



A lack of support from doctors, coupled with the rising influence of private-label products, plus a slow start to the cough and cold season, made the Netherlands a tough place to play for OTC firms in 2017. Matt Stewart takes a look at the latest data from IQVIA and Neprofarm.

Dutch market stutters in 2017

“Consumers in the Netherlands are not sufficiently stimulated by general practitioners (GPs) to take care of their own health by using OTC products,” is the assessment of Bernard Mauritz, director of Neprofarm, the Dutch industry association, after 2017 value sales of OTC medicines, health products and medical devices in the country edged up by just 1.4% to €730 million.

Noting that a number of factors – including a “poor” start to the cough and cold season – had impacted growth in the Netherlands, Mauritz told *OTC bulletin* that still nearly a fifth of all doctor visits in the country were for a minor ailment and too few doctors were giving patients the advice they needed to take care of the problem the next time it occurred.

“If GPs would advise patients to buy an OTC product, instead of prescribing a prescription-only treatment,” he insisted, “patients would become more self-reliant and could save the doctor’s time the next time the patient or one of his or her relatives suffered from a similar minor illness.”

Mauritz made his comments shortly after a survey showed that despite Dutch GPs agreeing with the need to advise patients when they can self-care, too many were still prescribing medicines for minor ailments (*OTC bulletin*, 2 March 2018, page 9).

Quoting data from Duursma Healthcare Research’s annual Huisartsen Omnibus survey of around 200 GPs, Neprofarm

said that 89.5% of doctors fully or partially agreed that, when appropriate, they should offer self-care advice rather than prescribe a medicine.

However, the survey also showed, the association pointed out, that in 20% of minor ailment cases doctors were presented with, a medicine was still prescribed.

Asked why they prescribed a medicine despite the patient being able to treat themselves, the survey found that in 21.7% of the cases it was because the patient had explicitly asked for a prescription, Neprofarm pointed out, and in another 30% of cases it was so the patient could have the cost reimbursed through their insurance.

This lack of advice on self-care from GPs – despite the majority thinking helping patients take better care of themselves was a good thing – was one of the reasons for the lacklustre performance of the Dutch market in 2017.

According to data from IQVIA, sales edged up by just over €10 million in the twelve months to €730 million from €719 million the year before (*OTC bulletin*, 24 March 2017, page 8), with the majority of the key product categories reporting low single-digit growth (see Figure 1).

A slow start to the 2017/2018 cough and cold season was blamed for the poor showing from respiratory tract products – the country’s biggest non-

prescription category – with sales moving ahead by just 0.1% to €152 million.

However, a record level of incidents of influenza in the second half of the season, could see this category rebound in 2018, Neprofarm noted.

Only a handful of times since 1992 had the annual flu season lasted longer than nine weeks, the association pointed out, but the 2017/2018 outbreak had lasted 18 weeks, putting it in the top three of the longest-lasting seasons.

As a result, Neprofarm said, sales of cold and flu-related self-care products had been “considerably higher than in other years”.

Data from market research firm IQVIA’s Winter Barometer study, had found that sales of OTC cold and flu products had increased by 14% in the December to February period, Neprofarm revealed, compared to the prior year when the flu outbreak lasted 11 weeks.

Product group	Revenue (€ millions)	Change (%)
Respiratory tract	152.3	+0.1
Analgesics	142.9	+2.8
Vitamins & Minerals	134.2	+2.4
Skin & Hair	66.2	-4.8
Digestive	61.5	+4.5
Urogenital & Reproduction	36.6	+3.4
Other	136.0	+1.8
Total	729.7	+1.4

Figure 1: The Dutch market for OTC drugs, health products and medical devices at consumer prices in 2017 broken down by product category (Source – IQVIA)

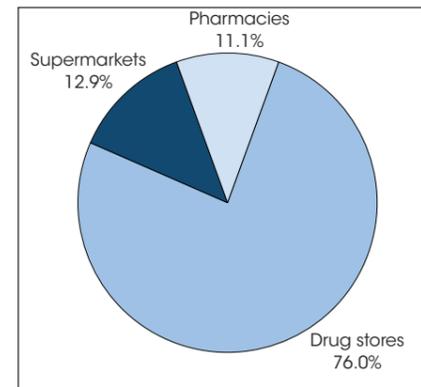


Figure 2: Breakdown of Dutch self-care market by sales channel (Source – IQVIA)

Meanwhile, sales of OTC analgesics – the country’s second-biggest category – had improved by 2.8% to €143 million, a rise on a par with the prior year when the category had grown by 3.0%.

Vitamins and minerals maintained third place, with sales moving ahead by 2.4% to €134 million, while skin- and hair-care products were the worst performers of all the leading categories, with sales falling back by 4.8% to €66.2 million.

By contrast, non-prescription products for digestive problems were the standout performers over the 12 months, with sales growing by 4.5% to €61.5 million.

This gain had been fuelled, Mauritz said, by a 23% jump in sales of Bayer’s Iberogast and a 12% rise in sales of private-label products.

When it came to where Dutch consumers were buying their OTC products, drugstores remained the runaway leader with a 76% share of the market (see Figure 2).

However, there was a noticeable split in the drugstore channel, with drugstore chains massively outperforming independents.

Sales of OTC medicines through the country’s 711 independent drugstores declined by 13.4% to €104 million in 2017 (see Figure 3).

By contrast, their 1,649 chain counterparts

	Number	Revenue (€ millions)	Change (%)
Independent drugstore	711	104.2	-13.4
Chainstore	1,649	450.8	+5.7
Total drugstores	2,360	554.9	+1.5
Independent pharmacy	1,579	62.2	-2.8
Chain pharmacy	403	18.4	-15.9
Total pharmacies	1,982	80.6	-6.1
Supermarkets	3,460	94.2	+8.1
Total	7,802	729.7	+1.4

Figure 3: The Dutch market for OTC drugs, health products and medical devices at consumer prices in 2017 broken down by sales channel (Source – IQVIA)

had a solid year, with turnover from OTC products rising by 5.7% to €451 million.

The impact of the poor performance from independents was reflected in total OTC sales through all the country’s 2,360 drugstores, which edged up by 1.5% to €555 million over the 12 months.

Of the two smaller channels, there was again a marked contrast in fortunes.

Sales of non-prescription products through the Netherlands’ 1,982 pharmacies fell back by 6.1% to €80.6 million, with chain pharmacies having a particularly poor year in the OTC space.

Turnover from OTC products in chain pharmacies slipped dramatically, dropping by 15.9% to just €18.4 million, while the country’s 1,579 independent pharmacies reported a 2.8% fall to €62.2 million.

Asked about the decline, Mauritz said that pharmacies “could pay a lot more attention to self-care”.

“Consumers regard pharmacists as very competent and reliable, but they nevertheless prefer to buy OTC products in a more consumer-friendly environment,” he added.

By contrast to pharmacies, supermarkets were making a much bigger play in the OTC space by employing new – and slightly controversial – technologies to bolster their presence in the market.

Supermarkets were the fastest-growing channel for OTC products in 2017, with sales increasing by 8.1% to €94.2 million, which translated into a 12.9% market share – up from 12.1% in 2016.

Currently supermarkets that sold OTC products were split into two groups.

All of the Netherlands’ 3,460 supermarkets were permitted to sell general-sales list (GSL) OTC medicines and other healthcare products. Around a third of these stores also sold pharmacy- and drugstore-only, or UAD, medicines.

To sell UAD products, supermarkets had

to employ a qualified druggist and there had to be “sufficient” druggists and/or assistant-druggists available to inform the consumer about the OTC medicines, Mauritz explained.

In mid-2017, there were 795 supermarkets selling UAD products, Mauritz noted, however, this number had increased to 965 by the end of the year.

This 170-store increase, Mauritz said, was most likely down to one supermarket chain – Albert Heijn – which began selling UAD medicines without a qualified druggist or assistant physically being in the store.

Instead, Albert Heijn had installed an iPad or phone on the shelf next to the UAD products, Mauritz explained, which allowed a consumer to remotely consult a qualified pharmacist or druggist.

While there had been outcry over the move from druggists – who claimed it could lead to unsafe use of UAD medicines – the Dutch Medicines Evaluation Board (MEB), Mauritz said, had come out in support of the move.

Albert Heijn employed qualified druggists, the MEB pointed out, and the agency was assuming that the Albert Heijn stores in question complied with “all requirements imposed on a UAD point-of-sale”.

As this increase in UAD points-of-sale thanks to Albert Heijn came late in 2017, it did not explain the 8.1% growth of OTC sales in supermarkets, Mauritz noted, but it would “certainly result in a further growth in the channel in 2018”.

Turning to the overall market environment in the Netherlands, Mauritz said that while the country remained quite liberal – allowing umbrella brands for example – an increase in the value added tax (VAT) rate for substance-based medical devices from 6% to 21% at the start of 2018 was a challenge to manufacturers.

Furthermore, branded OTC products were coming under increasing pressure from private-label rivals, he added, as drugstore and pharmacy chains continued to drive their own-label offering.

“The market share of private-label products increased by 7.7% in 2017 giving them a value share of 22.5%,” Mauritz noted. “By volume, private-label market share is now up to 53% in drugstores,” he added, “and this a major issue for the branded industry.”

Looking ahead, Mauritz said that the only way for industry to re-stimulate the market was to innovate, a move which would also allow it to fight the private-label threat.

However, industry needed government support to encourage them to innovate by switching more prescription products, Mauritz insisted, while also requiring GPs to discuss self-care patients where appropriate. **OTC**