

Over-the-counter drug brands pop ad pill

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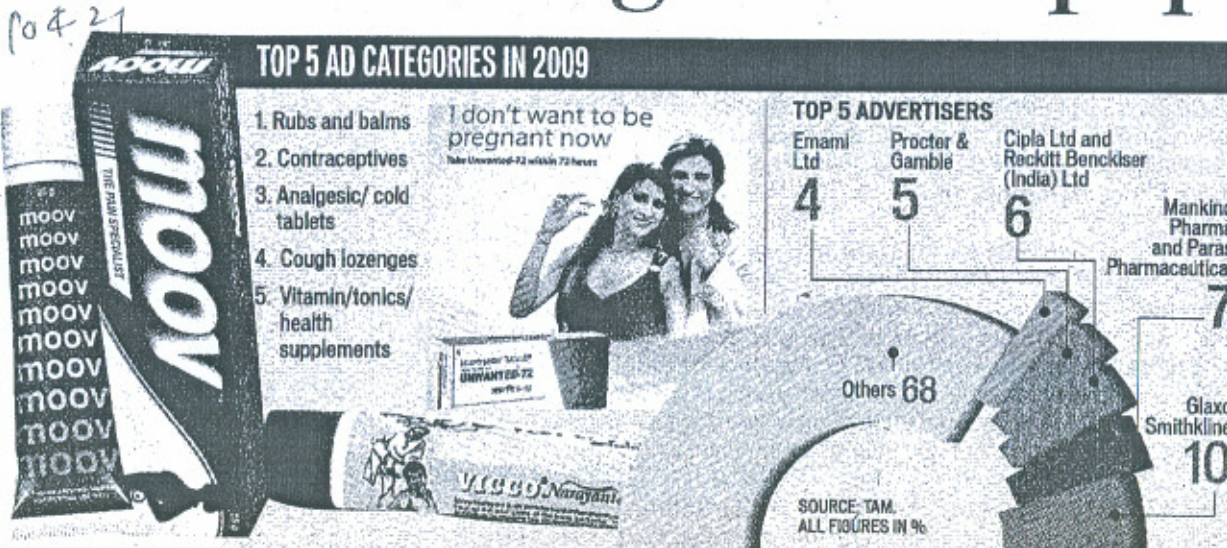
NEW DELHI: Look whose ads are getting bigger, smarter and savvier! After telecom services rushed in to take the place of fast moving consumer goods as a high-profile category in TV ads, a new wave seems to be emerging in the form of over-the-counter (OTC) medicines.

TAM media research data confirms what you might already have noticed on your screens. TV ads for OTC drugs rose 44 per cent during the January-October 2009 period, the latest for which data is available, over the comparable period a year earlier.

While banking, realty and consumer durables were slinking back in an economic downturn, drugs and pharmaceutical makers came second after FMCGs in loosening the purse strings to build brands.

The catch could lie in the fact that condoms, contraceptives and oral hygiene products — with strong FMCG elements in them — led the OTC category ads, although everything from headache pills to digestives also count. Ads for condoms grew by 13 times and contraceptive pills by seven times.

The mantra of drug advertising has undergone a change, mainly for lifestyle drugs and health supplements. It fea-



tures happy people, beautiful faces, sunny days and glossy sets. Praseon Joshi, executive chairman, McCann Worldgroup India, said, "The psyche of Indian consumer is averse to the idea of medication. So, the right tune for the drug ad is to take away the perception of selling a medicine."

India's OTC drug industry, according to PricewaterhouseCoopers, was worth \$1.8 billion in 2009 and is expected to grow by a compounded 18 per cent every year until 2012.

"Brand building is becoming more essential than ever before in the pharma industry," said Jagannadham Thunuguntla, equity head at SMC Capital. "Cipla's sell-out of i-Pill to Piramal Health care for Rs 95 crore (approximately) signifies the importance and value of a nurtured brand in today's health industry scenario. On the other hand, the nature of the sector is quite recession proof." Market watchers say that India's penchant for self-medication also helps the industry.

Glaxo Smithkline has been a leading OTC advertiser. Rubs and balms are the top sub-category in OTC, with Iodex a key brand. Shubhajit Sen, the company's EVP marketing, said, "Iodex underwent a re-stage in July 2009 where the long-present glass bottle was replaced with a contemporary plastic jar and new graphics. The brand also took to market a new claim."

The TAM report also noted the regional channels were more vital for the sector than national TV channels.

More than half of the OTC sector advertising was on regional channels against national channels in the ratio of 52:48 where West Bengal, Maharashtra and Tamil Nadu telecast the most ads on regional channels.

Ranjit Shahani, vice chairman, Novartis, and president, Organisation of Pharmaceutical Producers of India, said, "India is a diverse market with unique regional habits. Marketers focus on growth from specific geographical areas using regional media. National media requires deeper pockets. It also requires a perfect oiled distribution network to cover the country. Regional media provides a unique opportunity to local entrepreneurs to enter the market with relatively lower budgets."

The top 10 list of new OTC brands advertised on TV last year comprised of two brands each of rubs/balms, acne preparations, and vitamins/tonics/health supplement categories. Also, Unwanted-72, Moov Neck Shoulder and Vicco Narayani Cream were the three new brands advertised on TV.

Pharmaceutical industry officials say ads are a way to keep consumers informed. Sen said overall economic growth and competition will push OTC ads higher in 2010. "Going forward, the industry is likely to register healthy growth year after year," he said.