Austrians are ready for more self-care

Recent studies have shown that Austrian consumers are willing to take more responsibility for their own health, but they need a future-proof framework to do so. Matt Stewart reports on a market that seems ready to embrace self-care.

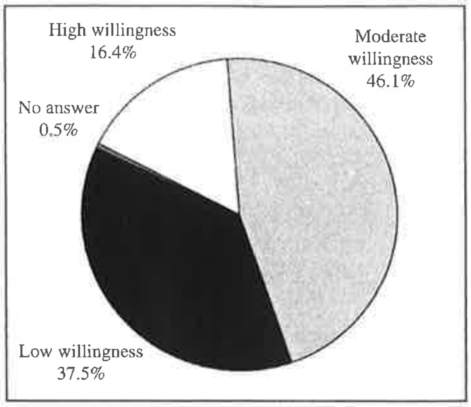

Figure 1: Response of 664 Austrians who were asked: "On a scale of one to 10, how prepared would you be, within the framework of your financial capacity to contribute, to save healthcare costs by buying medicines yourself without a prescription" (Source – IGEPHA)

The idea of self-care needs to be tied directly into Austria's national healthcare policy if the government, with the help of the OTC industry, wants the concept to support the country's healthcare system, according to local industry association, IGEPHA.

"IGEPHA is calling for an anchoring of self-care into future policy," the association told **OTC *bulletin***, "along with optimised framework conditions to help develop the OTC industry and better use of the concept of self-care to improve people's health and take pressure off the national healthcare system."

Citing a recent study of 664 Austrians commissioned by the association, IGEPHA pointed out that 62.5% of respondents said that they wanted to support the national healthcare system by taking more responsibility for their own health (see Figure 1) and that willingness to do so was not dependent on income.

Furthermore, over half of those asked – 54.7% – said they had no upper limit when it came to how much they were prepared to pay for self-care products (see Figure 2). IGEPHA added that 80% of those that did have an upper price limit would still be prepared to pay more than €10.00 for a product.

Austrian consumers had also become more educated on how best to manage minor ailments, the association explained, with 93.4% of those surveyed claiming that they were able to decide what initial measures to take without visiting a doctor (see Figure 3).

Addressing concerns about how people used self-medication products, IGEPHA said that the levels of compliance for non-prescription and prescription products were about the same. Meanwhile, 21.7% of people said that they used self-medication products more consistently than those that they had been prescribed.

Despite the readiness of the Austrian population to embrace self-care, the regulations governing the market were not ideal for driving the concept forward, IGEPHA argued.

The share of the total Austrian pharmaceutical market commanded by consumer healthcare products – defined as non-prescription medicines; personal-care products including cosmetics; patient/medical supplies, such as plasters and bandages; and homoeopathic products – remained below the level of other, similar markets.

Smaller OTC range

A key reason for this, IGEPHA claimed, was that the range of non-prescription medicines available was much smaller than in "switch pioneer countries", such as Germany and the UK.

Medicinal products in Austria can have either prescription-only or non-prescription status. Currently, only 5,693 out of 13,462 authorised or registered medicinal products have non-prescription status.

There needed to be "central political engagement" to improve the regulatory frameworks governing self-care, IGEPHA insisted. The association was pushing for a "sensible adaptation of current regulation" to improve the switch environment, it added, and help market-authorisation holders move products from prescription to non-prescription status.

The consumer healthcare market in Austria was growing, IGEPHA pointed out, noting that the latest figures from market research firm IMS Health showed that in the year ended July 2014, total value sales of consumer healthcare products at pharmacy retail prices had increased by 7.5% to €1.04 billion (see Figure 4).

In volume terms, the market had advanced by 2.4%, the association said, with the number of packs sold rising from 100 million to 102 million (see Figure 5).

Value sales of OTC products – which accounted for 73.3% of the total market – had improved by 8.0% in the period to €765 million,

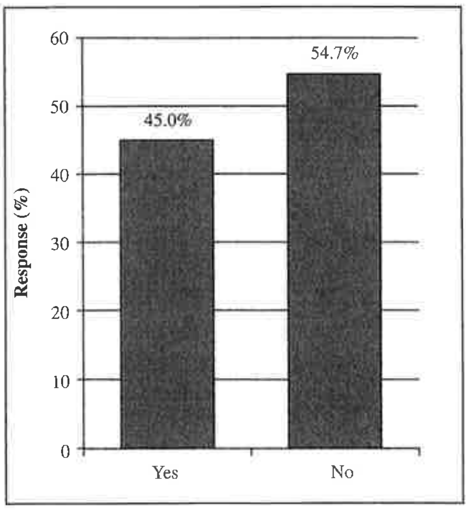

Figure 2: Response of 664 Austrians who were asked: "When you buy medicines in a pharmacy, is there an upper price limit?" (Source – IGEPHA)

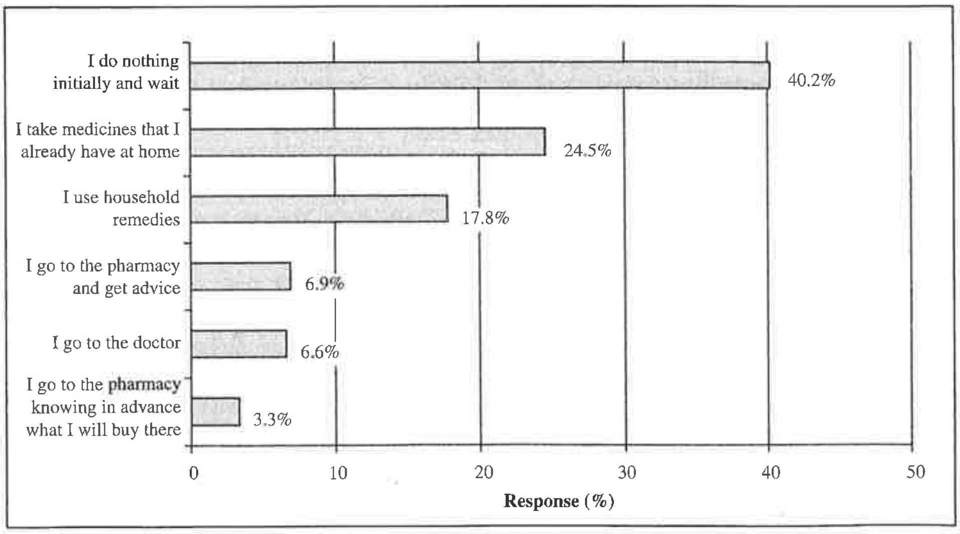

Figure 3: Response of 664 Austrians who were asked how they treated a minor ailment when first symptoms appeared (Source – IGEPHA)

IGEPHA noted, pointing out that "non-registered OTC products" – which made up around 47% of the OTC category – had driven the rise, with sales from these products finishing 10.8% ahead of the prior year.

Looking at the top-10 OTC categories by value, based on pharmacy retail prices, cough and cold products led the market by share – accounting for a fifth of the total OTC market – but the category performed poorly compared to some of its smaller counterparts (see Figure 6).

The top-five categories in the Austrian OTC market – cough/cold, gastrointestinal/digestive, pain/rheumatism, vitamins, minerals and supplements (VMS) and skin-care – accounted for almost two-thirds of the entire segment, with sales of almost €500 million.

Gastrointestinal/digestive products – the OTC market's second-biggest category – reported a double-digit increase in sales, as did the third- and fourth-place categories, pain/rheumatism and VMS.

Business	Annual sales 2013 (€ millions)	Value share (%)	Annual sales 2014 (€ millions)	Value share (%)	Change (%)
OTC	708.4	72.9	764.9	73.3	+8.0
Personal care/cosmetics	140.5	14.5	148.6	14.2	+5.7
Patient care	86.7	8.9	94.4	9.0	+8.9
Homoeopathy	35.7	3.7	36.1	3.5	+1.1
Consumer healthcare	**971.4**	**100.0**	**1,044.0**	**100.0**	**+7.5**

Figure 4: Value sales of the Austrian consumer healthcare market at pharmacy retail prices in the years ended July 2013 and July 2014 (Source – IMS Health)

Business	Annual sales 2013 (€ millions)	Volume share (%)	Annual sales 2014 (€ millions)	Volume share (%)	Change (%)
OTC	72.6	72.6	74.4	72.7	+2.5
Patient care	14.5	14.5	14.9	14.5	+2.6
Personal care/cosmetics	10.0	10.0	10.2	10.0	+2.5
Homoeopathy	2.9	2.9	2.9	2.8	-1.4
Consumer healthcare	**100.0**	**100.0**	**102.4**	**100.0**	**+2.4**

Figure 5: Volume sales of the Austrian consumer healthcare market in the years ended July 2013 and July 2014 (Source – IMS Health)

Eye-care performed best

The best performer in the top 10 was the eye-care category, IGEPHA pointed out, which reported sales up by 15.9% to €35.1 million, accounting for 4.6% of the total OTC market in the 12 months.

Looking at what consumers in Austria were paying for consumer healthcare products, IGEPHA said that the average cost of an OTC item was €10.28, while consumers were paying on average €14.55 for a cosmetic and €12.52 for a homoeopathic remedy.

Over the past two years, the prices of OTC and homoeopathy products had risen by 9% and 7% respectively, the association revealed.

Turning to how consumer healthcare products were distributed in Austria, IGEPHA explained that medicinal products – including OTCs, herbal and homoeopathic medicines – were only able to be sold through pharmacies or by self-dispensing doctors.

A very limited number of medicinal products, the association noted, such as teas and some herbal preparations, could also be sold in small shops employing a druggist.

At the end of 2013, there were 1,317 community pharmacies in Austria as well as 26 branches of established pharmacies. A pharmacy may establish a maximum of one branch within four kilometres of the original pharmacy.

A total of 162 new pharmacies had been opened over the past 10 years, IGEPHA said, noting that in Austria, there was one pharmacy per 6,348 inhabitants and one pharmacist per 1,535 inhabitants.

Multiple pharmacy ownership was prohibited – with the exception of a branch – the association noted, and all pharmacies be owned by a pharmacist.

Despite Austrian consumers having convenient access to pharmacies and pharmacists, the choice of self-care products available – especially OTC medicines – remained limited, the IGEPHA pointed out.

Some liberalisation of the market for mail-order pharmacies had come into play over the past few years, the association said, with an amendment of the Austrian Medicines Act in 2013 allowing distance selling for OTC drugs by all public pharmacies, which must register with the federal office for safety in healthcare, the *Bundesamt für Sicherheit im Gesundheitswesen.*

The registry listed the address and the concerned website which was used for distance selling, the association noted, and the websites were subject to special regulations, including an obligatory link to the *Bundesamt.*

Category	Annual sales (€ millions)	Value share (%)	Change (%)
Cough/cold	152.0	19.9	+0.7
Gastrointestinal/digestive	90.9	11.9	+12.7
Pain/rheumatism	90.6	11.8	+14.7
Vitamins, minerals & supplements	90.5	11.8	+11.7
Skin-care	75.5	9.9	+6.2
Tonics, geriatrics & immunology	41.2	5.4	+7.1
Genitourinary	40.4	5.3	+9.8
Cardiovascular	35.6	4.6	+6.2
Eye-care	35.1	4.6	+15.9
Calming, sleeping & mood enhancers	22.9	3.0	+14.0
Top-10 total	**764.9**	**100.0**	**+8.0**

Figure 6: Sales of the top-10 OTC categories based on pharmacy retail prices in the year ended July 2014, indicating value shares and category changes (Source – IMS Health)

Boost mail-order channel

While consumers had been able to purchase products from mail-order pharmacies based outside of Austria since 2012, the amendment should boost this channel in the coming years, IGEPHA said.

Noting that the mail-order channel in Germany currently accounted for around 12% of pharmacy sales, the association claimed, it would not be surprising to see an Austrian mail-order channel gain a similar share.

This opening up of new distribution channels for consumer healthcare goods – coupled with a wider range of products – would help further "anchor" self-care as an effective means of managing not only minor ailments, but also chronic conditions, IGEPHA insisted.

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