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The New Normal? How COVID-19 Has Impacted Europe's Consumer Health Market

by David Ridley

IQVIA Consumer Health's analysis of the impact of the coronavirus pandemic on Europe's OTC market based on the latest sales data.

Sales of OTC products have started to return to 2019 levels after a significant surge during the peak of the COVID-19 outbreak, according to the latest data from IQVIA Consumer Health.

Looking at the impact of the pandemic on seven European countries – France, Germany, Italy, Spain, Czech Republic, Hungary and Poland – IQVIA data shows significant rises in sales of cough and cold remedies (CCRs), analgesics and vitamin and mineral supplements (VMS) for the week ended 23 February (week eight of 2020).

Just when the boost from the cough and cold season began to fade, as might be predicted from a 'normal' first quarter, sales of these products surged as a result of the pandemic, with VMS seeing the largest increases in sales (47%) at their peak, followed by analgesics (37%) and CCRs (19%).

"CCR category sales started to slow down in the weeks prior to week eight, as would be expected during the normal cold and flu season," commented IQVIA CH's offering management director, Jyoti Shah, at the recent IQVIA CH webinar, "COVID-19 and Consumer Health: Navigating the New Reality." "However, from week eight as the COVID pandemic spreads across Europe, CCR sales show a sudden upturn."

"CCR, pain and VMS category sales started to rise from week eight," Shah continued. "However, the peak in sales occurred between weeks 11 and 12, as people prepared for lockdown and started to stock up on essential symptom-relief products, as well as products like multivitamins and vitamin C to maintain good health and boost the immune system."

While VMS and analgesics sales had returned to 2019 levels by week 14 (week ended 5 April),

IQVIA's data shows CCR sales at this time still significantly lower than those recorded last year.

"Following the peak in sales, we see sales across all categories start to drop off," Shah explained. "This is more likely due to diminishing stocks in pharmacy rather than lack of consumer demand for products within these categories."

Looking at the broader consumer health market in Europe across all OTC product categories, including personal care, nutrition and patient care – a category which includes self-care medical devices – Shah reported a similar picture, with a "sharp peak in sales during weeks eight to 12 as the pandemic spread and consumers began stocking up on essential products in preparation for lockdown."

Eye Of The Storm

In Italy, where the coronavirus pandemic first emerged in Europe, IQVIA CH analysed two major COVID-related trends.

By looking at key shopper metrics – the average number of receipts per pharmacy and the average number of products per each receipt – IQVIA CH noted an increased reliance on pharmacy during the early stages of the outbreak in Italy, followed by a tendency to stock-up on products to prepare for the subsequent lockdown.

Compared with the previous year, there was a "significant jump" in the average number of Italian pharmacy visits during the early stages of the pandemic from the week ended 1 March, reported IQVIA CH's sales director Filippo Boschetti,

This increase continued to grow over the next few weeks, eventually stabilizing at about 3.5 products per receipt – "almost 50% more than usual," Boschetti noted.

"This shows that, once the awareness of the epidemic exploded among consumers, they coped with the worries and the uncertainty by using pharmacy as one of the touch-points to turn to, looking for solutions, methods of prevention and advice from pharmacists," he explained.

Furthermore, since sales of prescription-only products stayed almost flat, Boschetti said it was safe to say that consumer health products were the "driving force of this behavior."

With Italy imposing strict lockdown measures beginning 9 March, he said that "purchase frequency dropped given that movements were limited and discouraged, and then stabilized at slightly more than 900 trips in total to the pharmacy per week during the quarantine."

Looking at specific categories of consumer healthcare product, Boschetti's analysis mirrored that of IQVIA CH's European data, with growth concentrated VMS, CCR and pain relief.

“In particular, vitamin C sales peaked due to ‘fake news’ that consumption of this ingredient could help fight the virus effectively,” Boschetti commented.

The View Across The Med

Reporting from Spain, which was also hit badly by the coronavirus pandemic, Miguel Martínez Jorge, IQVIA CH’s senior director, offering, data supply and client service, painted a similar picture of the COVID-related market transformation.

Hitting about a month later than Italy, shifts in consumer behavior as a result of the coronavirus led to a cumulative 4.9% increase in sales volume and 8.1% increase in sales value for consumer health products between week six (week ended 9 Feb) and week 15 (15 April) in comparison to the same period last year, according to Jorge.

Seeing a 10.1% overall rise in turnover, the OTC medicines segment’s top-three beneficiaries by sales value were vitamin C products (306%), general food supplements for immunity (146%) and analgesics (102%), he noted.

Not all categories benefited from the coronavirus boost, however. Weight control, anti-allergy and anti-nausea products all experienced slumps, with sales value falling in these categories by 23%, 27% and 42% respectively.

The negative impact of lockdown in Spain – which was imposed by the country’s government relatively quickly, on 14 March, and led to an almost 50% drop in pharmacy turnover – was somewhat offset by a stunning growth in online retail.

In total, sales of consumer health products through online pharmacy grew by 115% during weeks 6-15, Jorge pointed out, with consumers spending over seven times as much on analgesics and more than three times the amount on VMS through this channel.

We Are All E-Shoppers Now

Reflecting on the key takeaways from the Spanish situation, Jorge predicted that the way the country’s consumers used pharmacies would not return to normal after the lifting of the lockdown, which began at the end of last month.

“Most likely, free circulation inside the store won’t be possible for some time,” Jorge said. “Meanwhile, the online channel may have loyalty from new clients that won’t return to the retail pharmacy.”

This analysis was echoed by Boschetti, who said that, “even if the online pharmacy channel in Italy is still very small – accounting for only 2% of the total consumer retail market – we can easily see how, after the pandemic started and despite the country’s lockdown, the market is still

growing, even faster than last year.”

Even before the coronavirus hit Europe, the average number of OTC products per receipt through online pharmacy grew by 58% in the week ended 13 January compared to the same week in 2019, Boschetti reported. By mid-April, this year-on-year difference had increased to 138%, he said.

“In conclusion, consumers are increasingly attracted to the online channel and if we combine this behavior to home-delivery as pharmacy service and e-prescription, market pillars might significantly change towards a 'digital and remote' direction,” Boschetti said.

“Therefore, we can say that the online channel is consolidating its growth and it might significantly change the approach of the go-to-market strategy of our clients,” he suggested.

Watch This (Virtual) Space

Zooming back out to a wide view, Shah pointed out that the online channel was unevenly developed across specific European markets.

“It is important to note, that in some of these markets, online or mail order pharmacies may already be a mature and established channel, such as in Germany,” she warned. “And in other markets, the share of on-line pharmacy may still be relatively small, such as in Poland.”

Nevertheless, across all countries, online sales of consumer healthcare products had been boosted by the coronavirus pandemic, specifically the lockdown measures imposed by governments to try to limit the spread of COVID-19 among populations.

“As most countries go into lockdown and with restrictions on movements, as well as stocks running out in stores, people are clearly looking to buy more through the online channels during this crisis period,” she reflected. “It will be interesting to monitor how this will further develop in the future.”