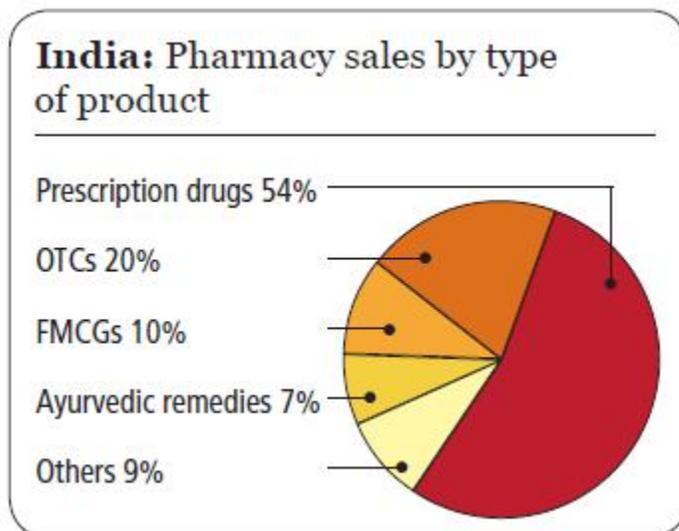


## A brief snapshot of the COMPASS study

### COMPASS: pointing increasing role of pharmacists

- Pharmacists often recommend OTCs
- More consumers self-medicating

Many pharmacists feel very comfortable recommending OTCs to consumers and believe that there is no role for a doctor in this area. Therefore, it is important for marketers to understand how pharmacists feel about OTC medicines and learn how they can improve their relationship with them in order to grow sales. Consumers are increasingly self-medicating for minor ailments so COMPASS – research for which was carried out in January and February 2010 – was created to find out what happens at the pharmacy in terms of discussions between pharmacists and consumers and how recommendations are made on OTC medicines.



### Some Pharmacy facts

- The average pharmacy has an annual turnover of Rs400,000 (US\$8,791) with chains slightly more lucrative at Rs500,000+ (US\$10,989+)
- More than 70% of pharmacists are graduates
- The average pharmacy size is 180sq ft
- The average age of a pharmacist is 36
- Around one-third of all pharmacies have manual billing system; 70% computerised in chain stores

### Pharmacists would like to see more OTCs

- OTCs viewed as growth-drivers
- Discounting and brand substitution common

Around 20% of pharmacists' turnover is generated by OTCs and they view this type of medicine as a growth driver so want more to be launched or switched and would also like to see more advertising. Pharmacists also want OTCs to remain pharmacy-only and believe that they are reasonably priced. However, 45% admit that they offer discounts to consumers, with huge variations by region – over 95% do so in Hyderabad and but the figure is around just 5% in Pune.

Pharmacists also believe that OTCs are not as effective as Rx drugs but rationalise this idea because OTCs are for minor ailments. Counterfeiting is also a concern as pharmacists think this is more likely to happen with OTCs. Around 50% of the 35% of consumers who have a prescription still ask the pharmacist for advice on what medicine they should use, demonstrating the trust that consumers place in pharmacists. As pharmacists are trusted and feel comfortable recommending OTCs, they often substitute the prescribed brand with another brand, based on price and promotions offered by the marketer. Around 75% of pharmacists seek information from consumers such as age, gender of sufferer and duration of the ailment before giving advice and they refrain from making recommendations if the consumer has multiple symptoms or is a new customer.

#### **Pharmacists want increased co-operation with the marketers**

- Better relationships with marketers desired
- J&J and Emami offer good incentives

Pharmacists want their relationships with marketers to improve via frequent meetings and being given the chance to participate in loyalty programmes. In-store sampling and incentives are also high on pharmacists' wish lists.

Dabur – India's No.1 OTC marketer, according to **DB6 2010** – is seen by pharmacists as the strongest player in India's OTC market owing, in part, to frequent advertising. Paras is another popular player while J&J and Emami are perceived as being the most active in offering incentives and promotional schemes to pharmacists. Pfizer's reps are considered to be knowledgeable and P&G salespersons are thought of as cordial while Ranbaxy's team stand out as being attentive to pharmacists' needs.

#### **Consumers increasingly seek pharmacists' advice**

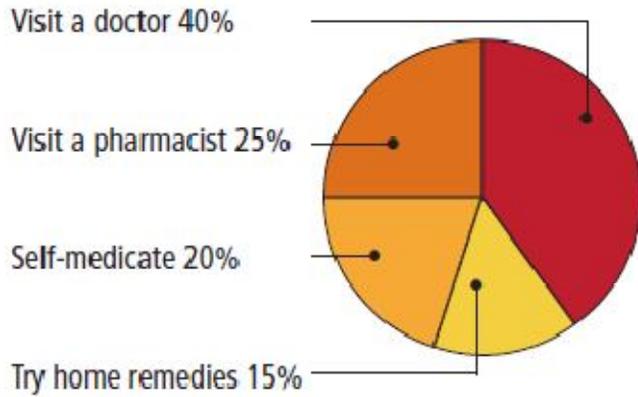
- Consumers spend more at weekends
- Brand and expiry date important

The COMPASS research also delved into consumer behaviour and found that more men visit pharmacies than women with the average shopper age 30-40.

The most popular time of day to visit a pharmacy is 6pm-9pm with weekend visits more lucrative and more frequent per day compared to weekdays.

In contrast to pharmacists who are most concerned with which company markets which medicine, consumers are most interested in the brand and its expiry date, followed by dosage, relief and price. However, this varies by region with consumers in Mumbai very brand conscious, those in Bangalore most interested in the best way to relieve their ailment and pricing at the forefront of consumers' minds in Pune.

### **India: Consumers' first response after onset of minor ailment**



#### **Need for a collaboration between Marketers and retailer**

The OTC category-by-category analysis reveals a strong correlation between brands that pharmacists are most aware of and brands that top category sales. This, combined with the fact that brand substitution and recommendations by pharmacists are so common, demonstrates the importance of marketers nurturing their relationships with pharmacists in order for OTC sales to continue to grow in India.