

How to Shape the Future of Consumer Health in Romania

Bucharest 2020



Today's agenda

- + East Europe Consumer Health Market Trends and Insights
- + Romanian Consumer Health Latest Market Evolution
- + Retail Price Analytics - New tool for growth of Consumer Health Companies in 2020
- + Virtual Engagement for Consumer Health Market



Today's presenters



Jacek Czarnocki

Sales Director CH
IQVIA East Europe



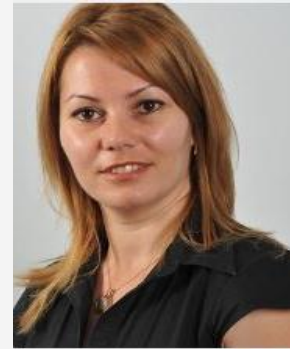
Silvia Brumaru

Key Account Manager
IQVIA Romania



Cristian Radulescu

Associate Director Offering Development
IQVIA Romania



Madalina Constantin

Technology Account Manager
IQVIA Romania



CH Webinar

CEE trends 2020

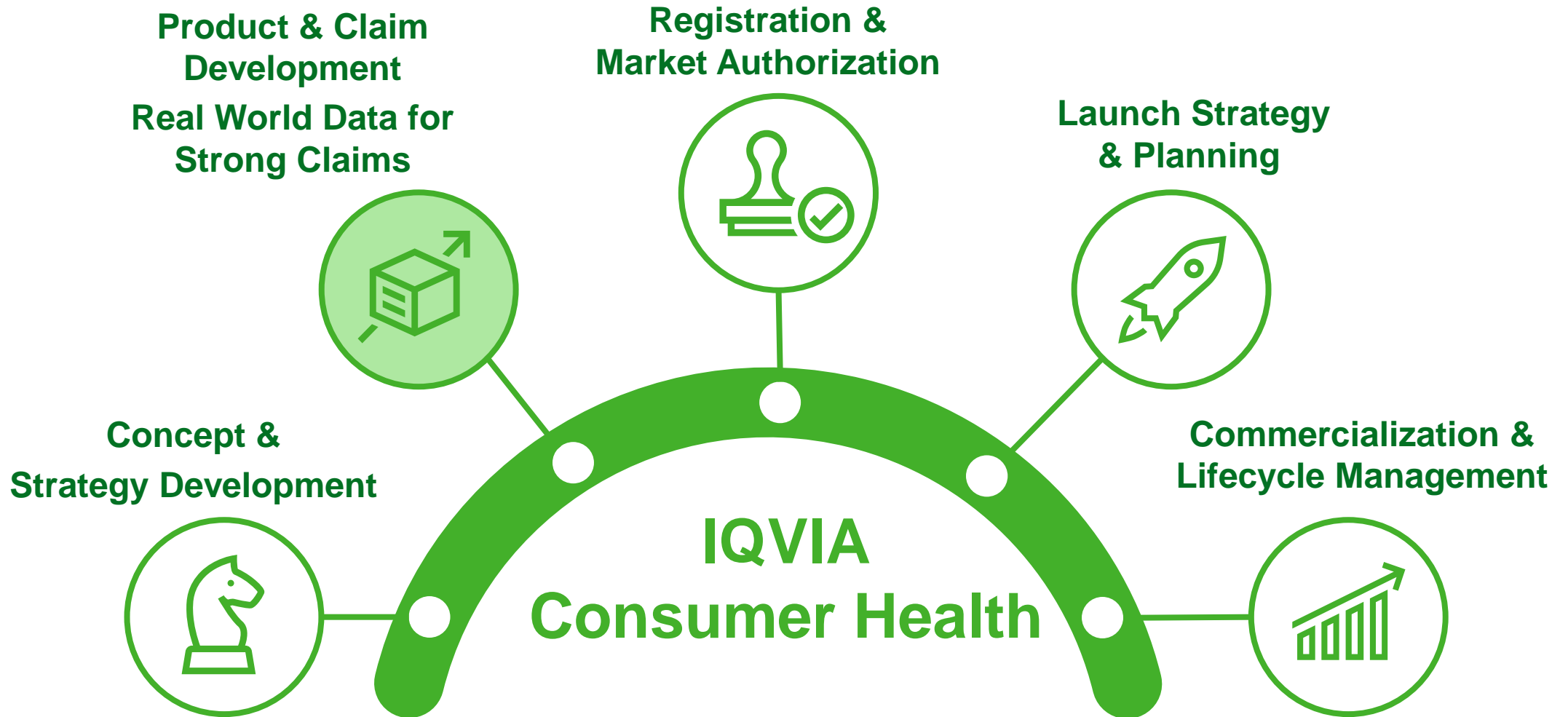
Jacek Czarnocki
Sales Director EE CH

AGENDA



- From concept to consumer
- Product innovation in Covid times
- Covid environment and impact on CH Market
- CEE trends

Driving consumer health innovation from Concept to Consumer



Case study – Intervention – innovate with efficacy and perception of product

Evaluate effects of a supplement on prostate symptoms

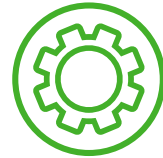
Background & Objectives



The Client would like to assess the safety, effectiveness and consumer perception of a nutritional supplement on alleviating **lower urinary tract symptoms and prostate discomfort**.

Design: 12 weeks open labeled intervention study, daily consumption of supplement, change of prostate symptoms from baseline to week 2, 4, 8 and 12

Methodology



100% virtual study

Recruitment campaign, eIC, screening questionnaires, product delivery, questionnaires on prostate symptoms (I-PSS, BSFI, QOL), reminders, compliance daily e-diary and dashboard updates, AE/SAE, data analysis and CSR

Population

50 men >40 yr. age, US, reported to suffer from lower urinary tract symptoms most likely related to an enlarged prostate

Outcome



- Clinically significant improvements were found in the symptoms of the study completers including less trips to bathroom
- Minimal side-effects experienced
- Results, in preparation for publication, used to support scientific and marketing claims of the product

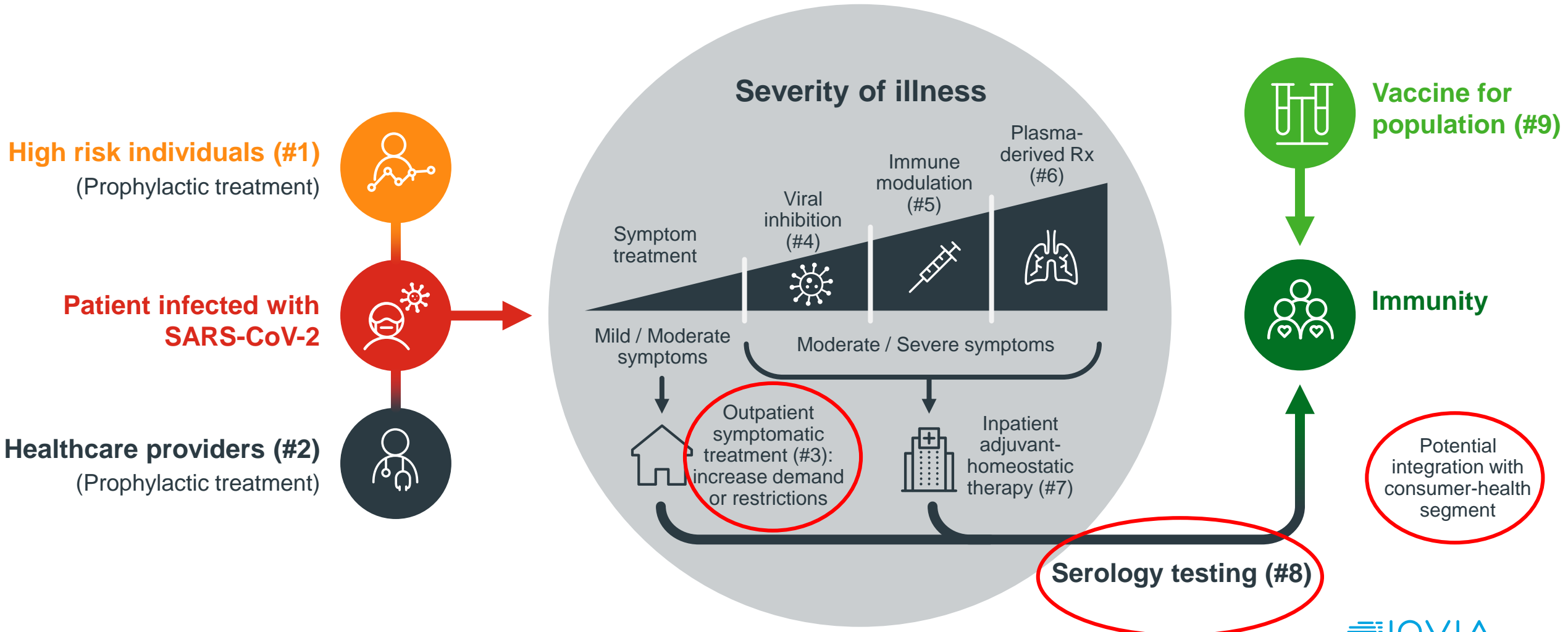
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Segmentation of clinical research and how treatment options fit together

- Multiple therapies under development offer valuable alternatives for various treatment scenarios



Product categories will be impacted differently by COVID-19

Certain medicines at-risk of shortage as COVID-19 develops with variable impact



The Experimental Treatment— “The Wildcards”

- **Actemra** (tocilizumab) *Roche*, **Kevzara** (sarilumab) *Sanofi*, **Castem Zephyr**, **BDB-001 Staidson**, **Kaletra** (lopinavir/ritonavir) *Abbvie*, **Arbidol** (umifenovir) *Pharmstandard*, **Gilenya** (fingolimod) *Novartis*, **Avastin** (bevacizumab) *Roche*
- **GS-5734** (remdesivir) *Gilead*, **favipiravir** *In development*
- **Methylprednisolone** *Generic*, **chloroquine** *Generic*, **hydroxychloroquine**

Key is to keep track of the evidence generated



The Hospital treatment— “Linked to the case load”

- Analgesics, NSAIDs and anti-pyretics such as aspirin, paracetamol and ibuprofen
- Antiviral and antibiotic hospital solutions
- Antibiotics for lower respiratory tract infections
- All respiratory agents- especially asthma treatments
- ICU medications
- Flu vaccine (people getting the vaccine to avoid another source of infection)

Dependant on epidemiological progression of COVID-19



The Home Treatment— “Stocking up to be prepared”

- The Home Treatments
- “Stocking up to be prepared”
- Cough and Cold
- Hygiene
- Analgesics, NSAIDs and anti-pyretics

Anticipation of further disease progression pressurises system



General Treatment— “Preparing for home quarantine for high risk”

- All other treatments, but especially for:
- Diabetes
- Blood pressure lowering
- Lipid lowering
- Asthma treatments

Preparations for elderly increases demand short term

Initial thoughts on possible longer-term ramifications of the COVID-19 pandemic

1

Industry engagement with HCPs

Current F2F ban might deeply change the model toward more effective virtual and remote engagement



2

Launch

Postpone or pause new product Launch to re-consider how to prepare for launch post Covid-19



3

Healthcare delivery

More virtual healthcare system / consumers engagement likely to impact on self-care



4






Manufacturing

Companies reconsidering supply chain in relation to core APIs e.g. Sanofi announced spinout company



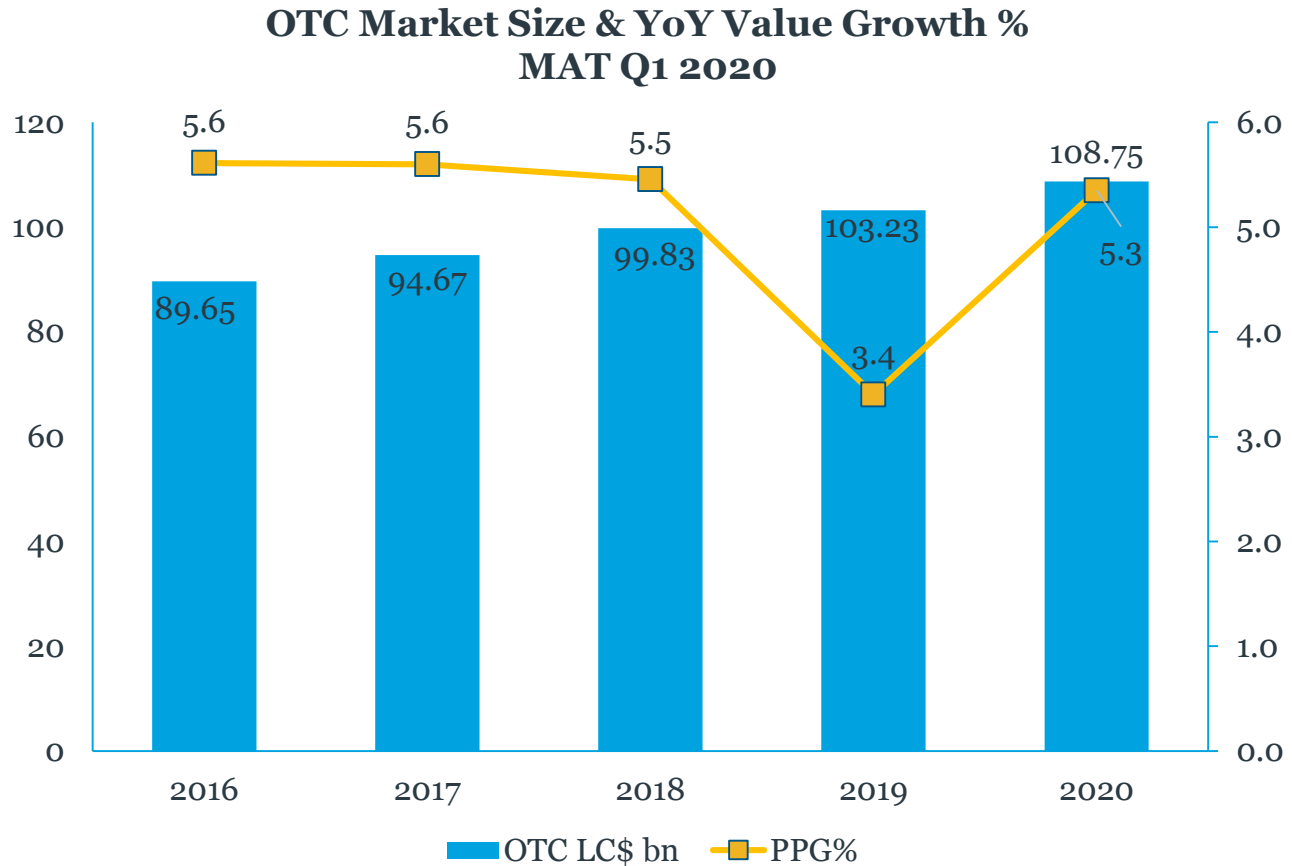
Growth rates for consumer health products sold through on-line pharmacies exceeded those of retail pharmacies in Q1

Total CH Market Growth (%) Q1 2020 vs same period last year - off-line vs on-line value sales

	Off-line Sales Growth %	On-line Sales Growth %
	+26%	+120.0%
	+21%	+90.0%
	+4.8%	+65.0%
	+9.0%	+21.0%
	+15.0%	+32.0%

Global OTC market slow-down reversed by COVID-19 but likely a short-lived bump

Global



- ❖ OTC market accounts for ~10% of the global pharma market
- ❖ Growth driven by the increased consumption and stocking under the impact of COVID 19 lock down period

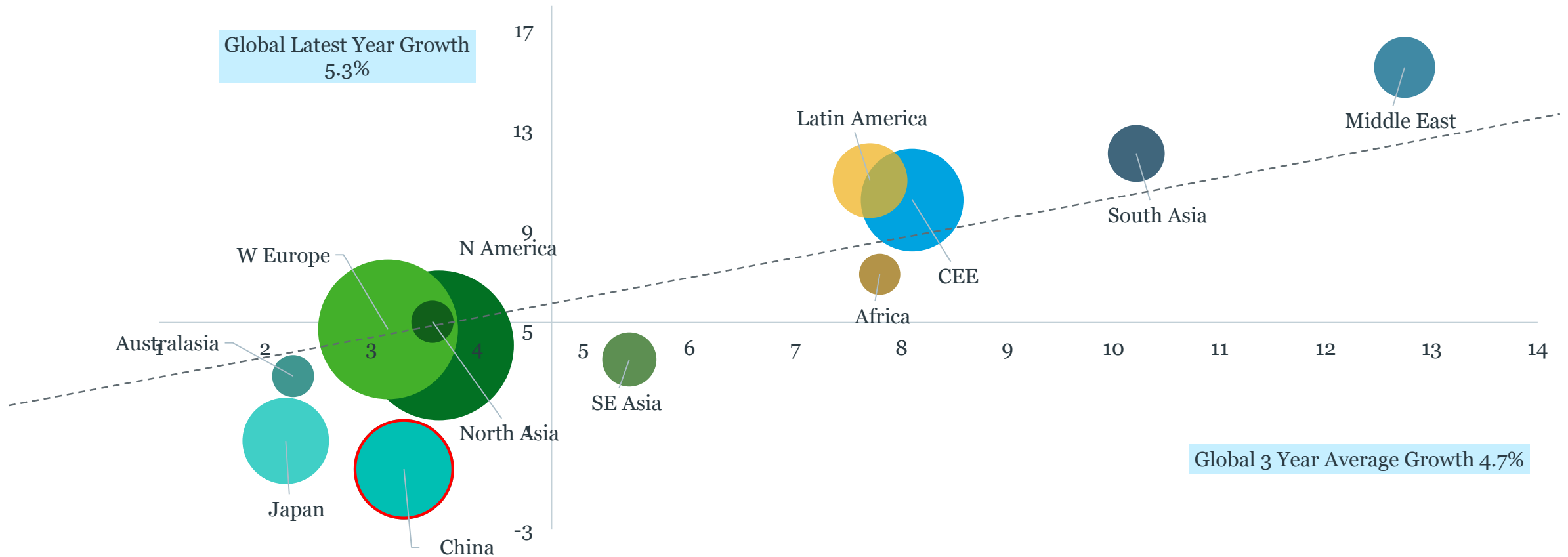
Note: Sales data for MAT Q1 2020

Source: IQVIA Global OTC Insights

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All sub regions except China, Japan, Africa and SE Asia had strong S-T growth than L-T growth in Q1 2020

OTC Global Growth by Sub Region: Long vs Short term



Note: Sales data for MAT Q1 2020

Source: IQVIA Global OTC Insights

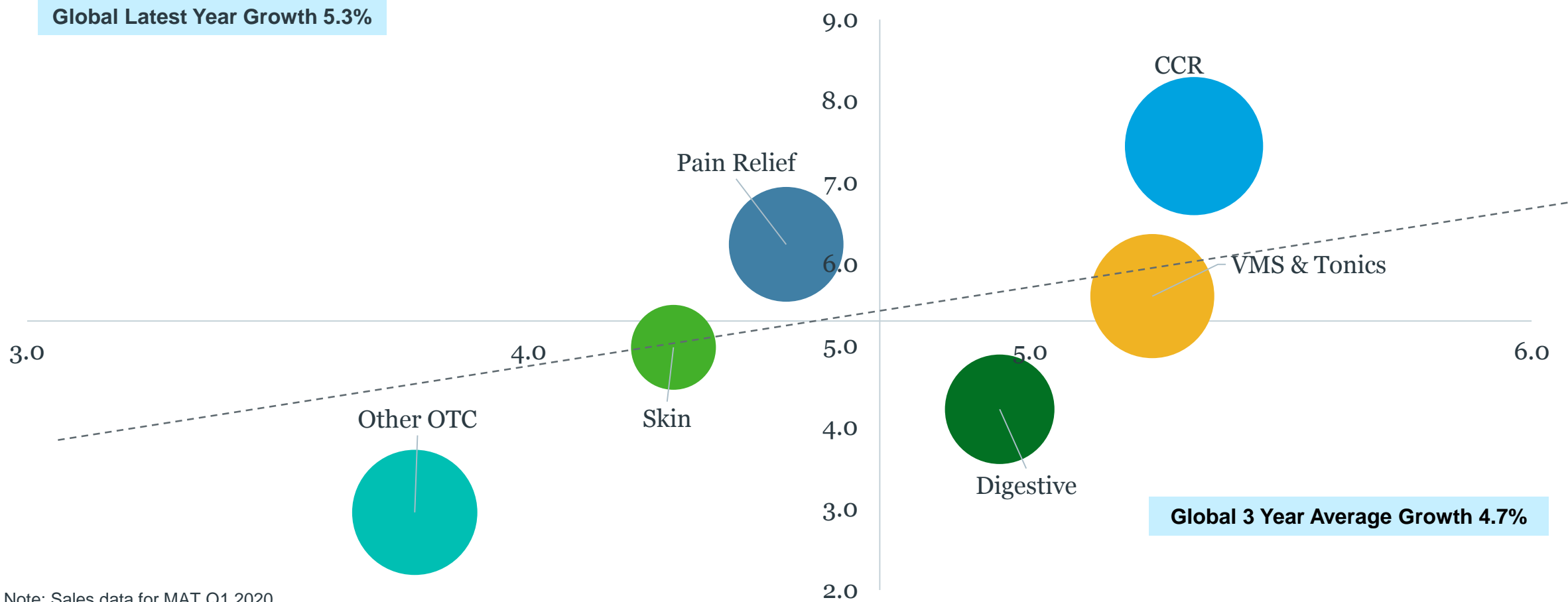
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 Region in decline in latest year

All categories recorded higher S-T growth rate than the L-T growth, except for Digestive category

Global

OTC Global Growth by Category: Long vs Short Term



Note: Sales data for MAT Q1 2020

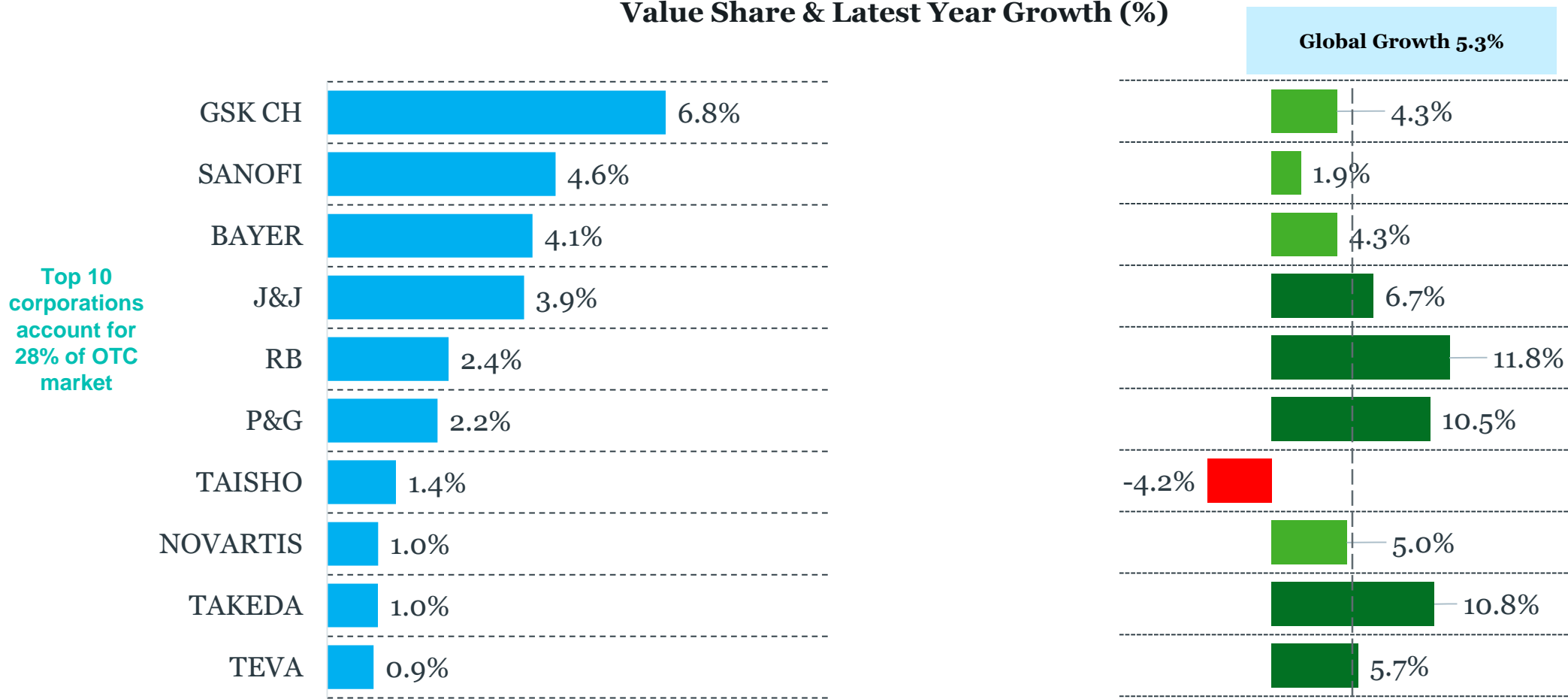
Source: IQVIA Global OTC Insights

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5 of the Top 10 corporations exceeded Global growth, while the top 3 grew slower than global

Global

**Top 10 Corporations
Value Share & Latest Year Growth (%)**



Top 10 corporations account for 28% of OTC market

Note: Sales data for MAT Q1 2020
Source: IQVIA Global OTC Insights

■ Value Share of OTC
 ■ Growth < Market
 ■ Growth > Market

AGENDA

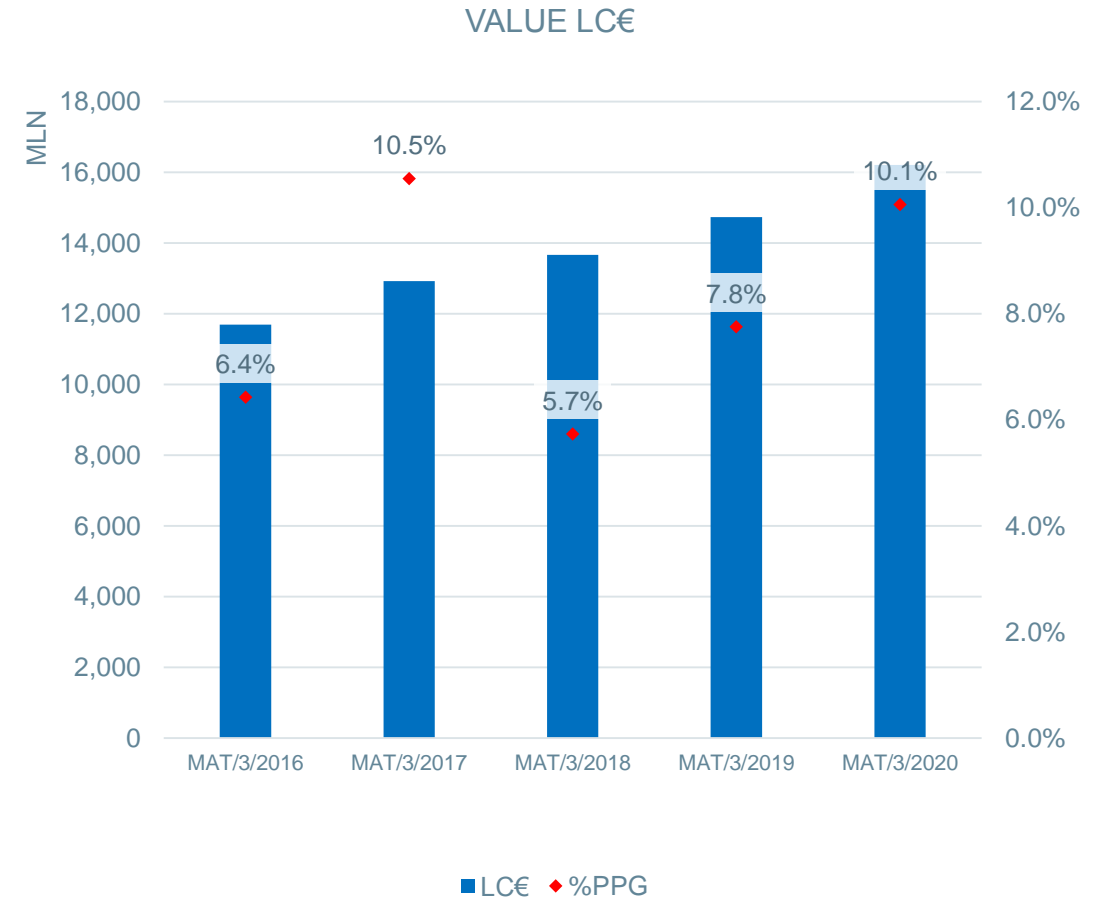
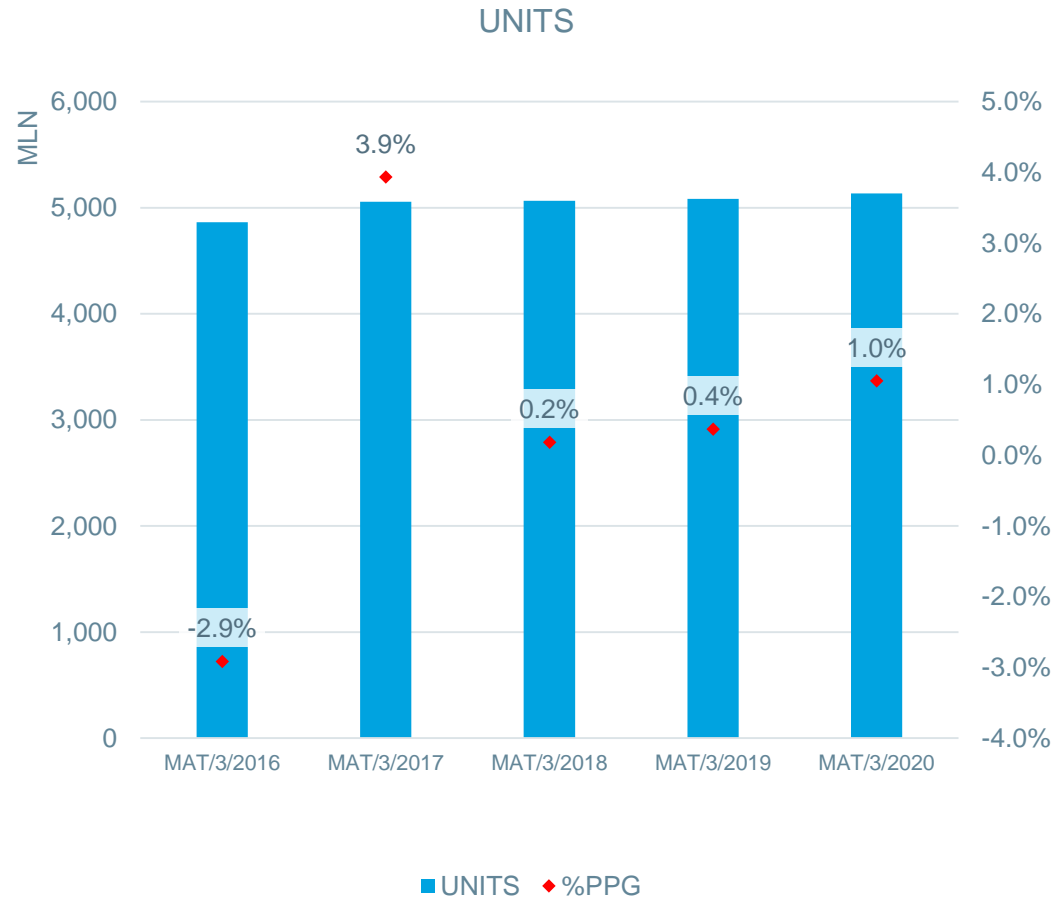
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CEE definition

Countries: , Russia, Bulgaria, Czech, Hungary, Slovakia, Poland, Romania, Adriatic and Baltic countries

OTC market in CEE Units & VALUE development

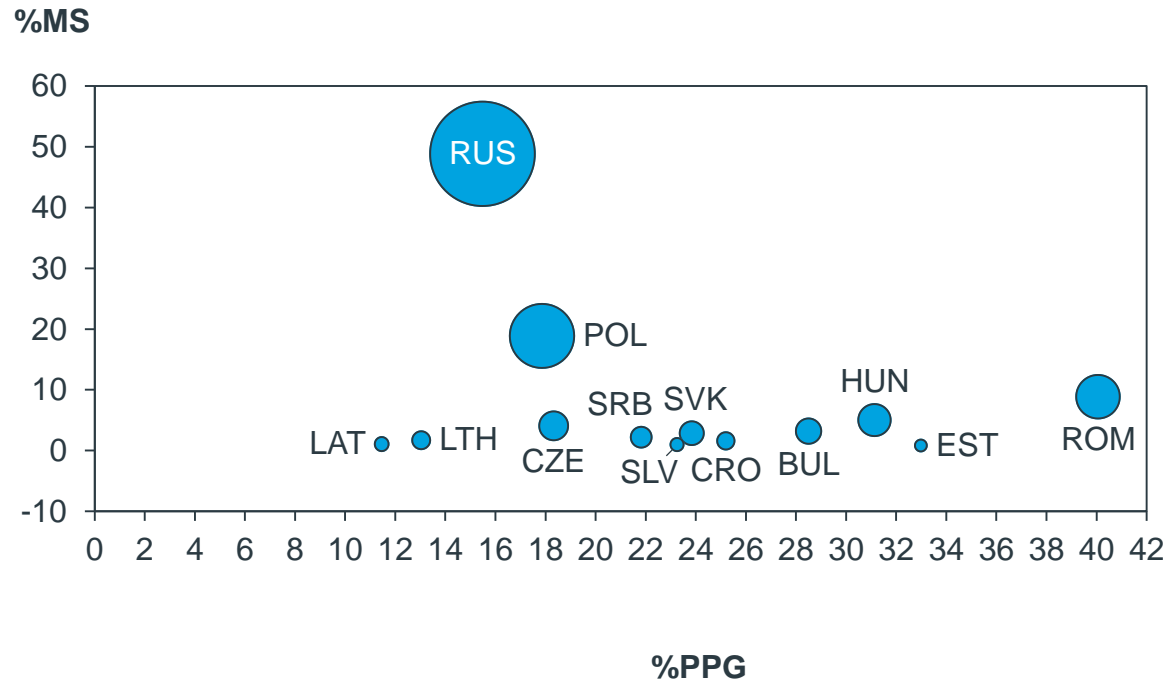
Solid growth in latest MAT due to COVID related sales



OTC market in CEE – Q1/20

Growth dynamic – Romania, Hungary, Estonia are key drivers in terms of % growth

OTC Comparison of growth dynamics: %MS vs. OTC [EUR]



● Market Value

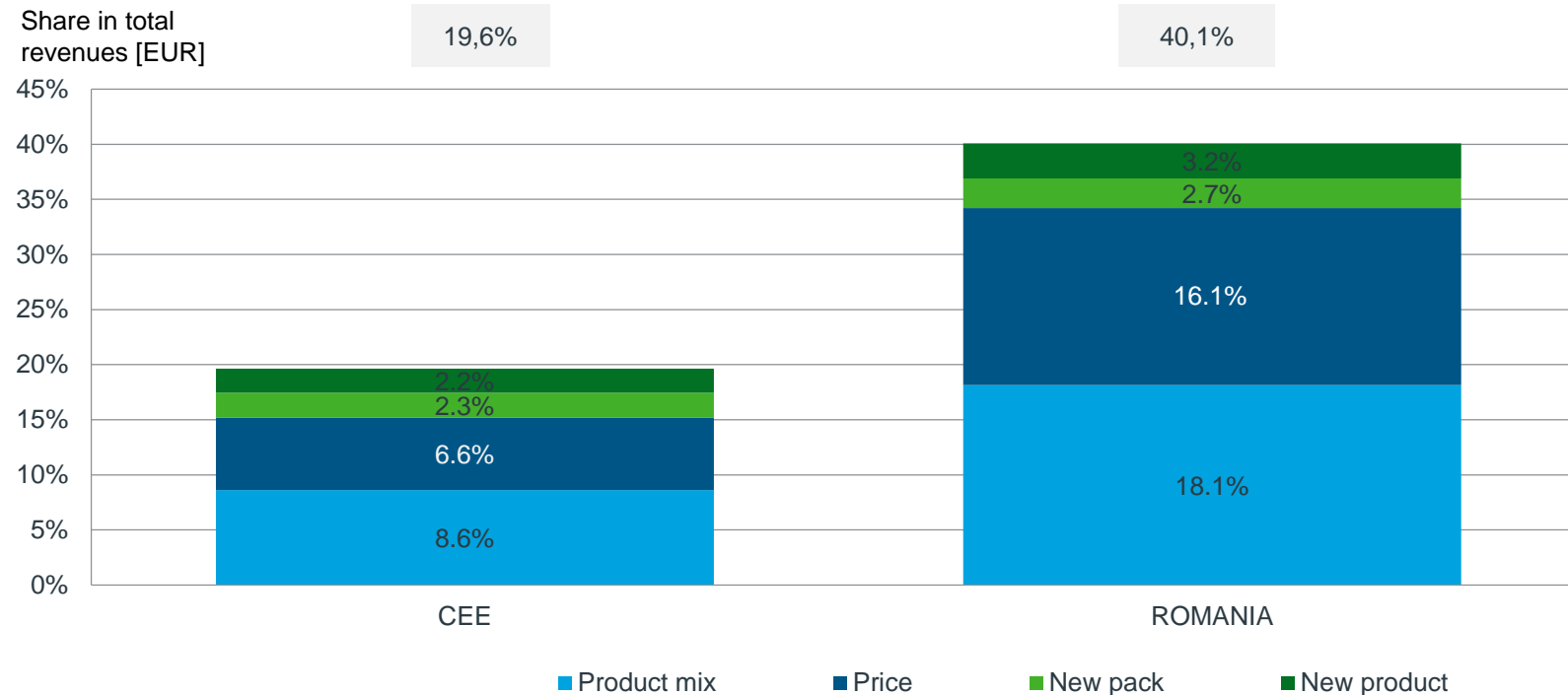
Comments

Poland and Russia are leaders as it concerns size but currently Romania generated biggest % growth.

Growth elements in Romania vs CEE – Q1/20

Price increase of existing brands and product mix influenced positively the Romanian OTC market

Growth drivers, MQT 01/2020

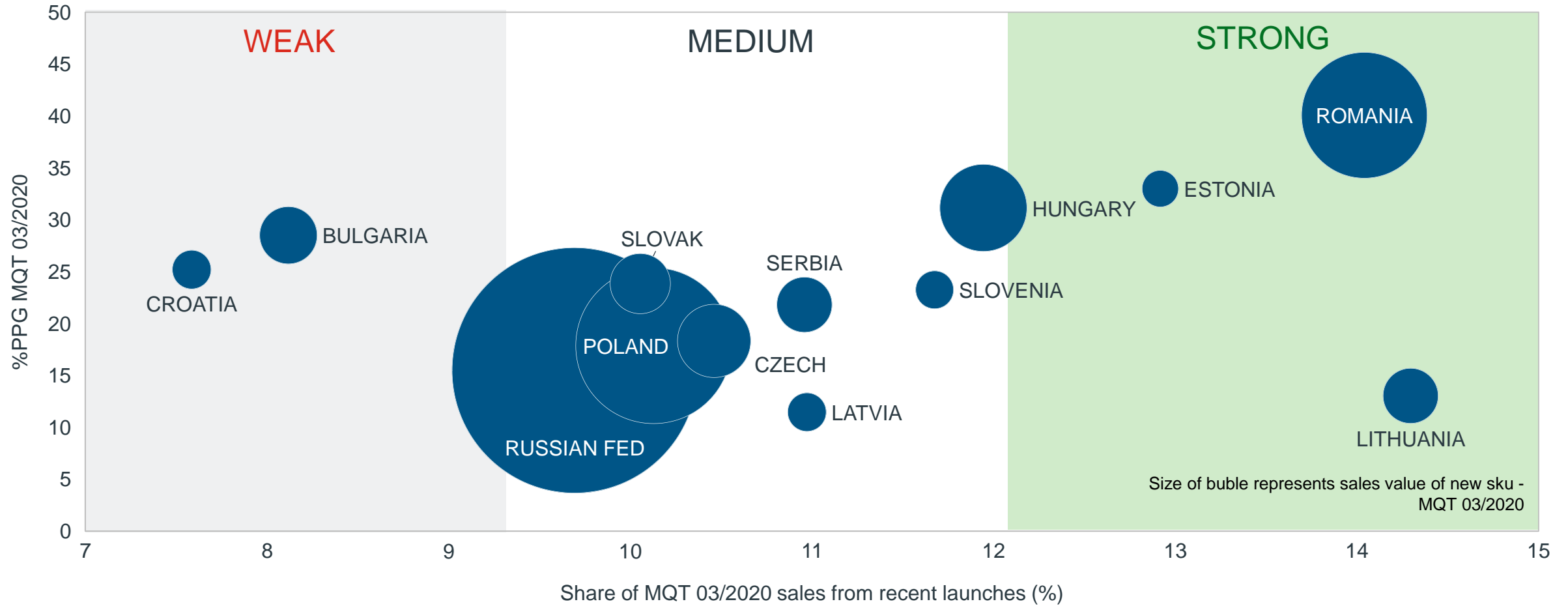


Comments:

In Romania innovation and price increases influenced the sustainable growth of the Romanian market.

Refreshment index in Q1/20 by countries in CEE

Romania is a star in innovation



Note: Refreshment Index = turnover from new launches / total company turnover. Recent launches are defined as a branded products launched in the last 2 years

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Summary: we observe three types of responses to the situation from pharma companies

Types of pharma companies based on reaction to COVID-19 situation



Conservative

Waiting for pandemic to pass and return to **previous normal**



Adaptive

Adapting gradually to **new normal** (e.g. remote detailing, demand adjustments, more frequent price management)



Innovative

Seeing an opportunity to **rethink established models** & experiment (e.g. new technology, creating new marketing claims, new GTM model, new distribution models to E-pharmacy and chains)

Romania

Landscape and latest trends

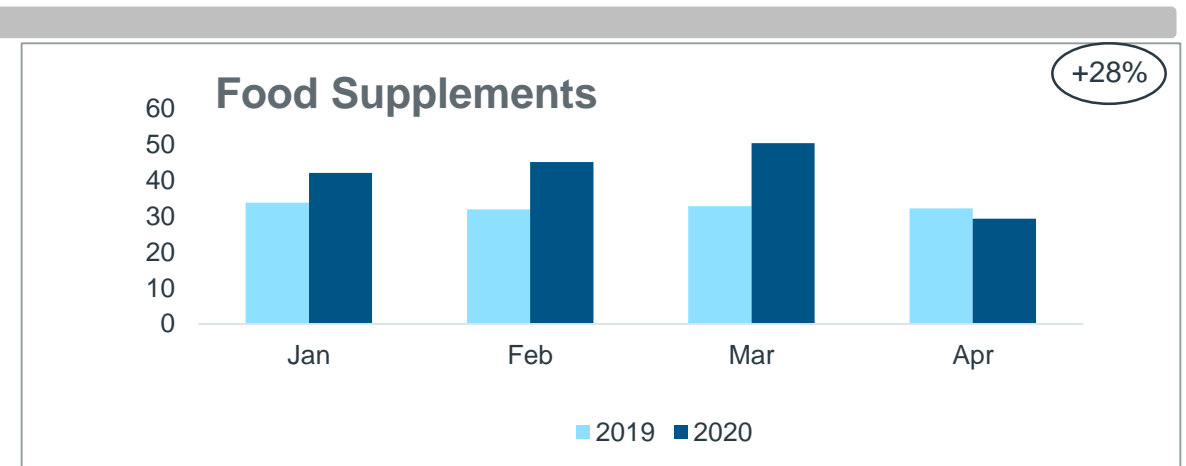
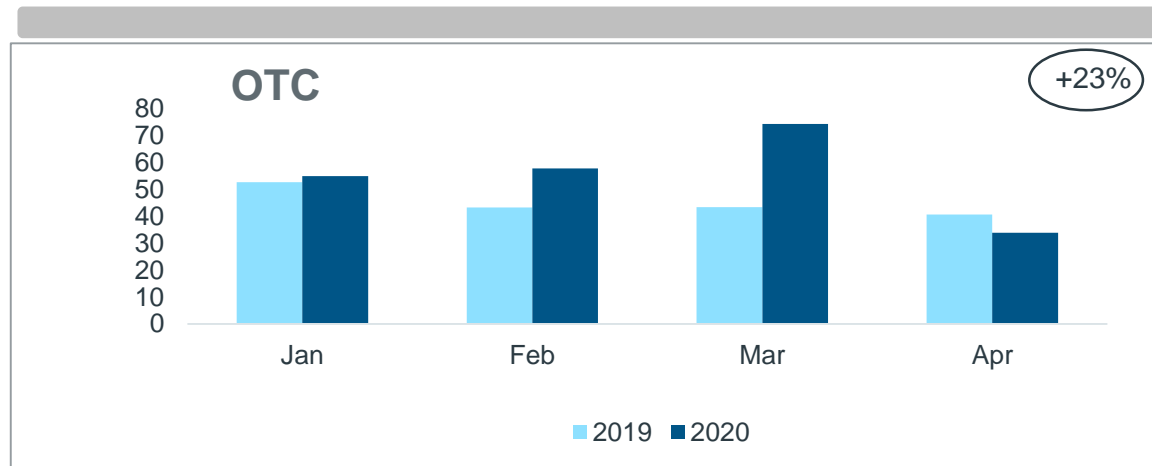
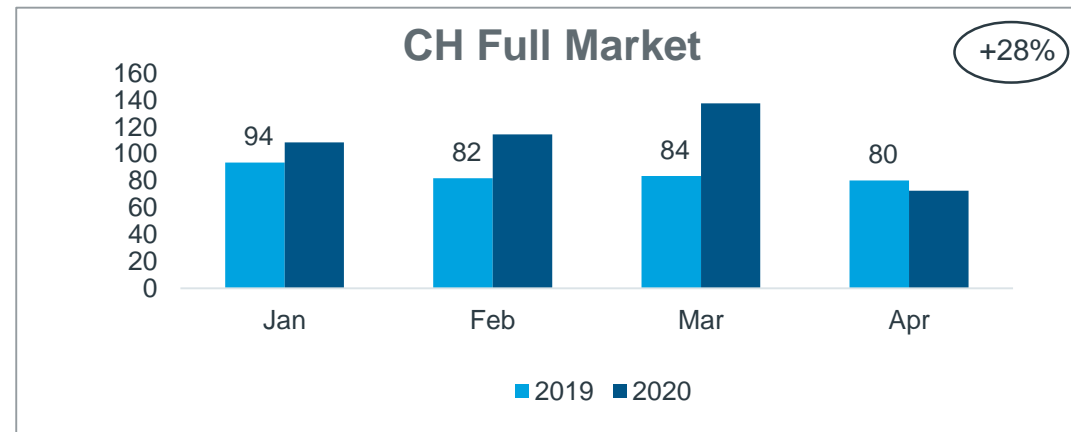
Silvia Brumaru,
Key Account Manager



Agenda

- + Understanding the current landscape
- + Key changes
- + How to adapt

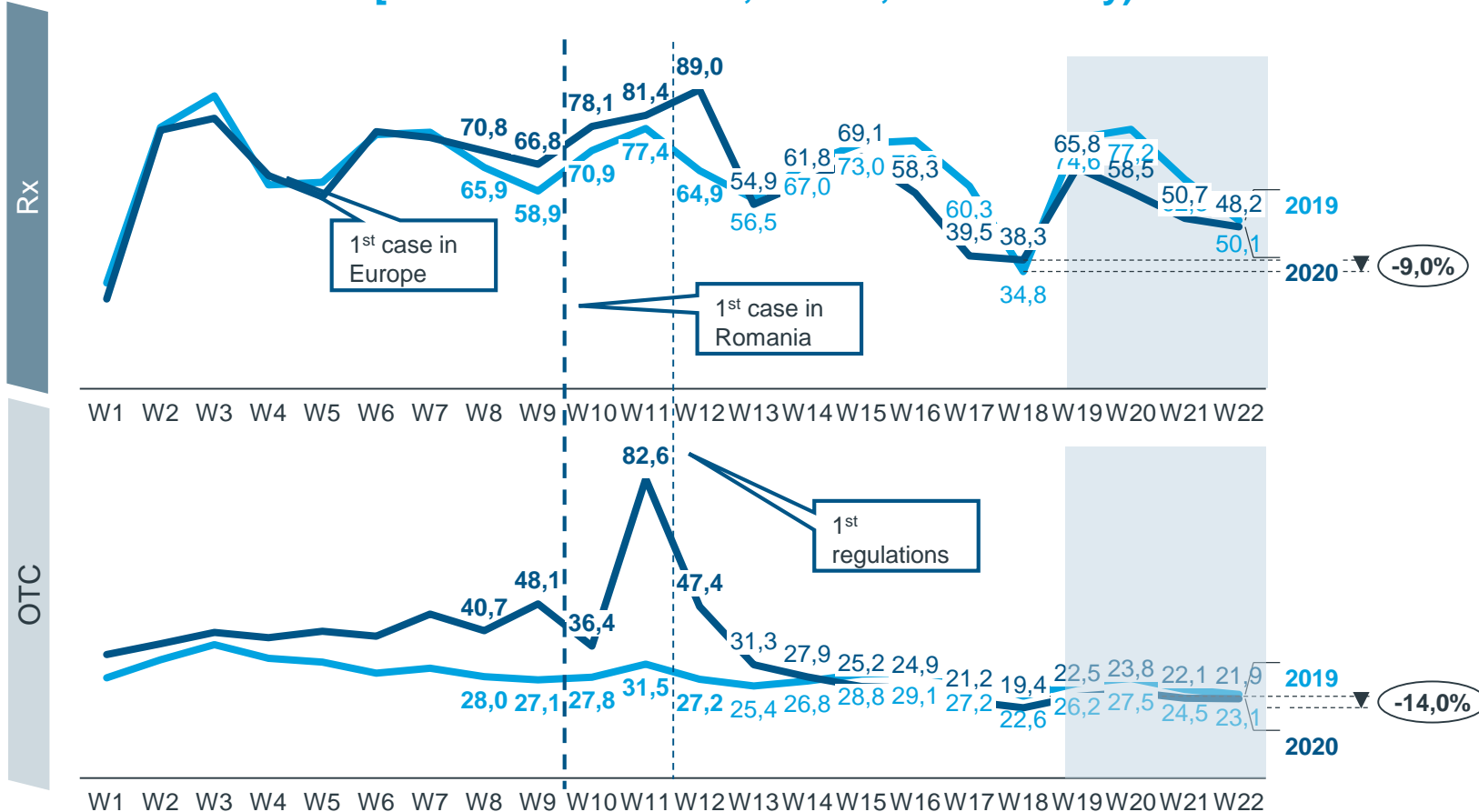
Although COVID 19 had a positive impact on the Consumer Health categories, the negative effects are visible starting with YTD April 2020



First COVID-19 cases were reported in Romania on March 6 (week 10), government regulation were followed

Total pharma market

Total market sales [Rx and OTC market, mEUR, 2020 weekly]



RX

- Patients stockpiled Rx products anticipating lower HCP availability
- Quick slow down for Thyroid and Asthma products
- High NOACs demand (cardiovascular disease as risk in COVID-19 context)
- Rx Mineral supp. in high demand, potentially perceived as a health improvement/precaution measure

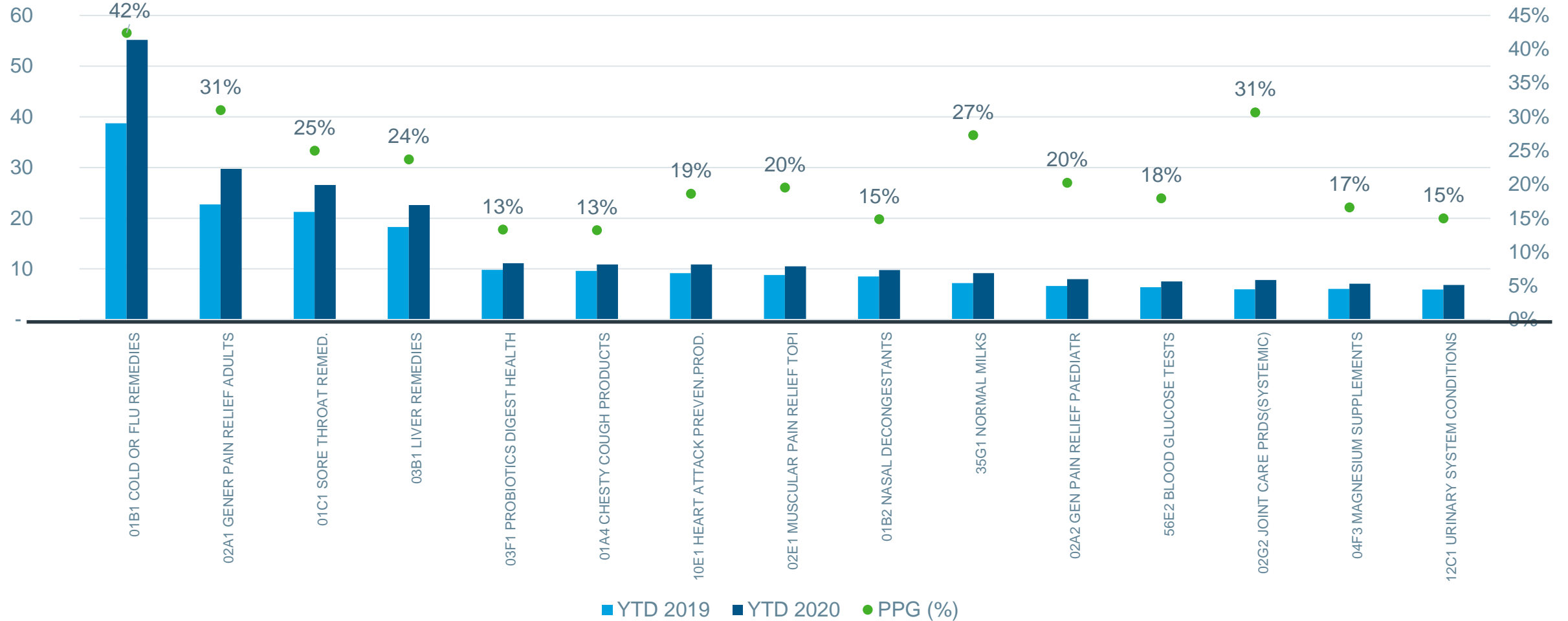
OTC

- Spike in sales primarily in COVID-19-related categories
- Sales returning to normal levels in weeks following first confirmed cases

Situation requires close monitoring – sales constantly higher than pre-COVID-19 level, what sales level after pandemics?

Top 15 categories OTC3 – Evolution YTD April

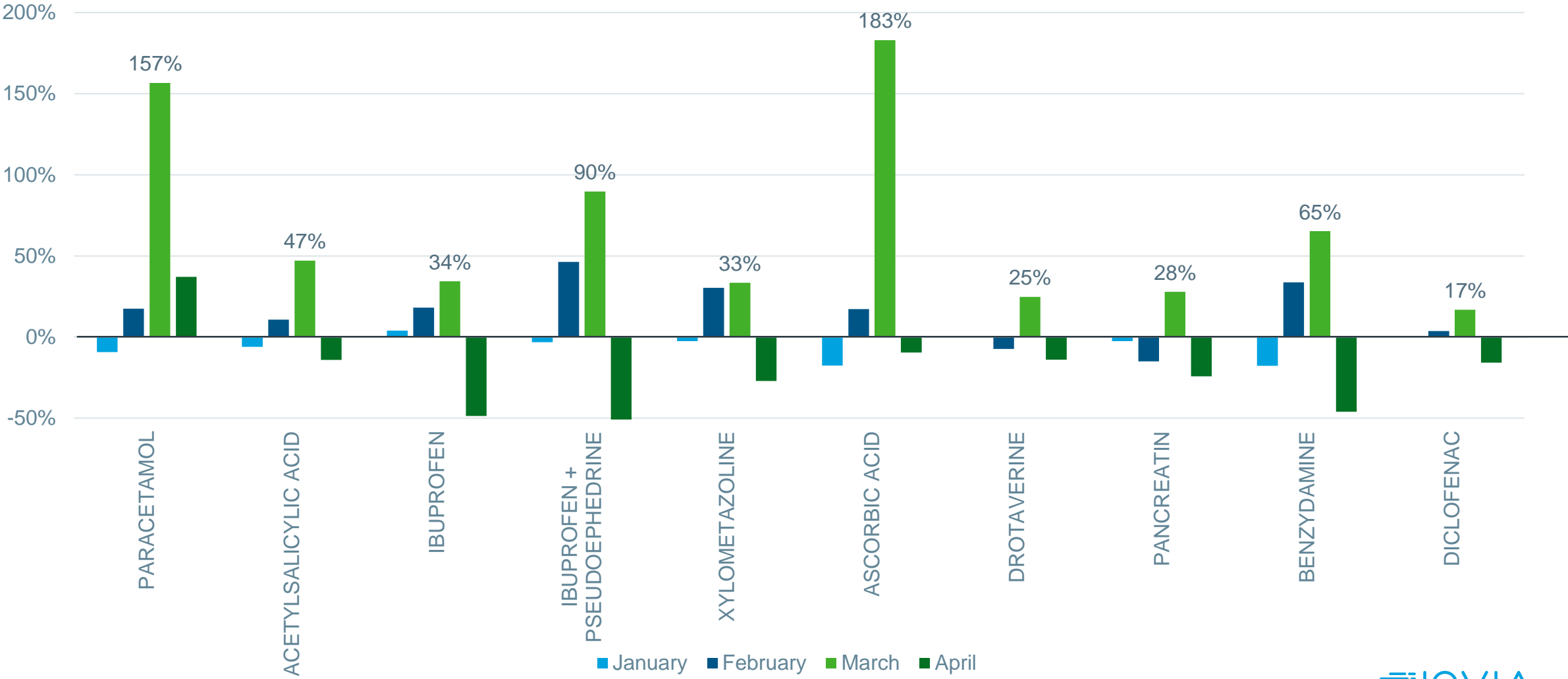
Cold and Flu has the highest growth of 42%



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In March panic of COVID reshaped the Top 10 OTC molecules, Paracetamol and Vitamin C having the highest demand

Top 10 Molecules month evolution in units 2020 vs 2019

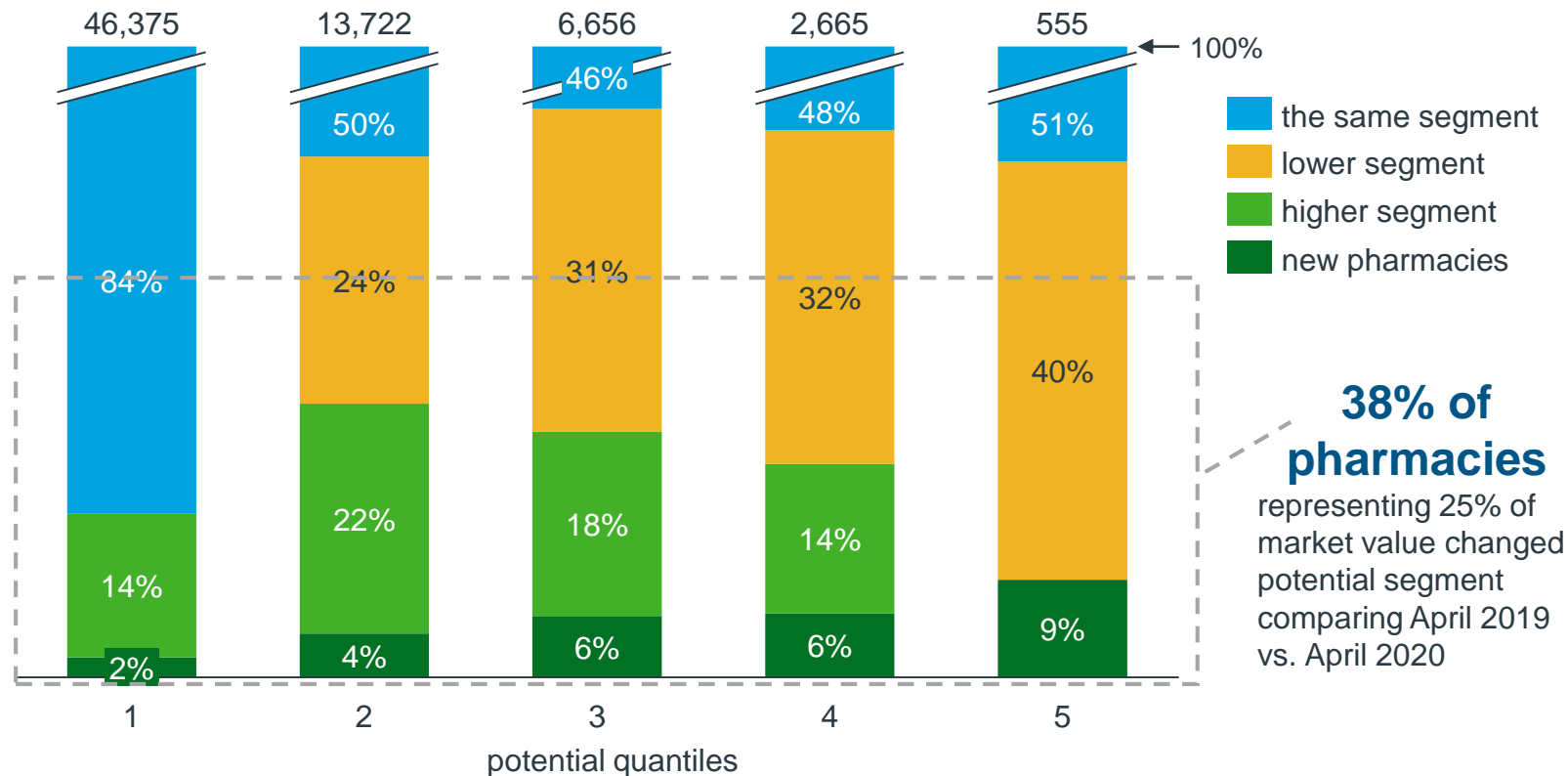


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Pharmacies landscape and related strategies needs refreshing as market potential shifted significantly due to COVID impact

Example of pharmacy segmentation on OTC market in Romania

Change of pharmacies in potential quintals in total OTC market in Romania
[by value kEUR, April 2019 vs. April 2020]



Key questions ?

1

Which pharmacies currently show the largest market potential for me?

2

How this situation may change and affect me?

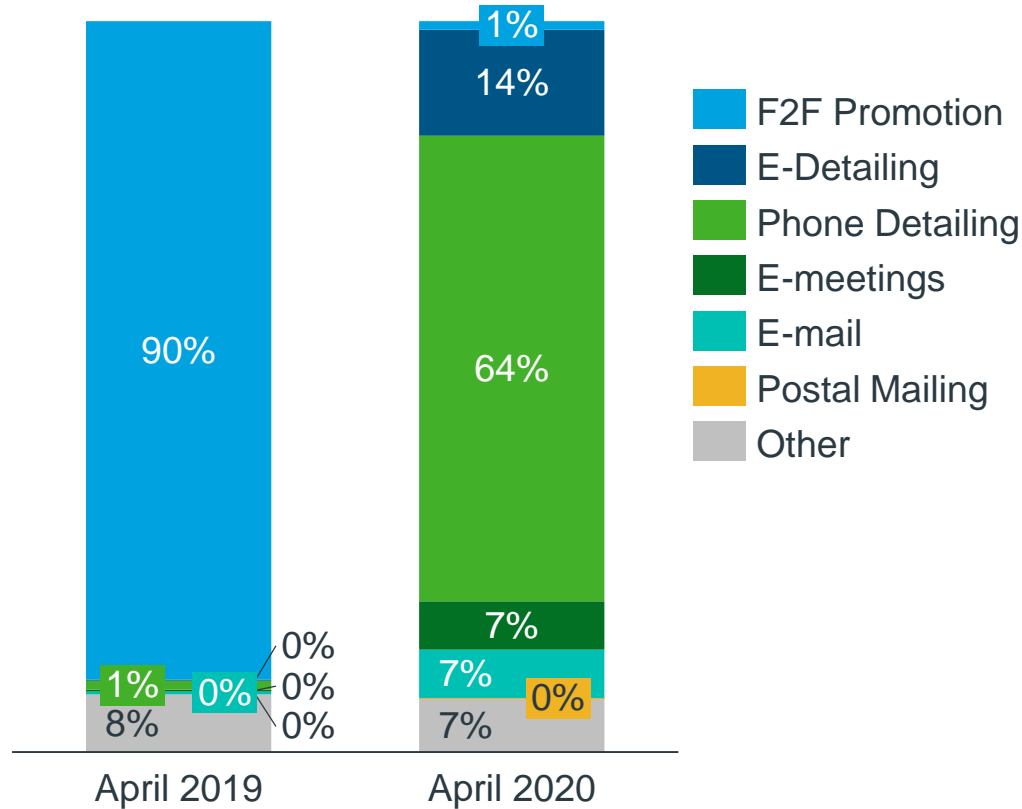
3

How can I identify relevant growth factors?

All F2F activities were switched to remote channels with the biggest growth in phone detailing to HCPs

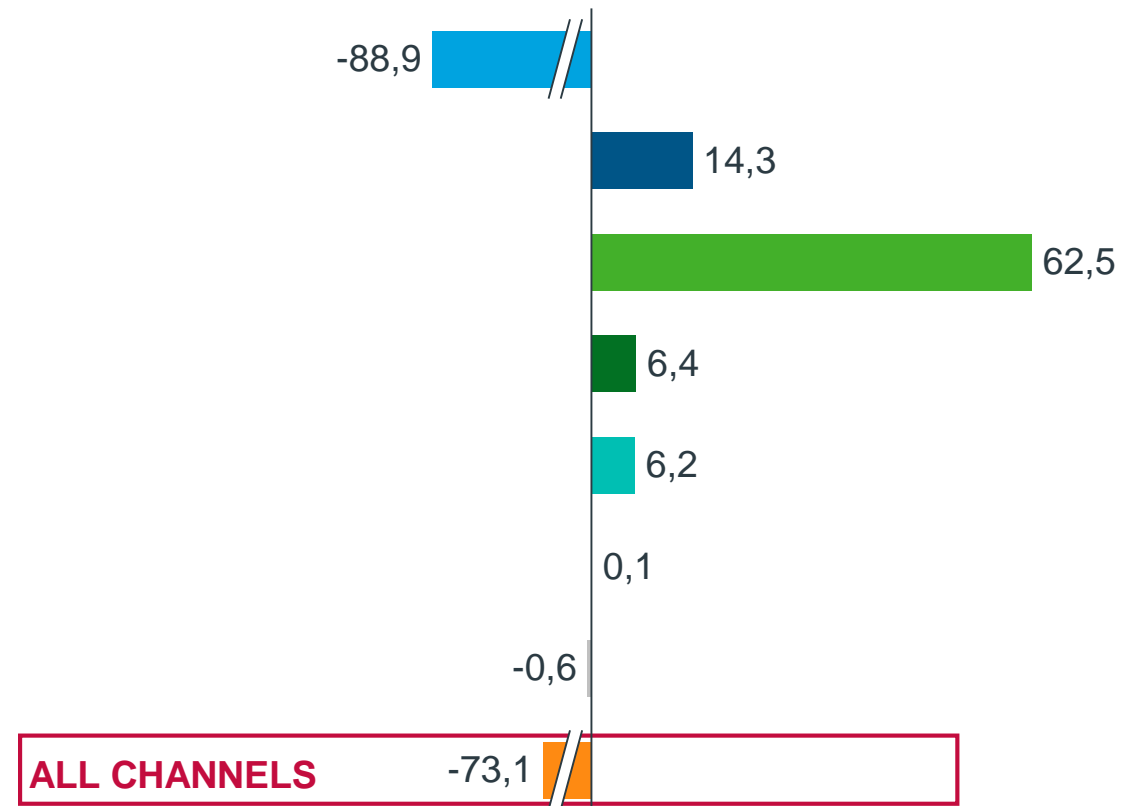
Interaction breakdown by channels, April 2020

Promotional volume share by channel in Romania



Change in promotional volume by channel in Romania

Apr 2019 – Apr 2020 [pp]

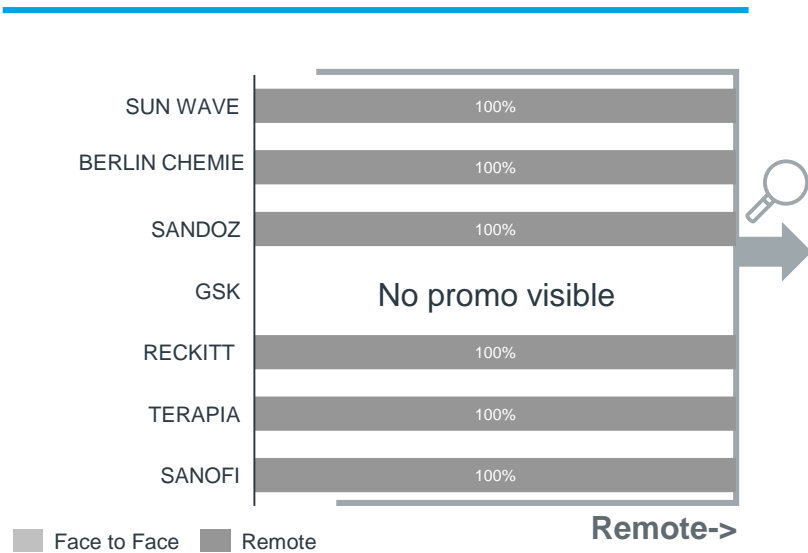


F2F Promotion (Sales Rep face-to-face detailing, group meetings); E-Detailing (Online presentations - live with a rep or automated, self guided); Phone Detailing (Telephone communication with reps); E-meetings (Streaming video – live webinar or pre-recorded webcast); E-mail (Opened email communication); Postal Mailing (Opened paper mail received by post); other incl. e.g.: medical journals, clinical trials

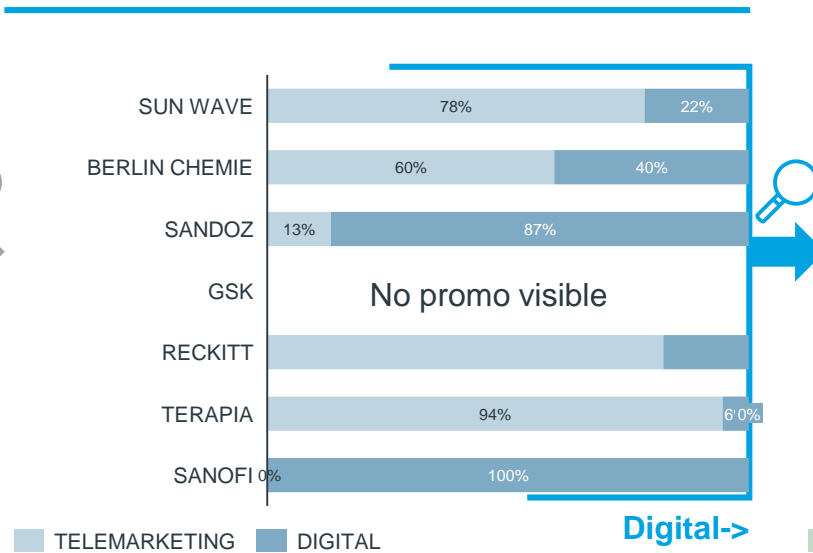
OTC Companies mainly used e-Detailing and e-Mailing in their Digital promo mix – is this optimal mix for the future?

Leading Pharma Co in Romania, April 2020, OTC promotion

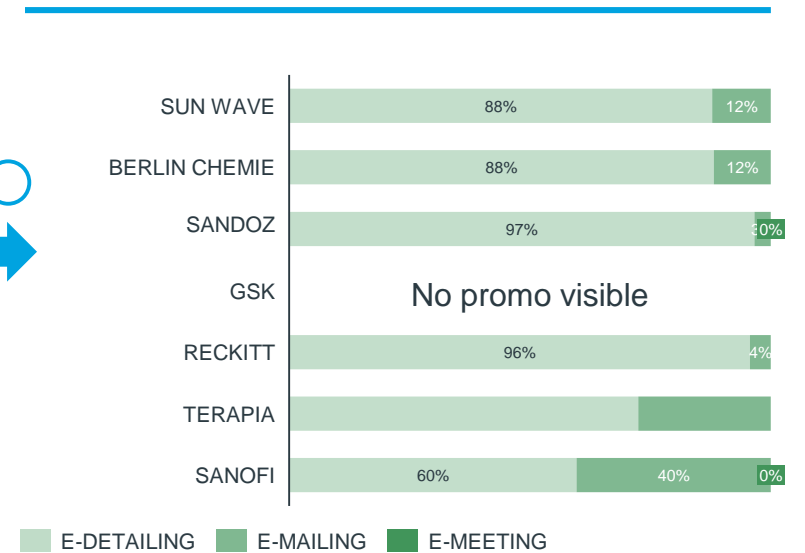
F2F vs remote promo-mix



Remote promo-mix



Digital promo-mix



In April there were no F2F visits reported

Telemarketing was the preferred channel for main Pharma Co's

E-Detailing was the most used digital activity

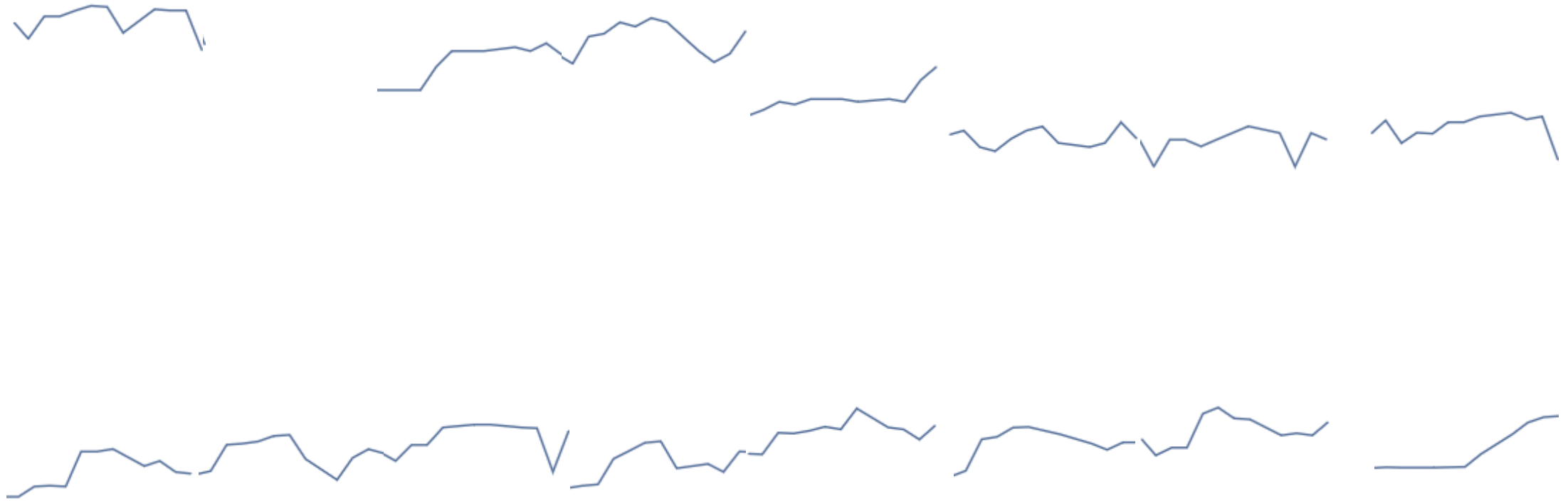


Retail Price Analytics

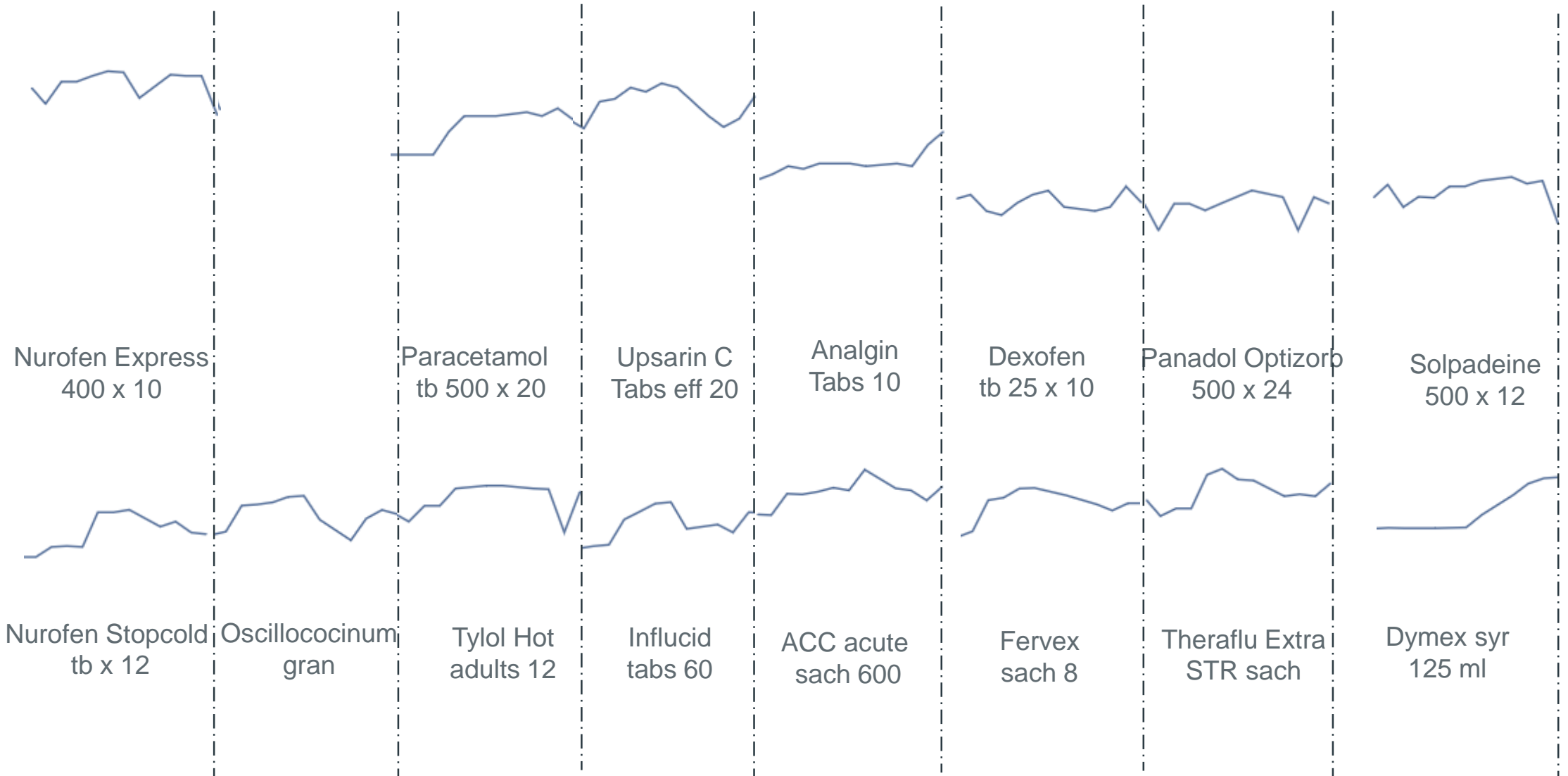
New tool for growth of Consumer Health Companies in 2020

Cristian Radulescu
Associate Director Offering Development

This is not the notepad of a doctor!

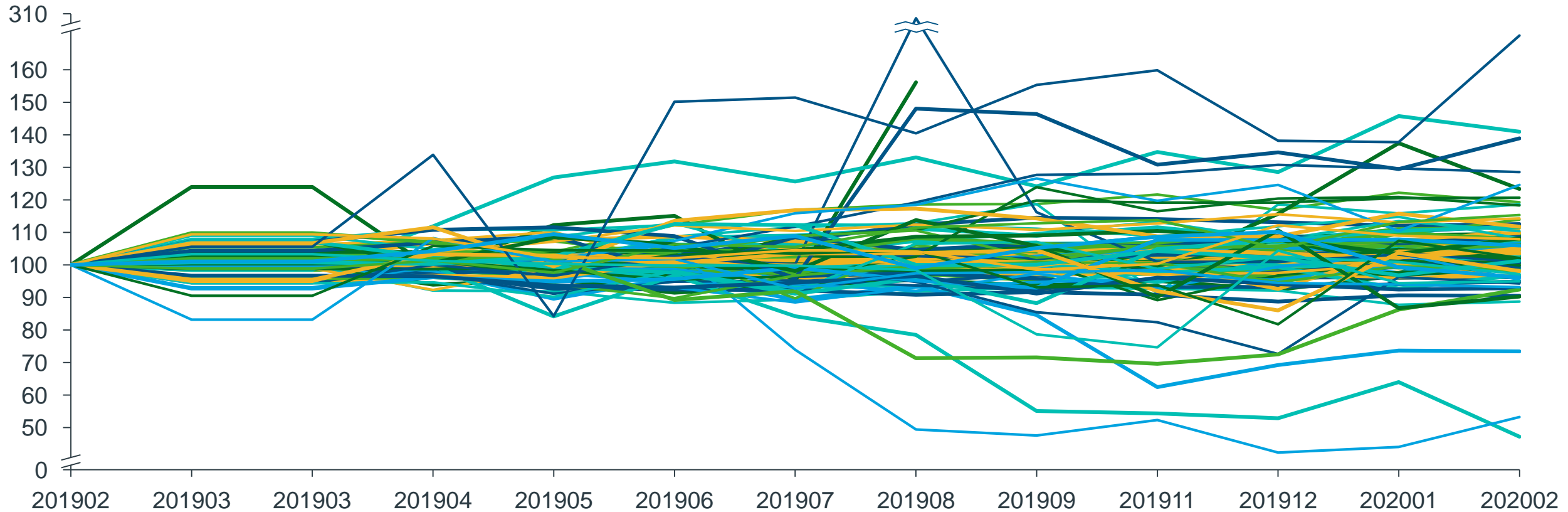


These are the monthly price dynamics graphs of several OTC packs



Price trend 1: Prices change in opposite directions

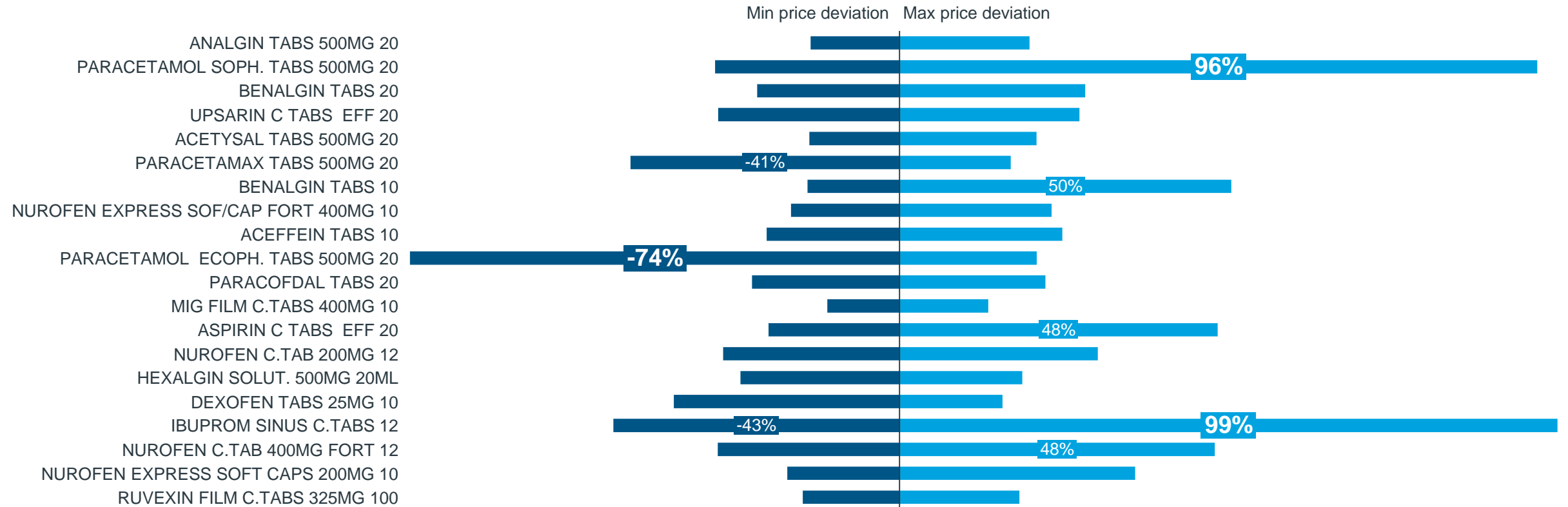
Price change index of packs in category Probiotics in IQVIA pharmacy panel



Source: Price Analytics

Price trend 2: Min. and max. prices deviate dramatically from the median price within the same period

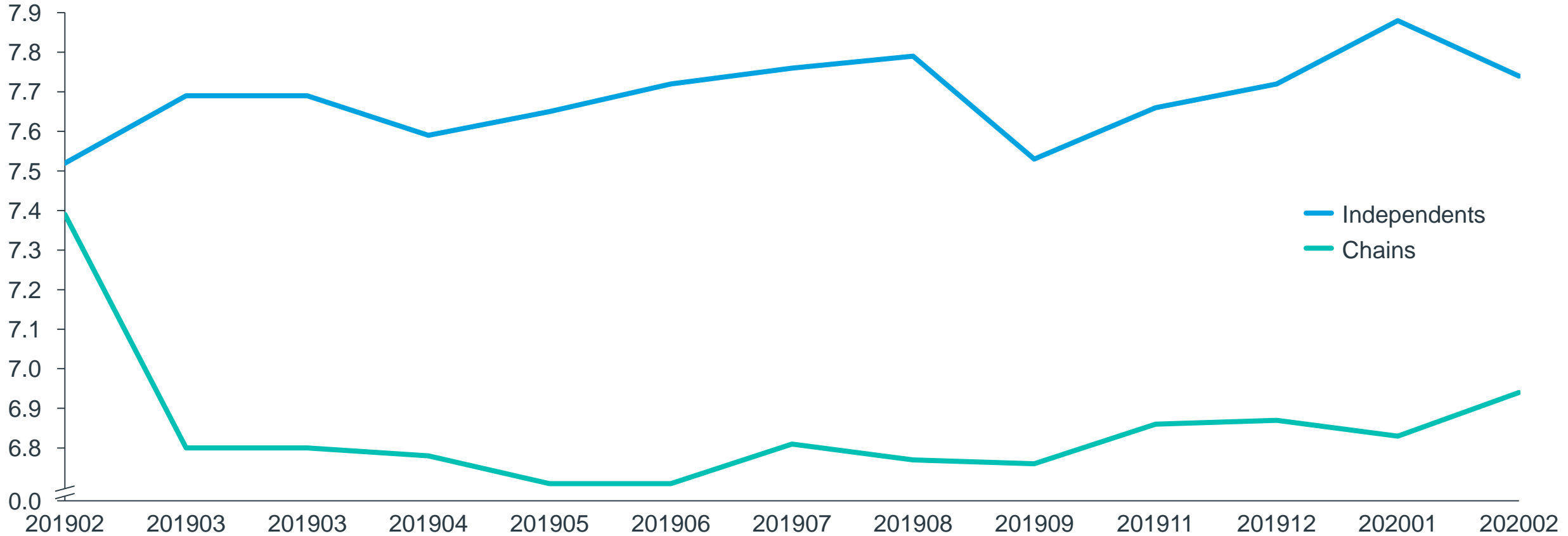
% deviation of min and max prices vs median price in IQVIA pharmacy panel



Source: Price Analytics

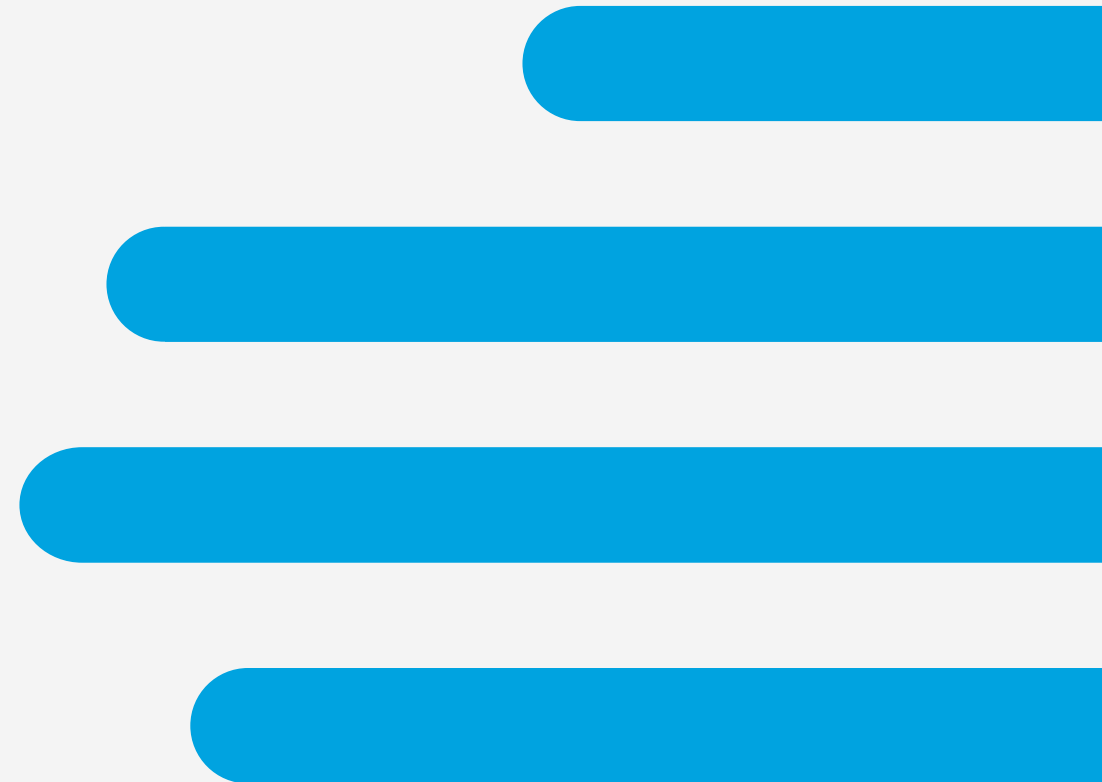
Price trend 3: The gap between prices in chains and independents is widening

Median price in chains and independents of a pack in Magnesium supplements in IQVIA pharmacy panel

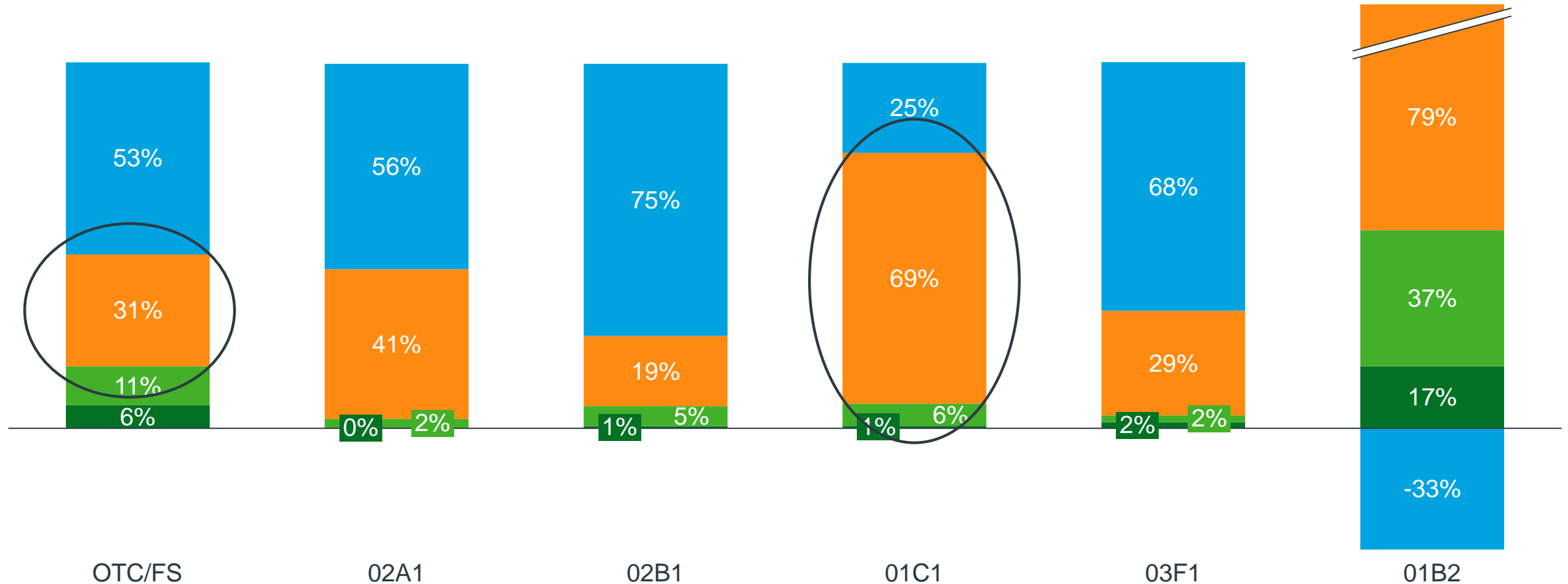


Source: Price Analytics

Why is price dynamics important?



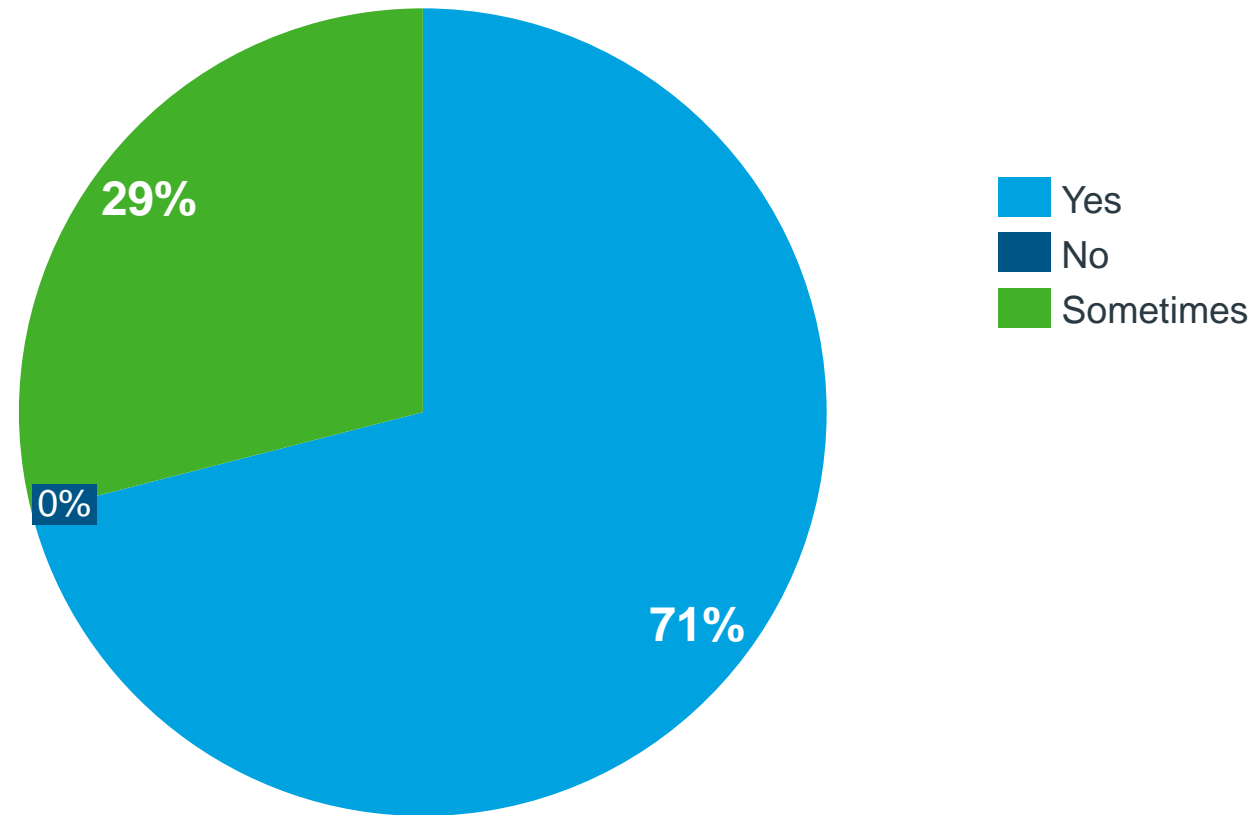
Price is among the most important growth drivers for OTC/FS products



Source: PharmaTrend

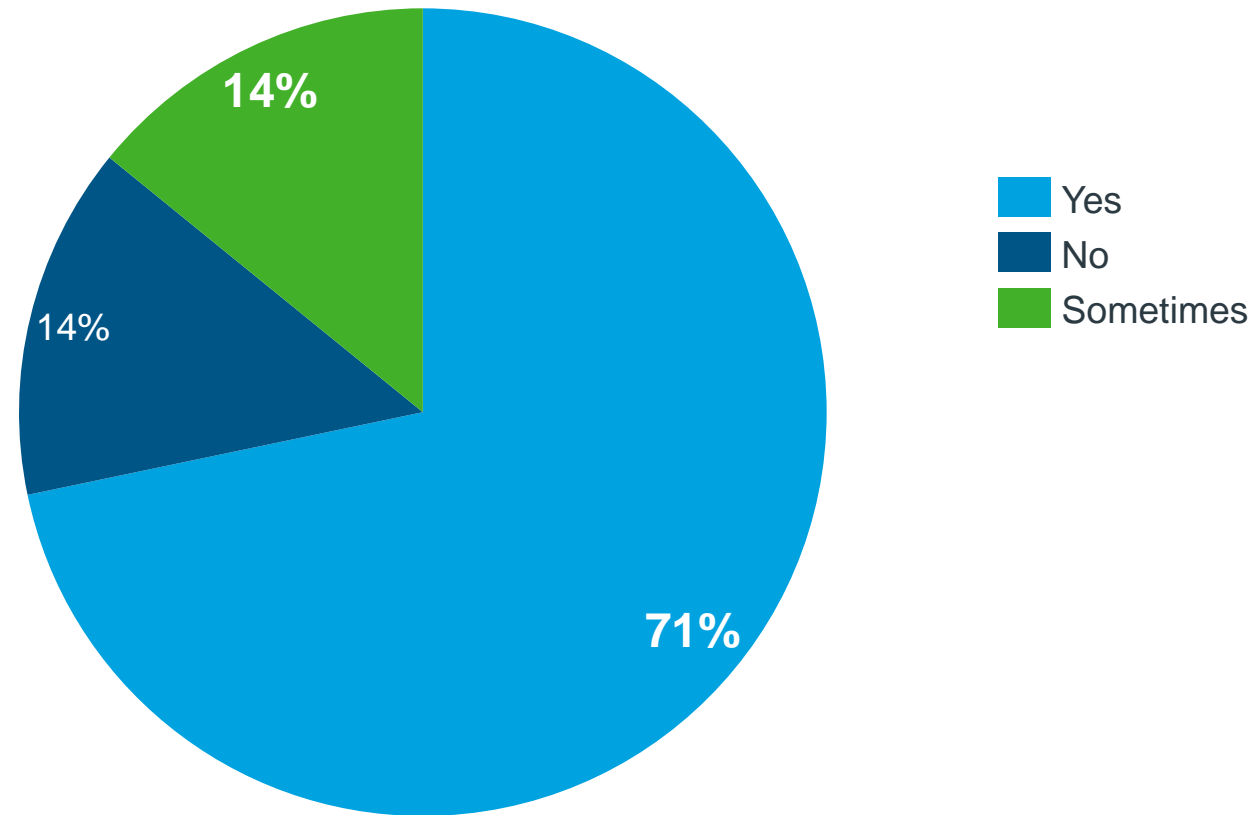
■ Volume increase
 ■ Price increase
 ■ New products
 ■ New packs

71 % of leading CH companies use their field force to monitor prices in pharmacies*



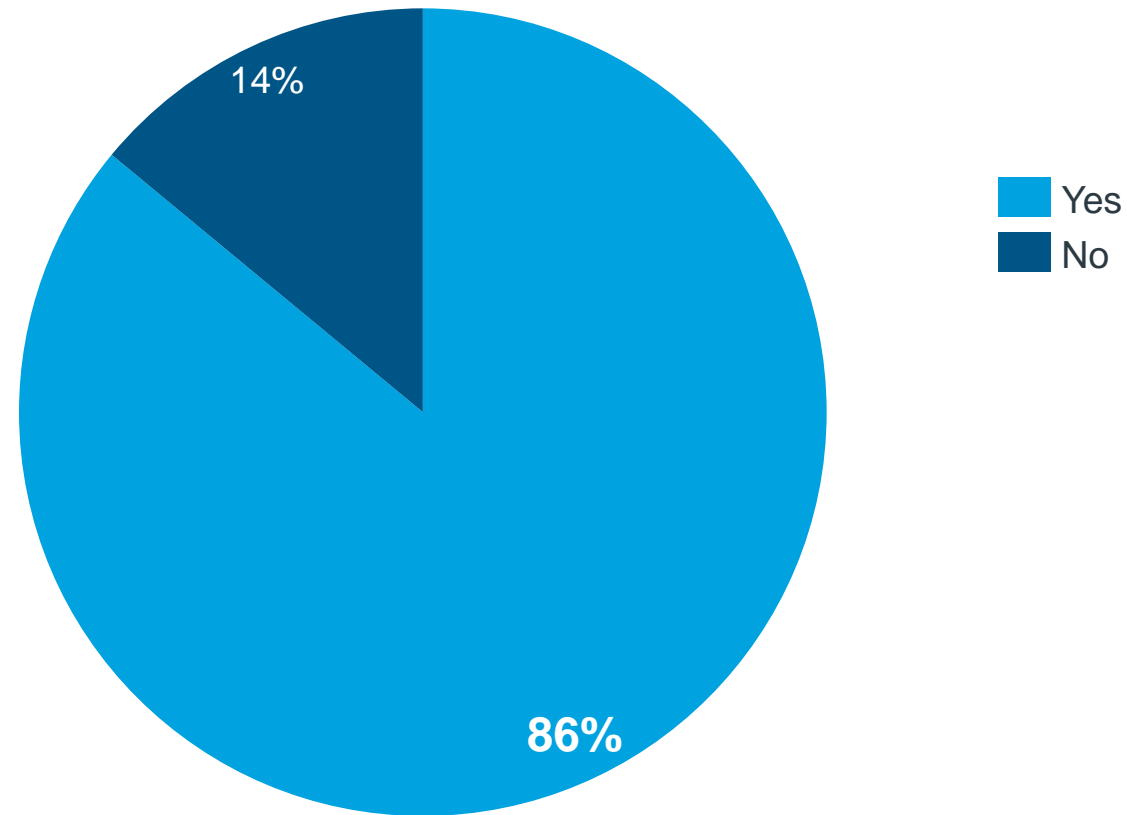
*based on survey among leading CH companies

More than 2/3 of CH companies use discounts as a trade marketing tool*



*based on survey among leading CH companies

More than 80% of CH companies expect that current situation will affect prices and promotional activities*



*based on survey among leading CH companies

Question is how...

... to get advantage of it!

Visibility on price history evolution

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HOME > CATEGORY OVERVIEW
PARACETAMOL

Geography: ALL Segmentation: ALL Latest Period: Apr 2020 Search by category (or code), product, molecule, manufacturer

Filter table Sales Unit Sales Value Hide Packs

	PZN	Product	Pack	Manufacturer	WGS3	OTC4	Weighted Price	Public Price	Price History	Price Change vs 3 months avg	Price change vs Previous Month
➔	01126111	PARACETAMOL-RATIOP	TABL 500MG 20	RATIOPHARM	10022	02A1C	2,76	2,99		0,20 7,92%	0,20 7,68%
➔	03485558	PARACETAMOL HEXAL	TABL 500MG 20	HEXAL	10022	02A1C	2,63	2,92		0,22 9,12%	0,12 4,85%
➔	02481587	PARACETAMOL-1A PH.	TABL 500MG 20	1A PHARMA	10022	02A1C	1,81	1,65		0,16 9,50%	0,15 9,28%
➔	14190197	PARACETAM.D.APO.H.	TABL 500MG 20	NOWEDA ESSEN	10022	02A1C	2,26	1,98		0,23 11,31%	0,17 8,25%
➔	00423568	PARACETAMOL STADA	TABL 500MG 20	STADA	10022	02A1C	2,36	2,38		0,17 7,65%	0,13 5,80%
➔	04088380	PARACETAMOL BC	TABL 500MG 20	BERLIN-CHEMIE	10022	02A1C	1,96	1,98		0,10 5,57%	0,09 4,90%
➔	03953580	PARACETAMOL-RATIOP	SUPP SGL 125MG 10	RATIOPHARM	10022	02A2S	1,18	1,18		-0,01 -0,77%	-0,01 -0,84%

View of the market pricing landscape for new launches

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Clarity on how the discounts transferred to the end price in the pharmacy

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PARACETAMOL

Geography: ALL Segmentation: ALL Latest Period: Apr 2020

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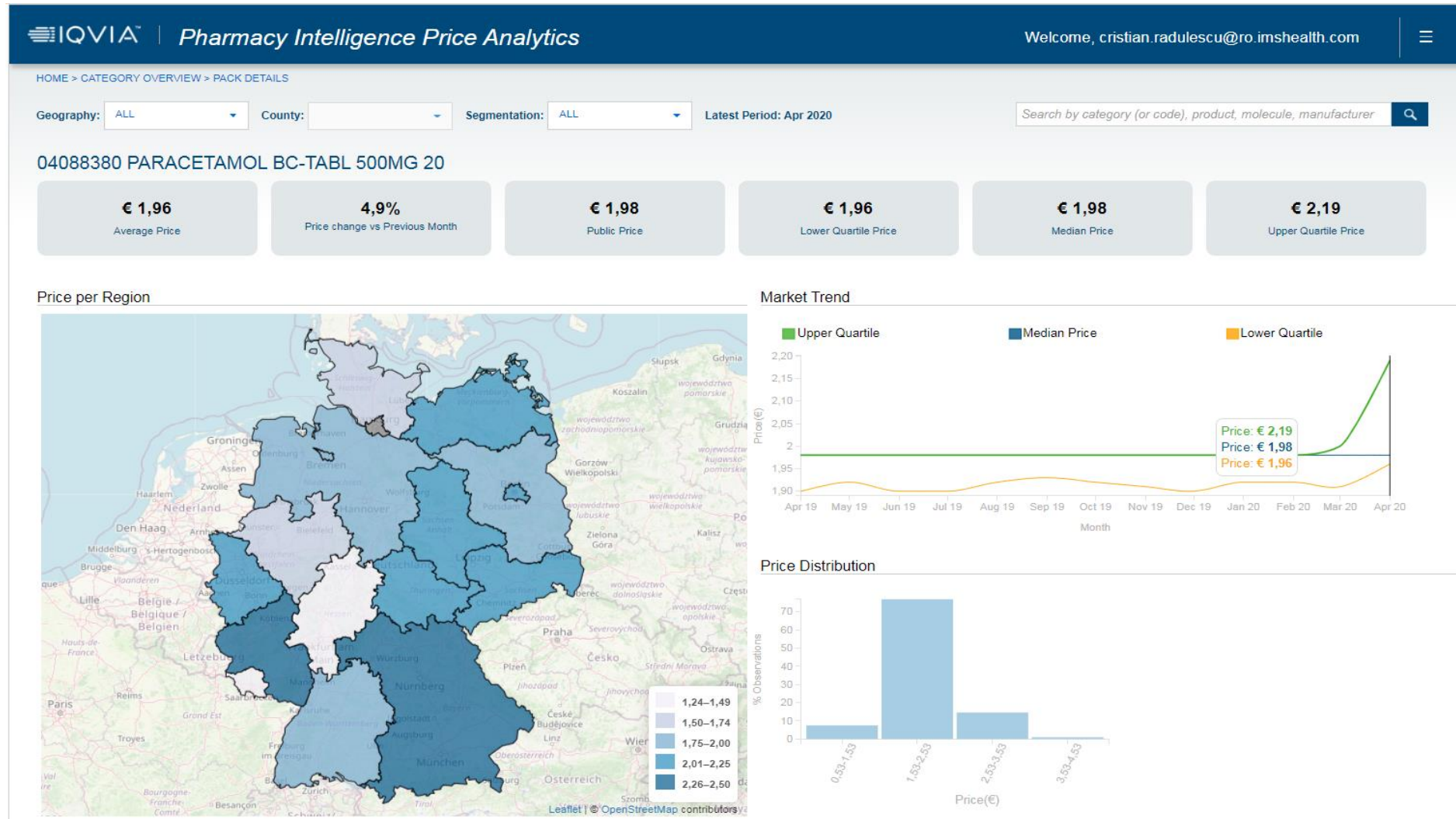
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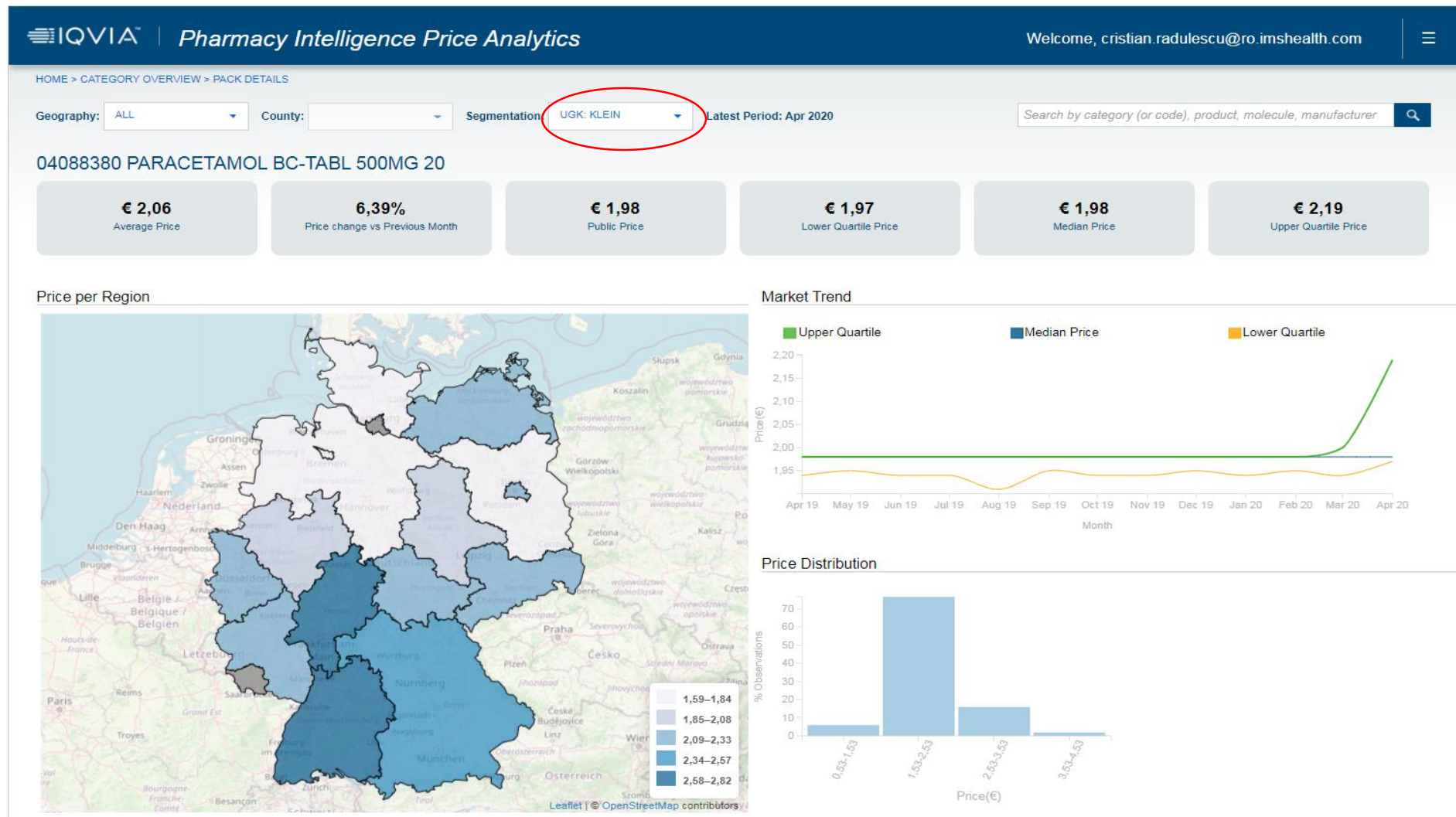
Geographical shelf price differences



Price by highest and lowest quartiles



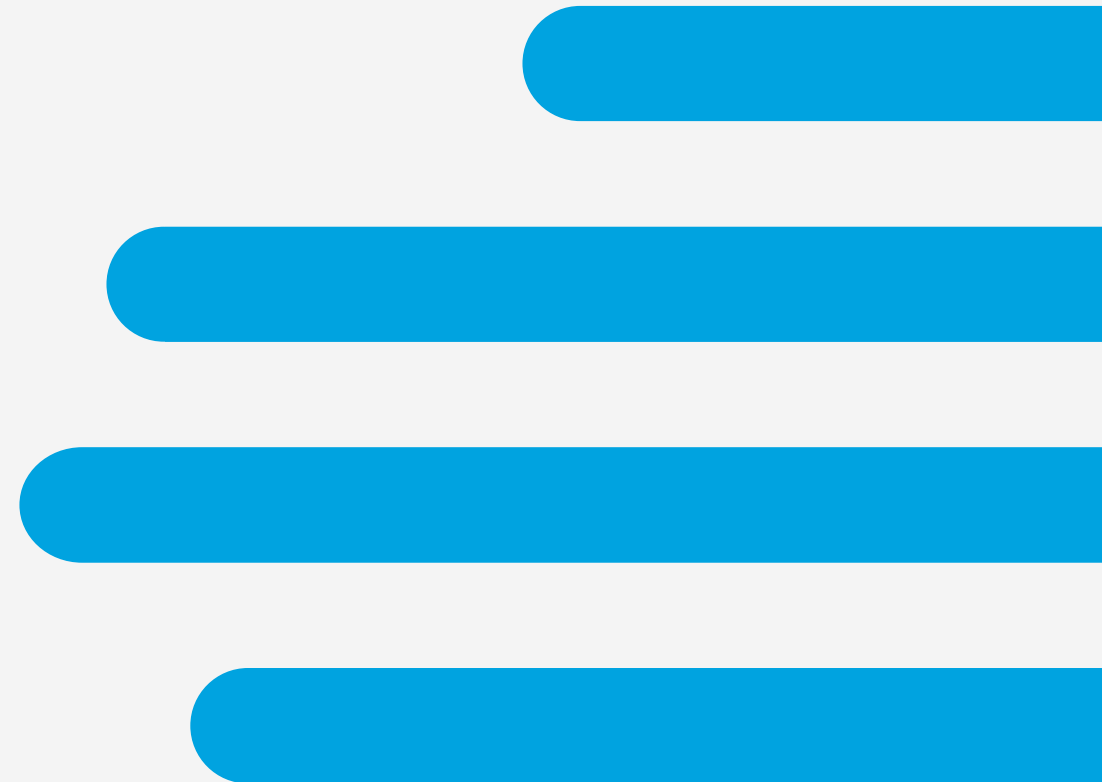
Price by pharmacy type





Pharmacy Intelligence Price Analytics

**Are you asking this
questions?**



Question 1: in which pharmacies do we need to check prices?

- a) The pharmacies that the reps are anyway going to visit today.
- b) Those whom reps could simply call and get instant information for few pack prices.
- c) Save efforts and just check online.

1. Our approach is to use our statistical office recommendation.
2. We precisely select which pharmacies we need in our sample.
3. And include them in IQVIA pharmacy panel.

Question 2: how do we collect price information?

$$\frac{5 \text{ packs} \times 720 \text{ pharmacies}}{12 \text{ reps} \times 10 \text{ pharmacies/day}} = 30 \text{ days}$$

Our approach is to extract monthly sales information from pharmacies at transactional level.

Question 3: and then what?

- a) ?
- b) Excel
- c) Intuition

Our approach is to collect:

1. The monthly pharmacy data
2. For more than 16 000 packs
3. In an online platform
4. Allowing search at the product, category or manufacturer level
5. Or monitoring customized selection of products.

IQVIA price database is the most comprehensive in the market

IQVIA collaborates in Romania with >3.600 pharmacy partner stores to systematically collect sales and prices of all drugs, OTC's and consumables.

Data is available monthly

The pharmacy price analytics contains only products with actual sales.

16'000 products x 12 months x 47 regions

9 million prices

almost 1 million prices updated each month

Database delivered on WEB based platform

Subscription based pricing

Flexible subscription periods (monthly, quarterly, annually)



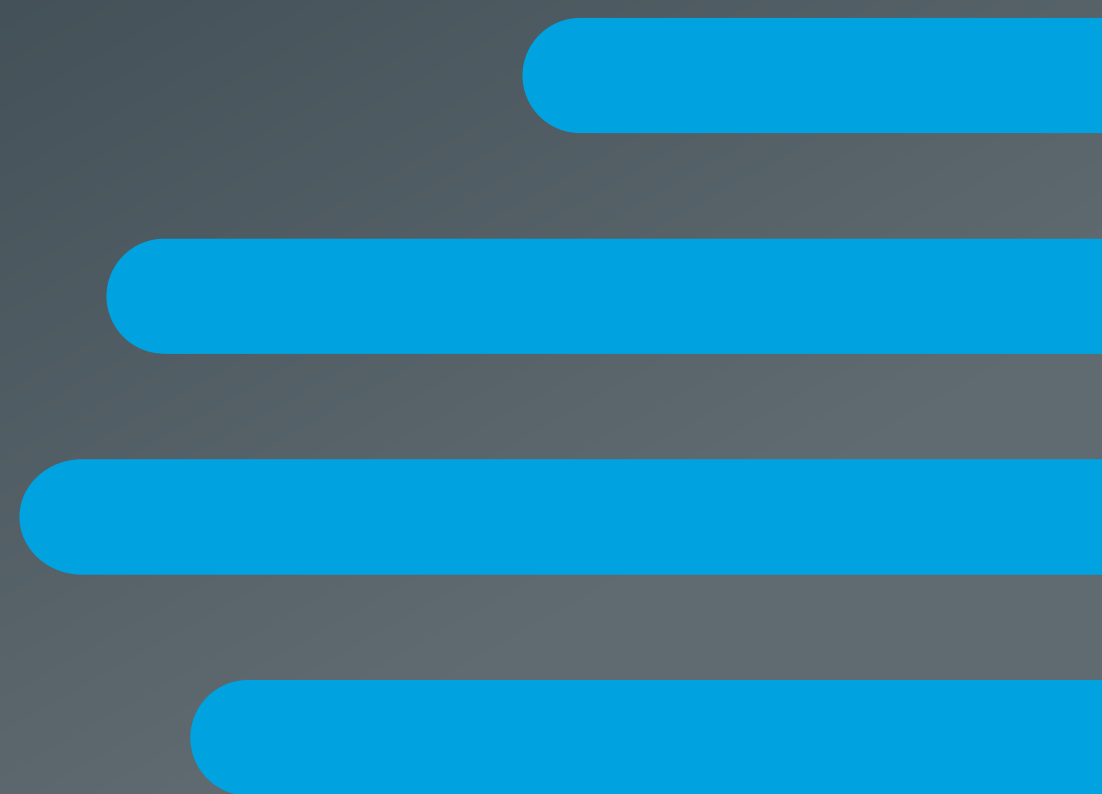
Thank you!

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Virtual Engagement

Bucharest 2020

Agenda for today

**Market
context**



**Virtual
interaction**



**Teams digital
skills & training**

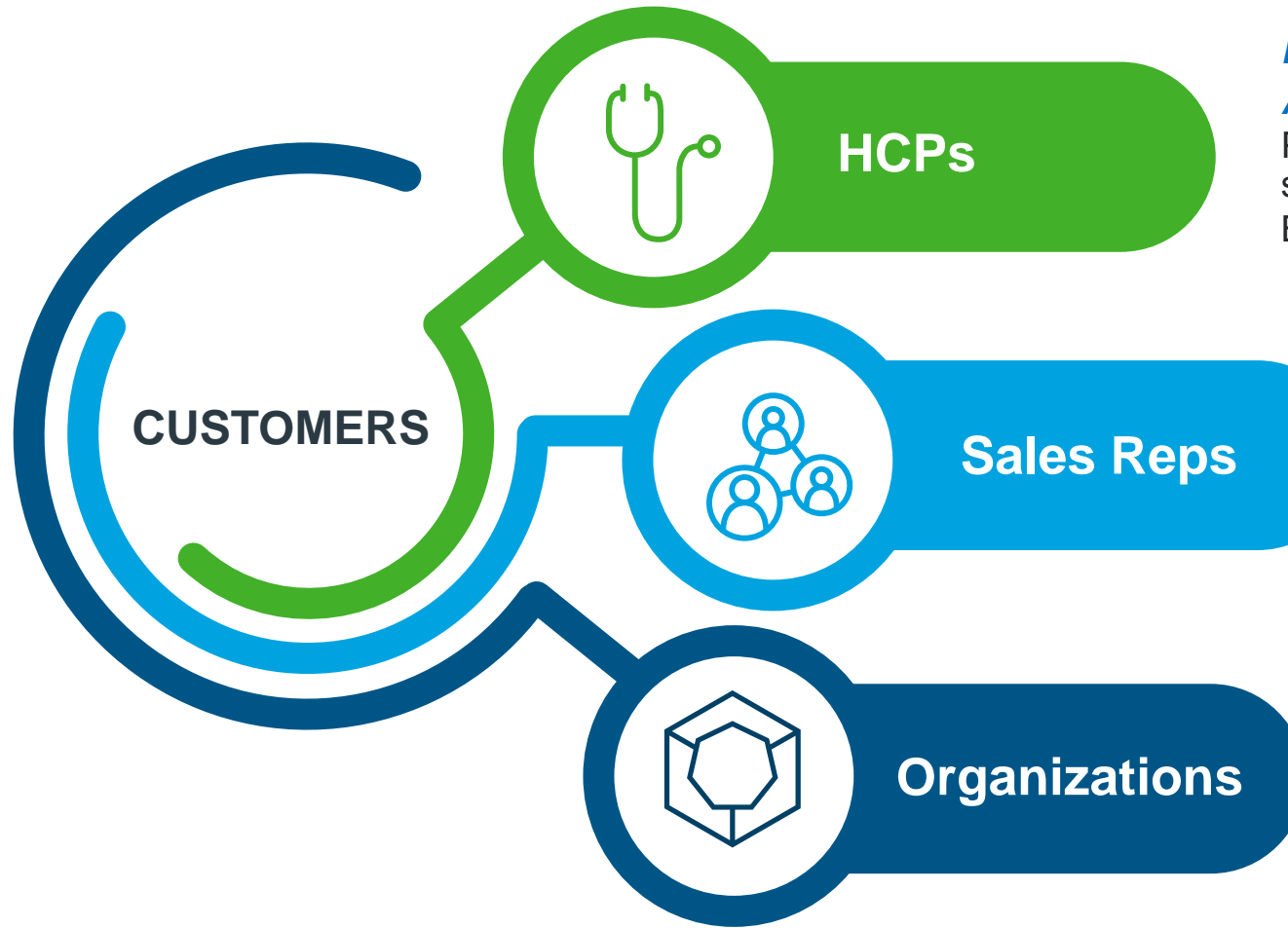


**Digital
Engagement**



Current context related concerns raised at all layers of the marketing process ...

Frequently Asked Questions



How to properly engage HCPs ?

Are HCPs ready for a full digital connection?

Pause "cold" discussions/ email initiatives, staying tuned to social changes, but don't leave long "on pause"
Be ready as people adjust to the new digital reality

How to shift team towards digital?

How to adapt their speech/ anchors?

How to keep them engage?

Take care of the team's wellbeing
Train the Sales Reps on how to adjust their messaging and outreach from a virtual setting

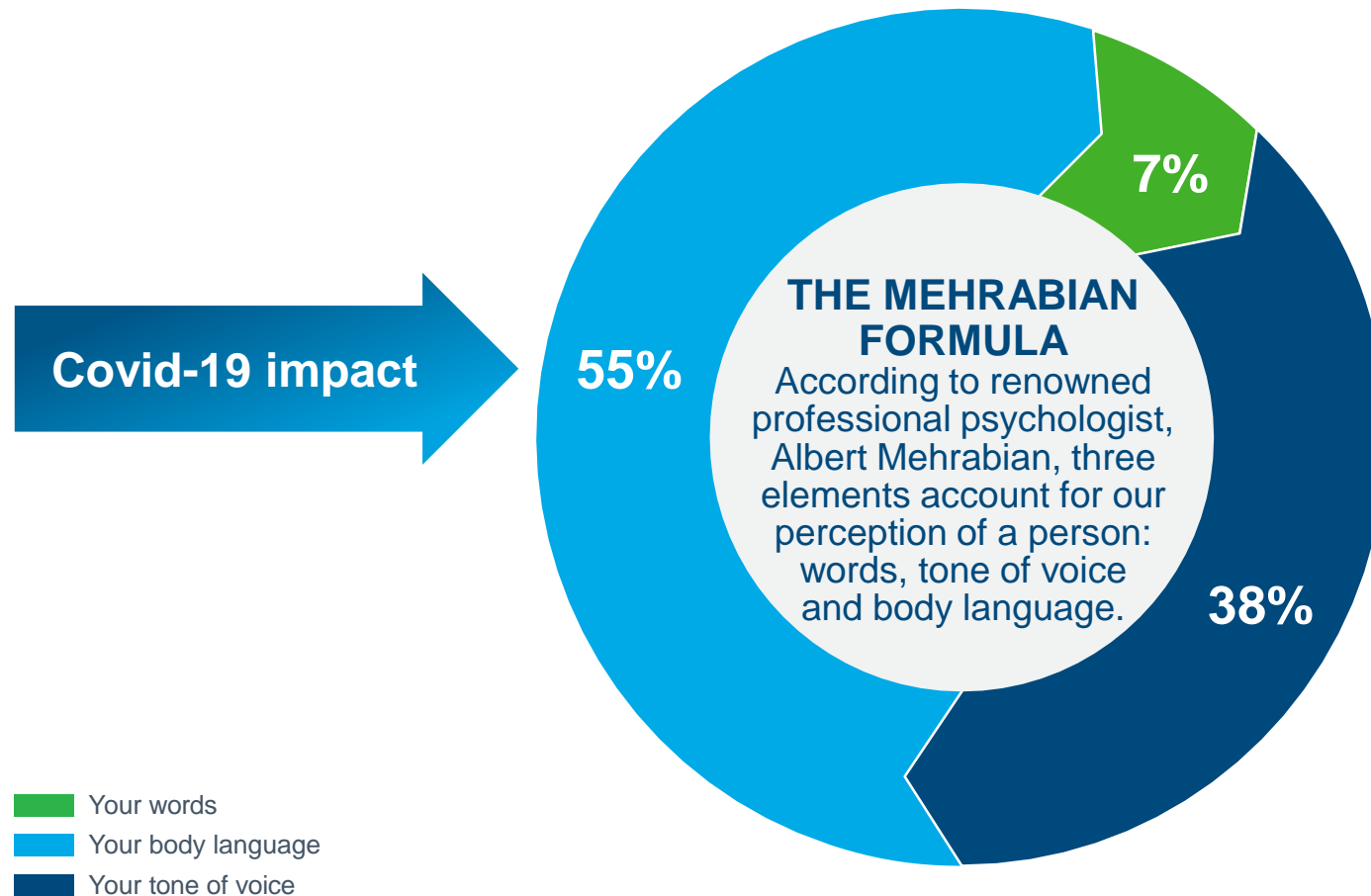
How to cope with changing behavior of patients/ consumer and HCPs?

How can we optimize the marketing sales processes?

How to set up tools and how to find the best value from your existing tools?

Understand changes behavior of both HCPs and patients
Review product development, launches and portfolio to properly structure SalesReps teams

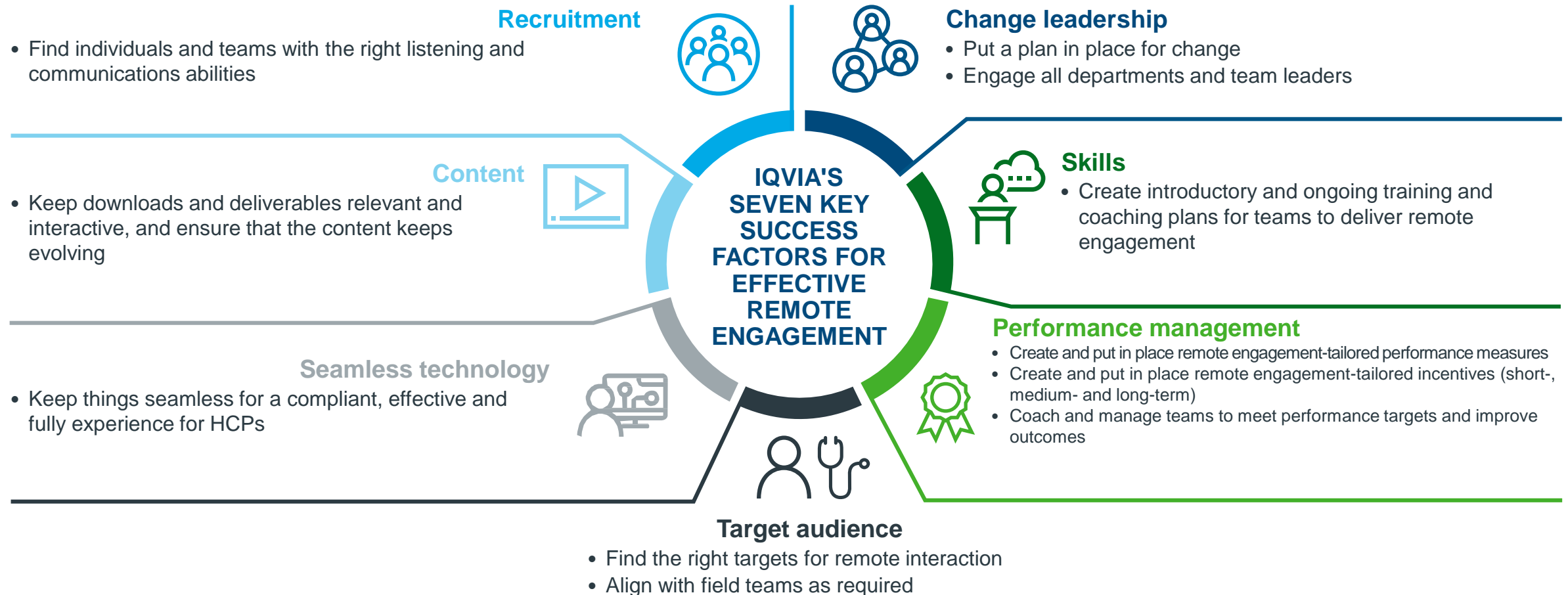
The Mehrabian formula – what is the impact of a remote interaction



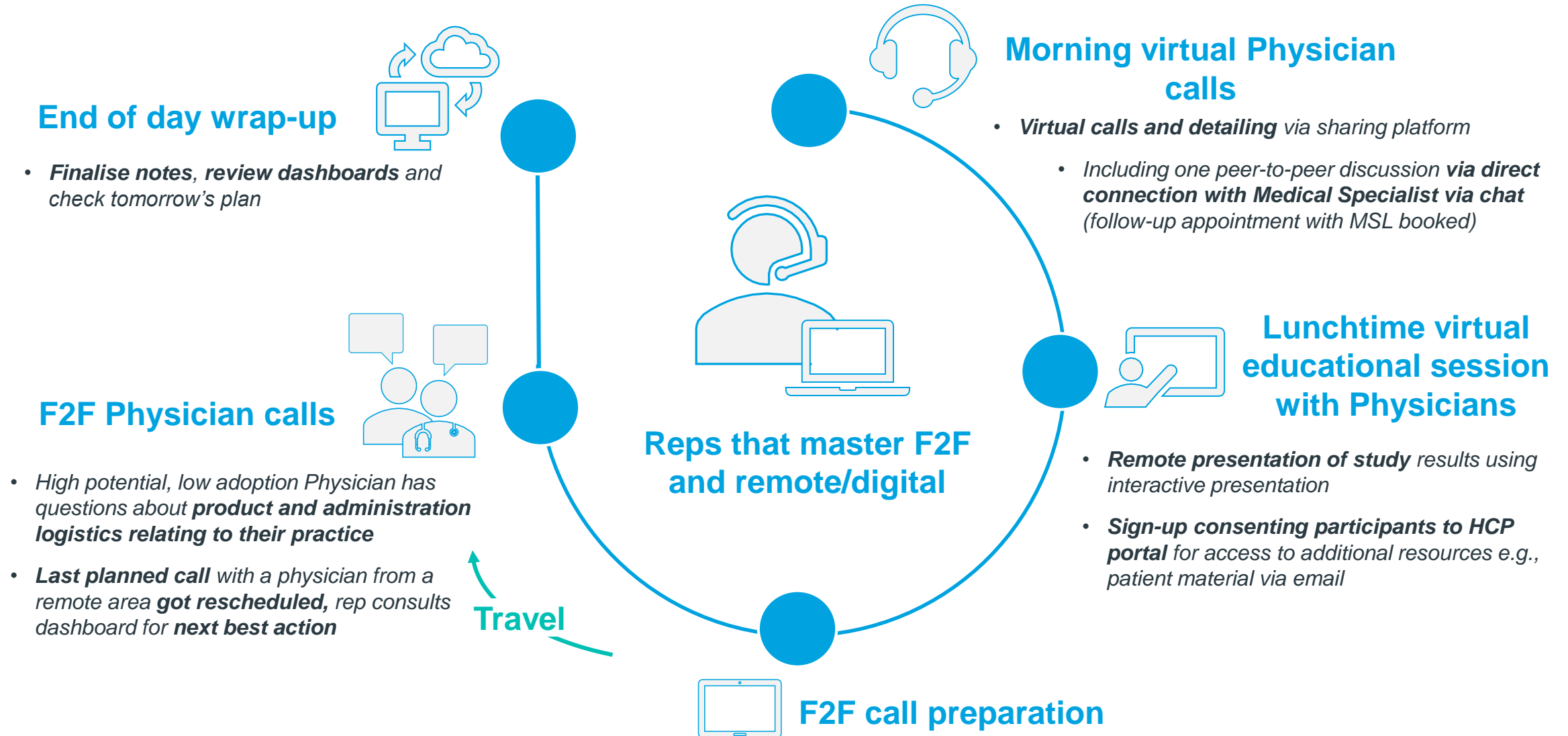
- ✓ Successful remote interactions require different communication styles.
- ✓ Teams involved in remote interactions must rely less on body language, balance listening with talking, effective use of voice tone and be confident using technology

Seven key success factors for effective virtual engagement

Making the most of virtual interactions with HCPs requires a focus on both the people delivering the program, the technology used to support delivery, and the content that makes up the program



On a typical day, the sales rep will conduct multiple engagements, interacting with customers & in-field team via a variety of channels



Remote detailing is a potential mitigation strategy for F2F visits restrictions

Overview of two remote approaches

Dedicated Remote



Remote Call Agent

- Optional
- Schedule appointments with HCPs
- Often used for short period at start of programme, large programmes



Remote Representative

- Only remote calls
- Based at home, office, contact centre
- Enabled with platform & telephony



Healthcare Professional

Hybrid model Field + Remote



Field Representative

- Field based, face-to-face calls
- Also enabled to do remote calls as directed such as
 - Follow-up calls
 - Scheduling flexibility for HCPs
 - HCPs in remote locations
 - Cover for colleagues in other locations

Teams digital skills & training



Guided training for digital approach to Sales teams



Continues learning through micro-learning platform (one to one)



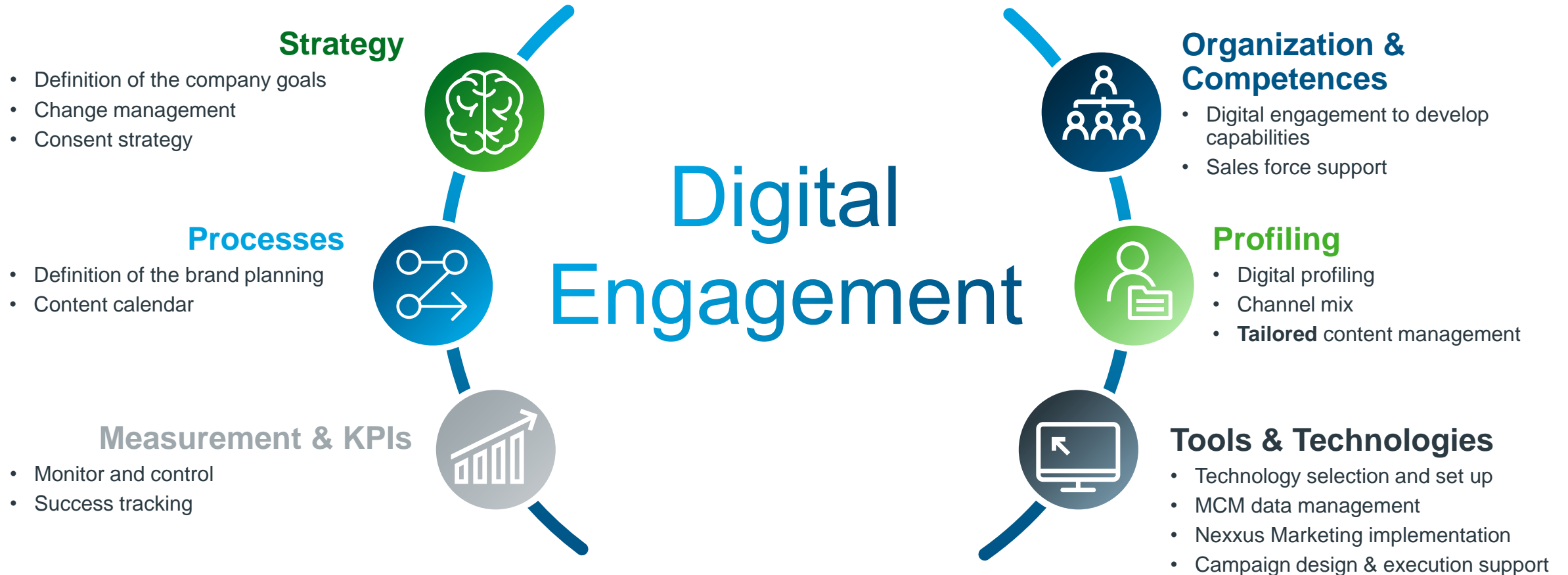
Gamification for entire learning process



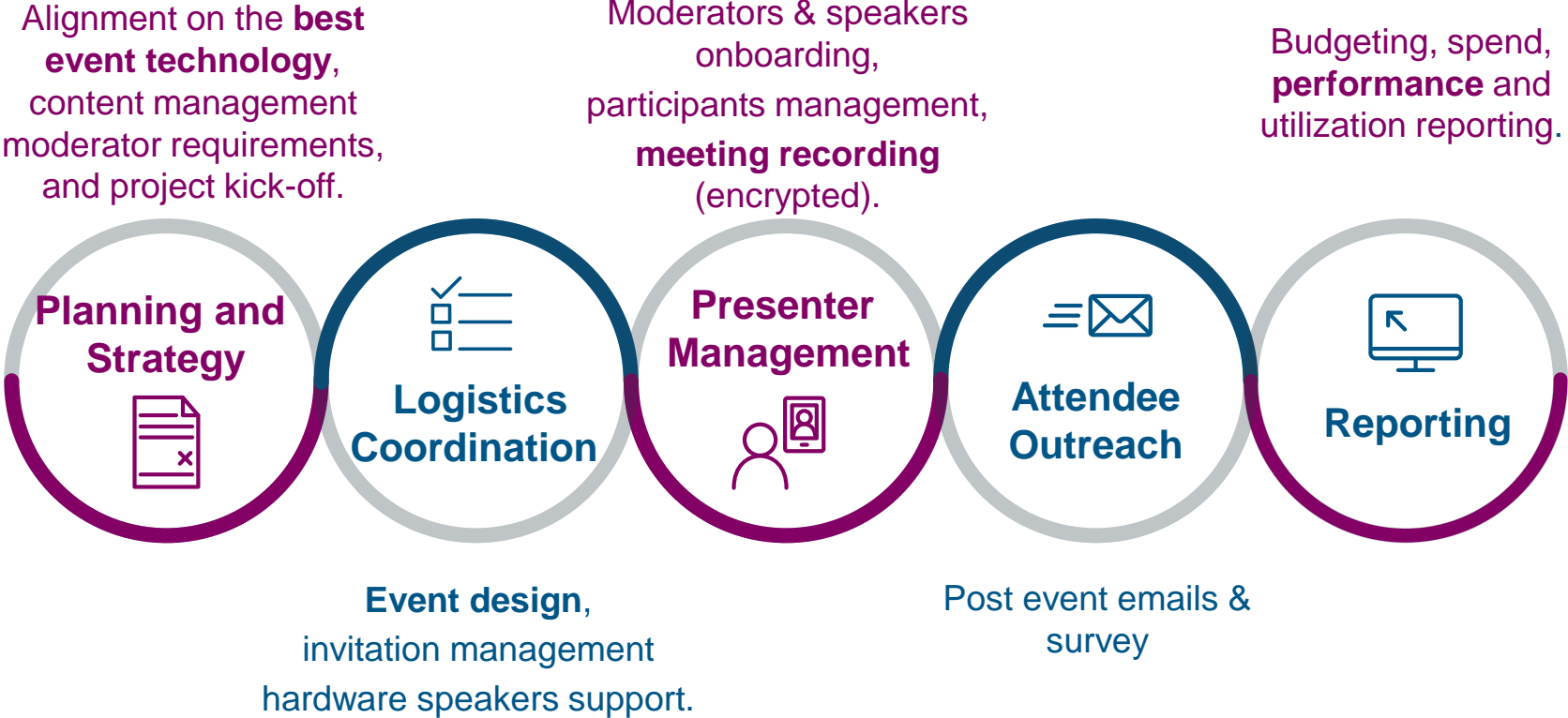
Quick field adaption of learned approach

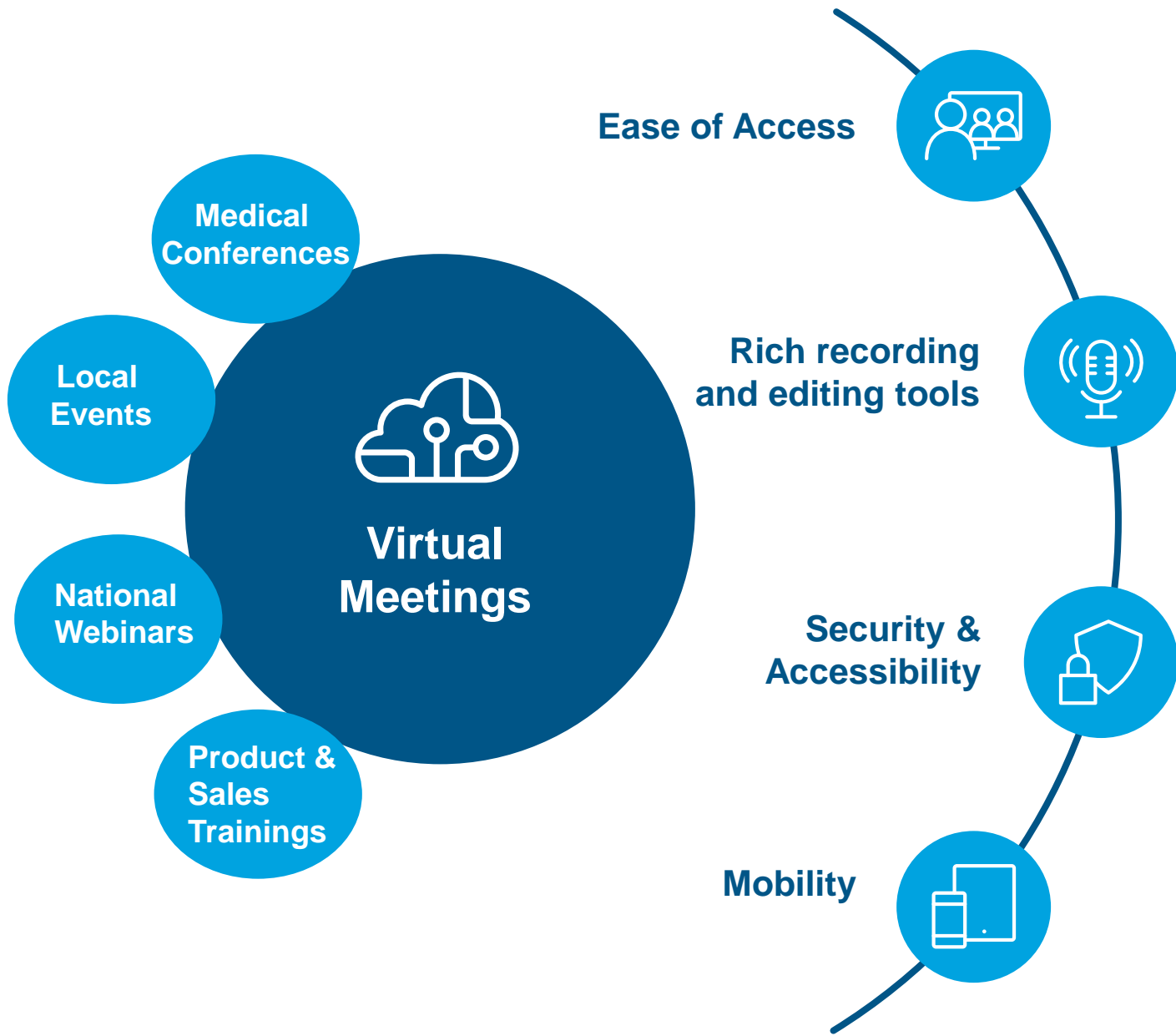
The current context gives each company the opportunity to focus on designing or revamping its Digital strategy

Digital Engagement components



Management of the End-to-End Virtual Meeting Lifecycle





Easy to use interface, quickly create persistent online meeting rooms with templates. Could set-up encrypted access to participants. Securely store files, documents, layouts and notes.

Record, edit and republish meetings for widespread or encrypted access. **Interactive** event coordinated by moderator.

Comprehensive security, compliance and privacy controls.

Collaborate anytime, anywhere from iOS or android device. Allow up to 3.000 participants to access the event.

... drive changes to virtual engagement



**Approach the customers
in digital world**



**Right technology for drive
to virtual engagement**



**Dedicate approach based
on customer profiling**



Thank you!

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