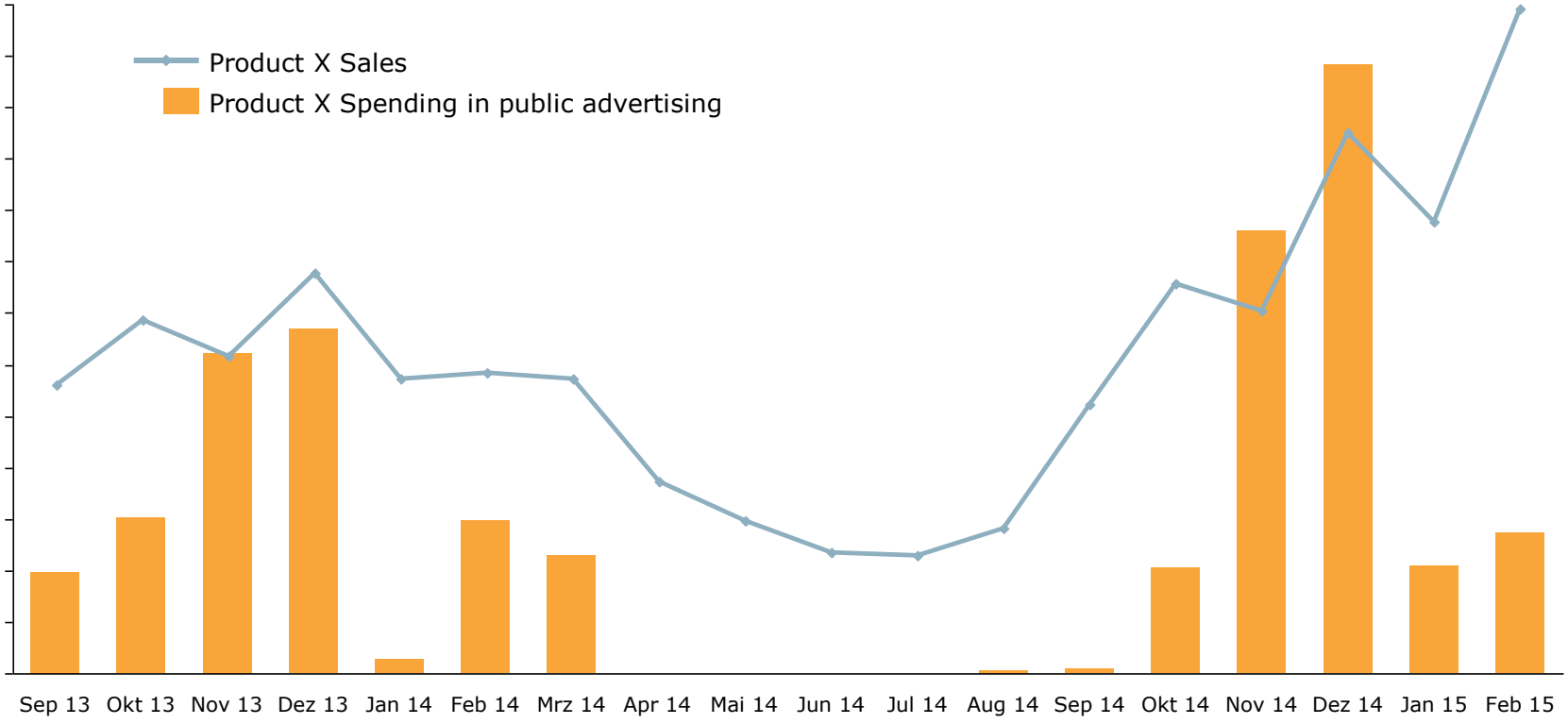
Some markets require heavy spending on public advertising and it might be helpful to think about alternatives like PR

The graph compares gross advertising spending of a cough & cold product with pharmacy sell-out, which is typically at double the ex-manufacturer price



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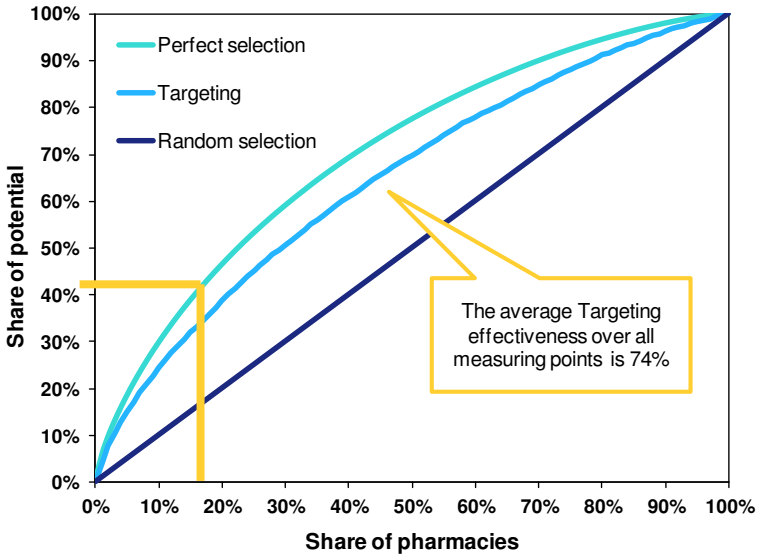
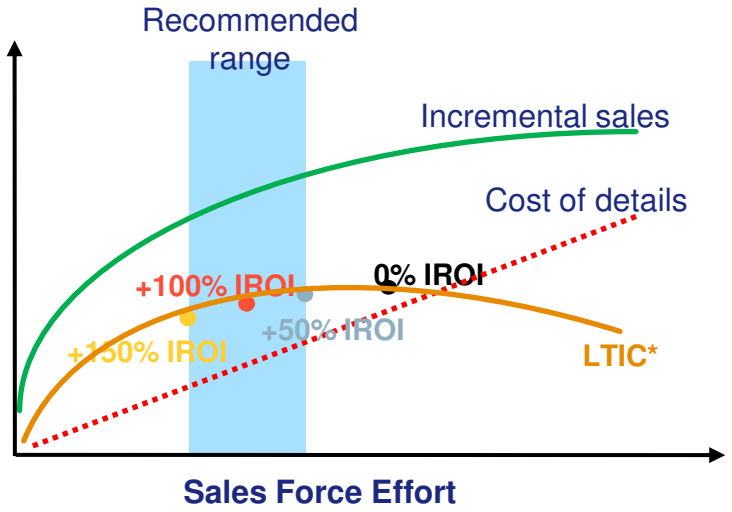
If pharmacy is your target, you will need the right sales structure and instruments to access this channel

- Sales forecast
- Understand your consumers and get the right message to them
- Find the right distribution partner and/or right size the sales force
- Target the right pharmacies
- Get a complete concept and package for the pharmacy
- Incentivise your teams and partners
- Review your success





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