

MARKET TRENDS & DYNAMICS IN GERMANY

OTC OUTLOOK 2021

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Rising enterprise values of OTC players

- OTC sector is increasingly in the spotlight of strategic investors and of private equity
- Company values and multiples rise

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New perspective on brands and categories

- Changing consumer preferences and Corona effects require fresh perspective on role of categories and on strategic brand priorities

3

Shift from product benefits to brand experience

- In difficult times, brands must offer customers support and trust
- Emotional appeal and storytelling will become more important in order to stand out in the competitive environment

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Digital touchpoints flourishing

- Increasing shift away from print and TV to digital marketing in the direction of consumers, but also in the direction of B2B target groups
- New brands increasingly start online and then go offline – this also applies to sales activities: eCommerce before stationary

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Re-shaping of pharmacy channel landscape

- Already strong growth of internet pharmacies additionally accelerated during Corona – launch of electronic prescription will help win additional customer segments
- Increasing consolidation of stationary pharmacy channel in the aftermath of AvP bankruptcy // existence of specific types of pharmacy locations (shopping centres, high streets) threatened by Corona lockdowns
- Stepwise entry of Amazon into German pharmacy market via Amazon Prime Now partnerships with bricks-and-mortar pharmacies in 10-20 metropolitan areas
- At the same time, entrepreneurial pharmacists are gearing up for the future with new digital partnerships (platforms), professionalised pricing and improved category management

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Need for next level key account management

- Consolidation of channel landscape (online and offline) will put new spotlight on key account management
- One-fits-all solutions in key account management will no longer suffice
- Focus will be on developing KPI-driven performance partnerships and investment in accounts that have the capability and willingness to make a difference beyond fair share

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Speed matters: agile go-to-market approaches needed

- COVID-19 has proven: the ability to quickly adapt to changing needs of customers creates substantial competitive advantage
- New requirements regarding sales strategies, touchpoint management and tools create sense of urgency

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Advanced business analytics & insights crucial

- Turbulent times require timely and in-depth decision-making
- Players increasingly invest in smart business analytics, improved metrics and better qualifications to meet enhanced requirements