

Dietary Supplement & Baby Care Markets

Market Insights

Key learnings based
on a French qualitative study

March 2022

Smart Pharma Consulting has carried out a qualitative study to review the dietary supplement and baby care markets in France and to draw key learnings

Context – Objective – Methodology

Context

- The dietary supplement market is estimated at around €13 bn in Europe, with an average annual growth of 4%
- With €2 bn, France accounts for ~16% of the European market, behind Italy and Germany
- Pharmacies and drugstores account for ~60% of dietary supplement sales in France and...
- ... phytotherapy products account for 41% of the market

Objectives

- The objective of this study was to collect and analyze stakeholders' thoughts to:
 - Better understand the specificities of the dietary supplement and baby care markets in France
 - Anticipate their evolution
 - Determine the key success drivers for manufacturers

Methodology

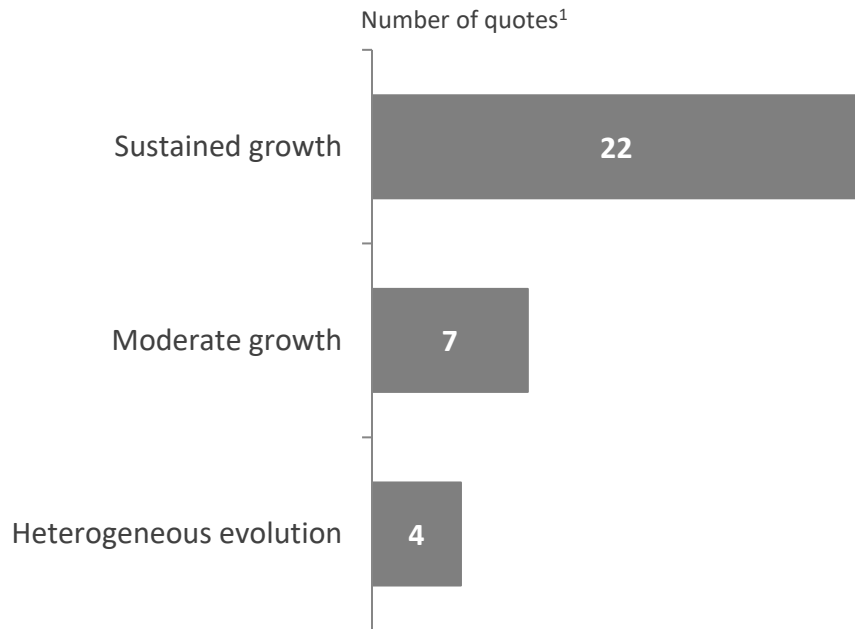
- Individual interviews have been conducted with:
 - 30 retail pharmacists
 - 20 physicians
 - 5 midwives
 - 5 manufacturers
- Self-administered questionnaires have been fulfilled by 85 consumers at retail pharmacies...
- ... while purchasing a dietary supplement or a baby care product

According to retail pharmacists, dietary supplements and baby care markets have shown a sustained growth since 2017 and are expected to continue to grow by 2025

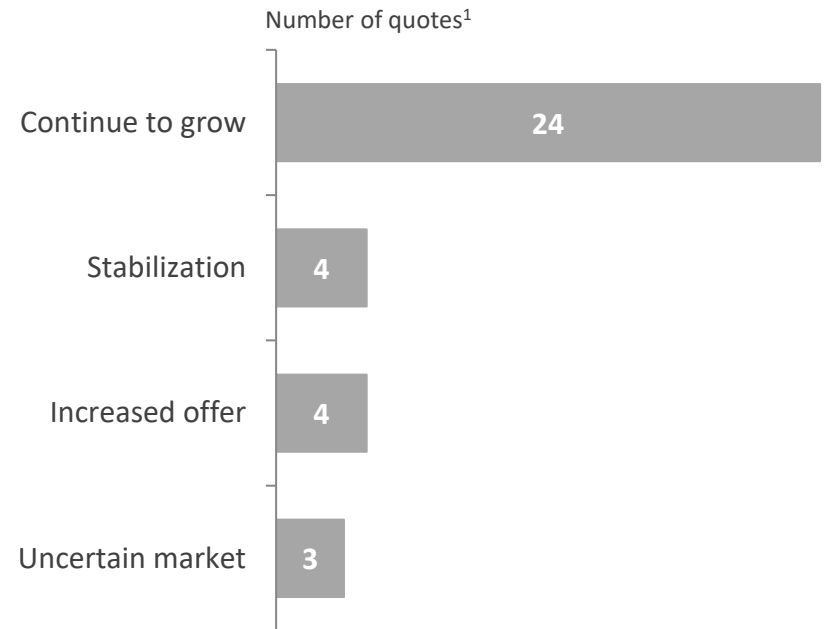
Market trends and perspectives

“How has your dietary supplement and baby care business evolved since 2017 and how do you anticipate its evolution by 2025?”

2017-2021



2021-2025



Number of respondents: 30

Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

Major prescribers of dietary supplements and baby care products are GPs and specialist physicians who mostly increased their prescription or did not change their practice

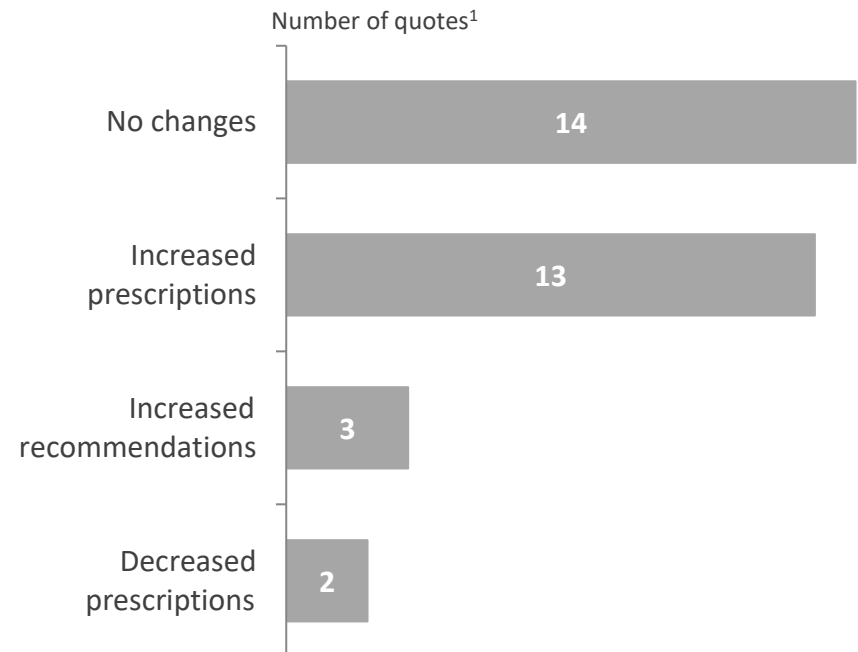
Prescribers

“What is the profile of “major prescribers” and their likely behavioral trends re. dietary supplements and baby care products?”

Prescribers' main profiles



Prescribers' behavioral trends



Number of respondents: 30

Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

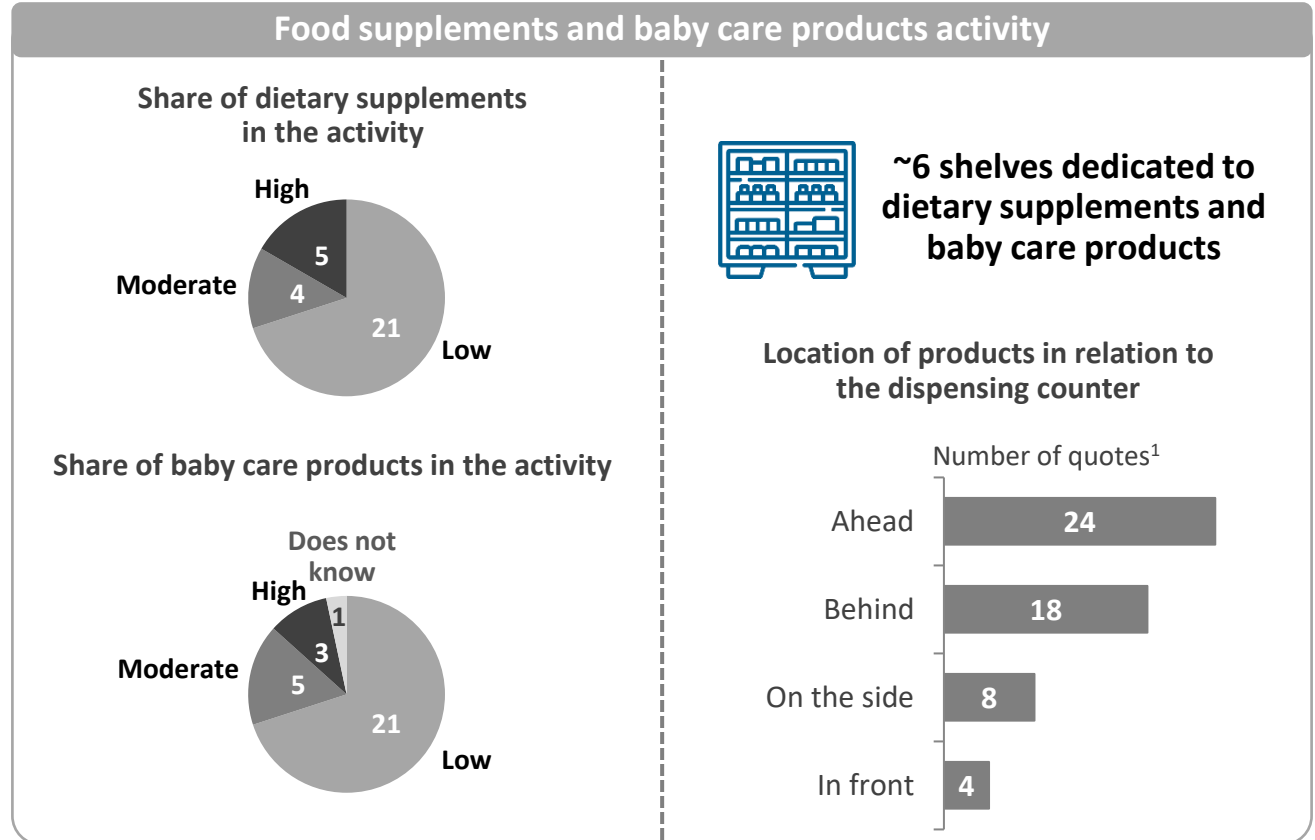
¹ Several answers possible

The interviewed pharmacists mostly consider that dietary supplements and baby care products represent a small part of their activity and for these products, they dedicate ~6 shelves

Pharmacists – Profile of pharmacies



Number of respondents: 30



Number of respondents: 30

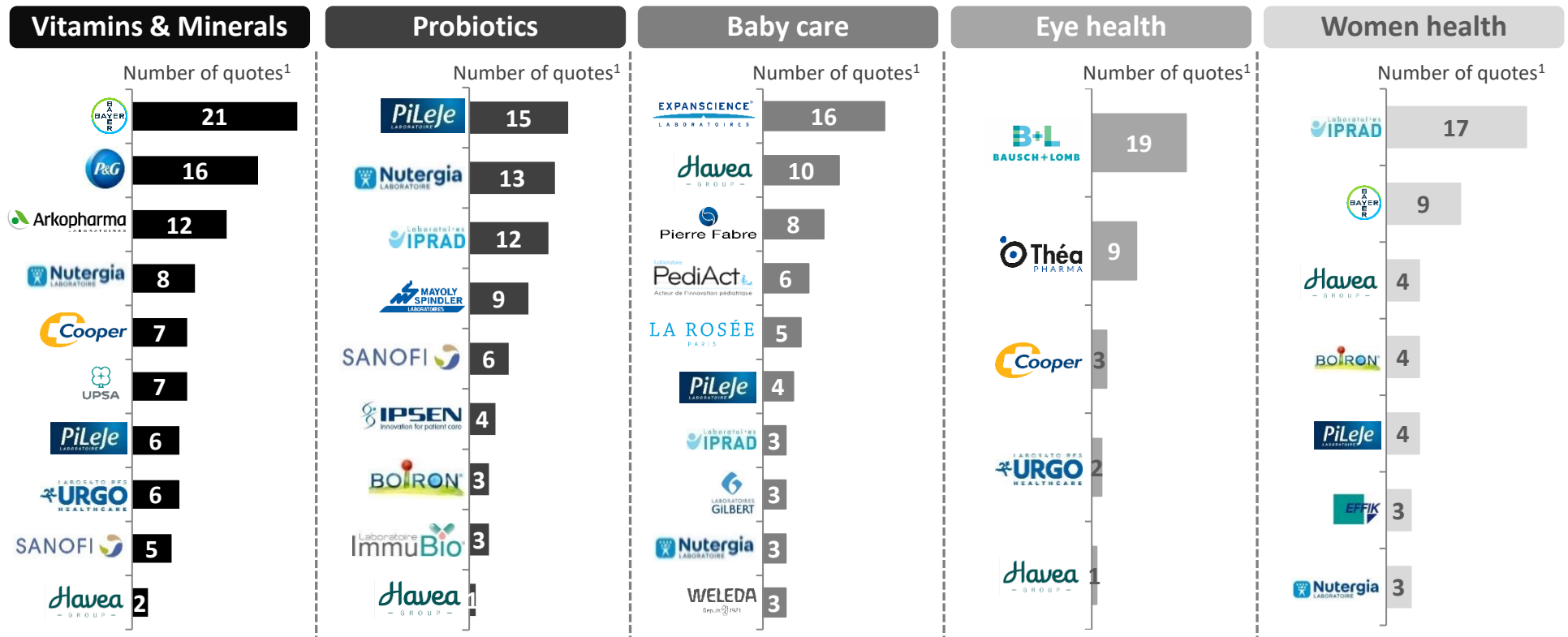
Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

In terms of proposed brands, retail pharmacists' preference varies significantly by selected category, leading to heterogeneous competitive positions

Pharmacists – Top proposed brands

“What are the top brands you propose in the following segments?”



Number of respondents: 30

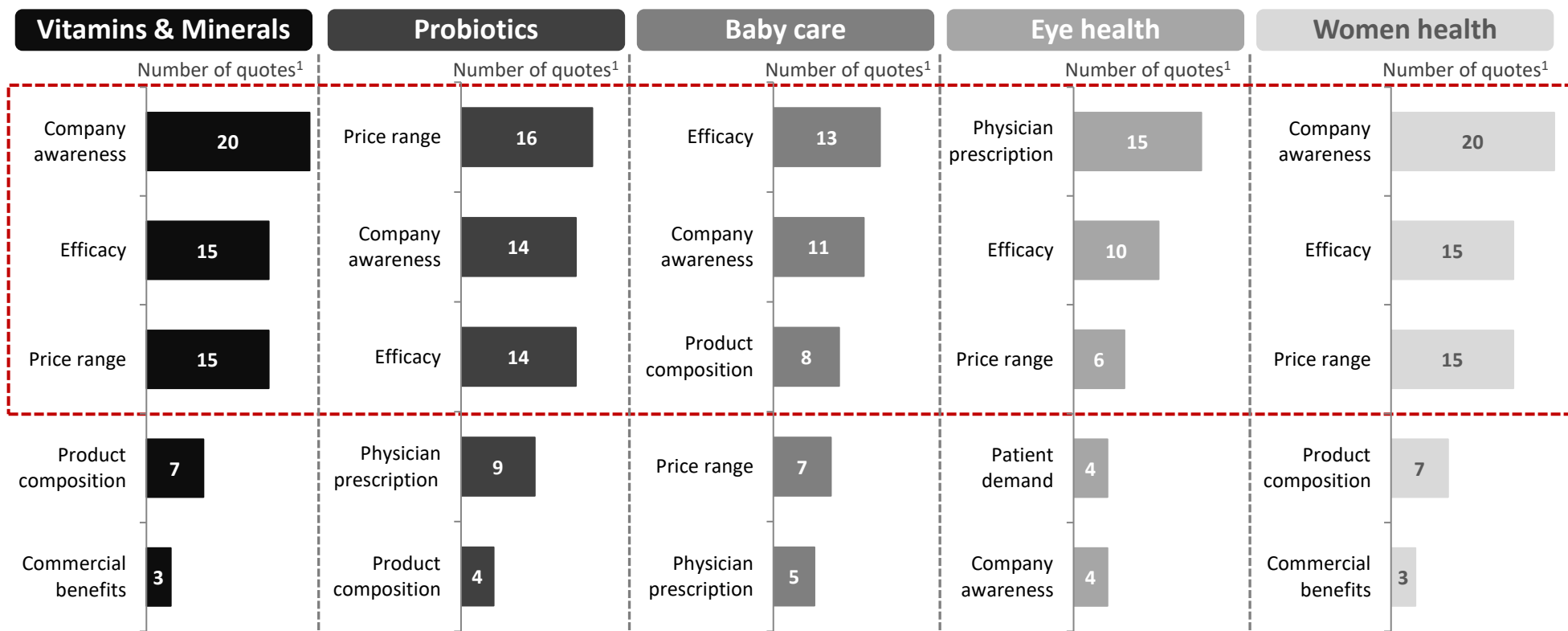
Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

The awareness of the company, the efficacy of its products and the price range are the main criteria that encourage pharmacists to recommend dietary supplements and baby care products to their customers

Pharmacists – Criteria determining proposition

“What are the criteria that encourage you to propose a dietary supplement or a baby care product rather than another one?”



Number of respondents: 30

Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

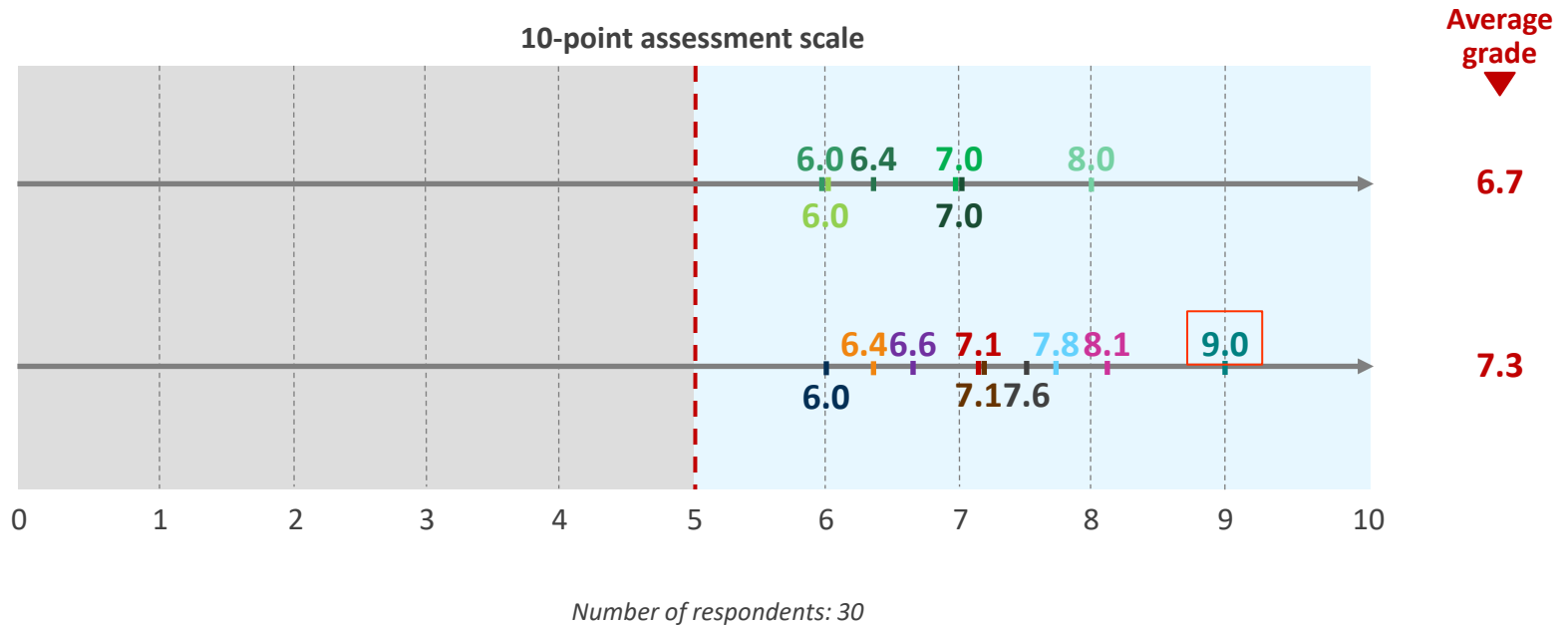
¹ Several answers possible

The opinion of pharmacists re. the following selection of companies operating on the dietary supplements and baby care markets is globally positive, with a special mention for NHCO

Pharmacists – Brands perception

“How would you evaluate the following companies on a scale from 0 (very negative opinion) to 10 (very positive opinion)?”

- Densmore (women health)
- Densmore (eye health)
- Vitavea-Vitarmony-Manhaé
- Aragan
- Calmosine
- Synactifs
- Solgar
- Expanscience
- Arkopharma
- Iprad-Biocodex
- Pierre Fabre
- Nutergia
- Cooper
- Pileje
- NHCO



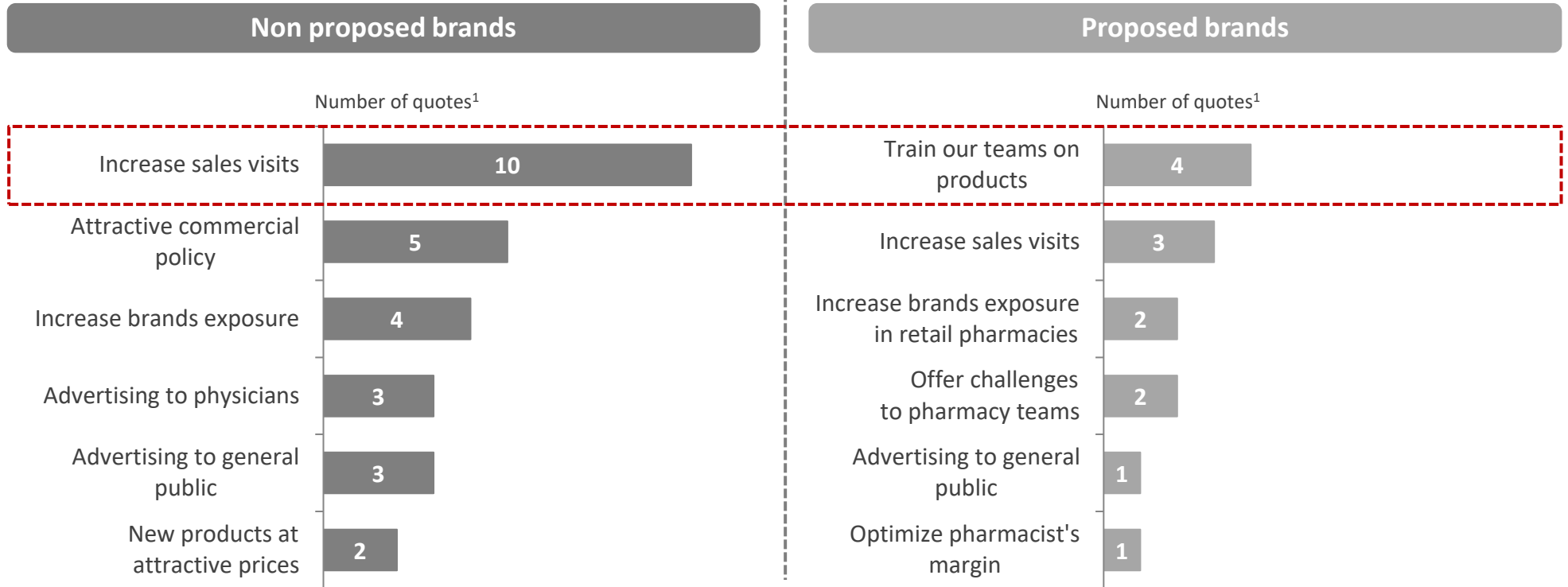
Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

Pharmacists recommend companies to increase sales calls to encourage them to propose their brands and trainings to help them drive sales

Pharmacists – Recommendations to make them propose / sell more brands

“For brands you don’t propose, what would it take to propose them?”

“For brands you propose, what would you need to drive their sales?”



Number of respondents: 30

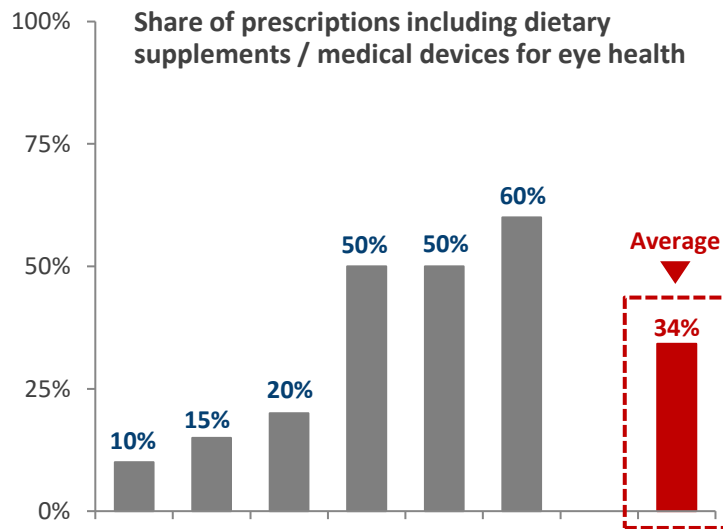
Sources: Interviews conducted with 30 retail pharmacists (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

Ophthalmologists add dietary supplements / medical devices to 34% of their prescriptions and they always prescribe them by brand name

Ophthalmologists – Prescription behavior

“What percentage of your prescriptions includes medical dietary supplements / medical devices for eye health?”



2017–2020 market trend	▶	↗	=	↗	↗	=	=
2021–2025 perspectives	▶	↗	↗	↗	↗	↗	=

“Do you prescribe dietary supplements / medical devices as single treatments or combined with other treatments?”



“When prescribing dietary supplements / medical devices, do you indicate a specific brand name, or let the pharmacist and/or the patient choose it?”



Number of respondents: 6

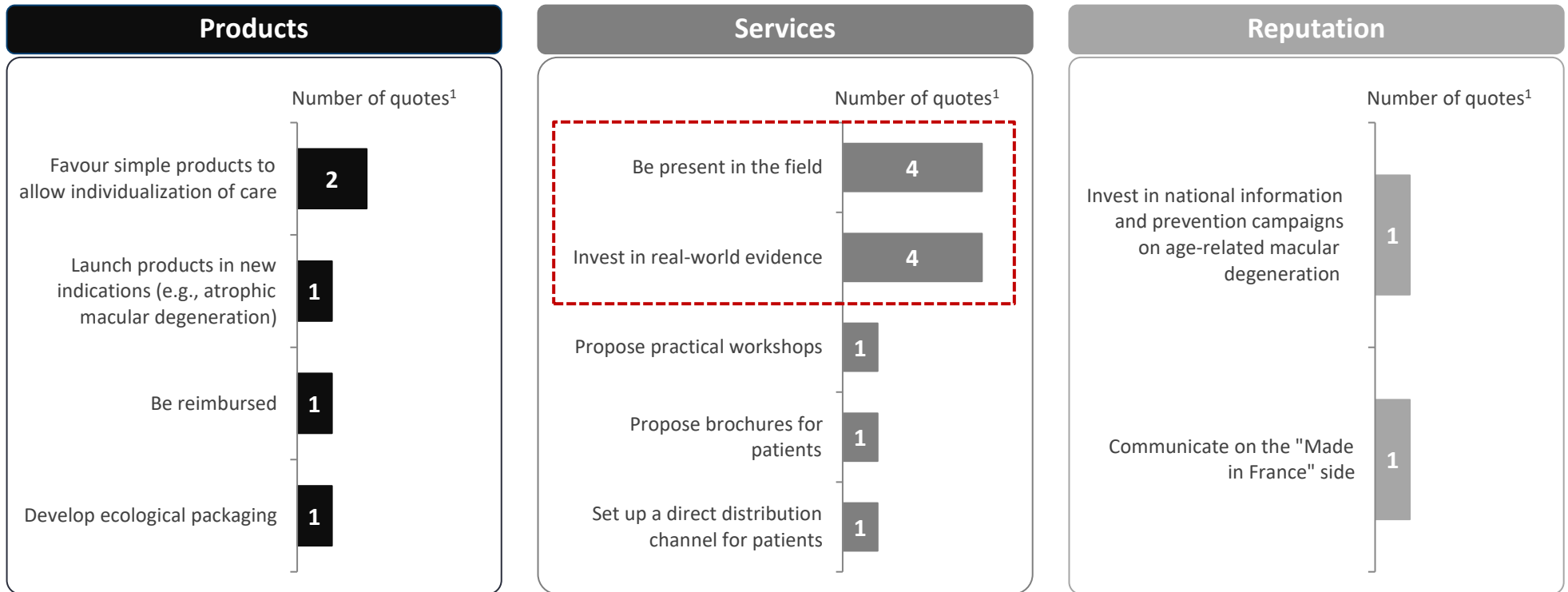
(X): Number of quotes

Sources: Interviews conducted with 6 ophthalmologists (September – October 2021) – Smart Pharma Consulting analysis

Ophthalmologists recommend companies operating in the eye health market to be present in the field and to invest in real-world evidence

Ophthalmologists – Recommendations

“What would you recommend to companies marketing dietary supplements / medical devices for eye health to strengthen your preference for their brands (in terms of products – services – reputation)?”



Number of respondents: 6

Sources: Interviews conducted with 6 ophthalmologists (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

Most of pediatricians and midwives prescribe baby dietary supplements by brand name, but to a lesser extent for hygiene and care products for which only two-thirds are prescribed in brand name

Pediatricians / Midwives – Prescription behavior

“When prescribing dietary supplements and/or hygiene and care products for babies, do you indicate a brand name, or let the pharmacist and/or the patient choose it?”

“Did your practice in terms of prescribing/recommending dietary supplements or hygiene and care products change?”

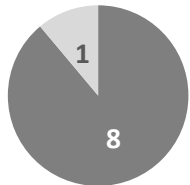
Dietary supplements

Hygiene and care

Dietary supplements

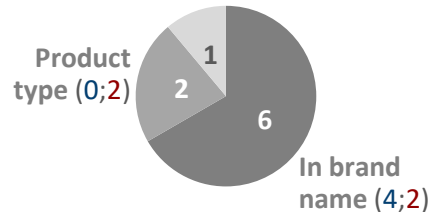
Hygiene and care

It depends (0;1)



In brand name (4;4)

It depends (0;1)

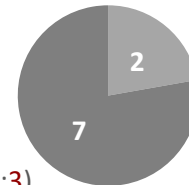


In brand name (4;2)

(Pediatricians ; Midwives)

Number of respondents: 9

Yes (0;2)



No (4;3)

(Pediatricians ; Midwives)

Number of respondents: 9

No (2;2)



Yes (2;3)

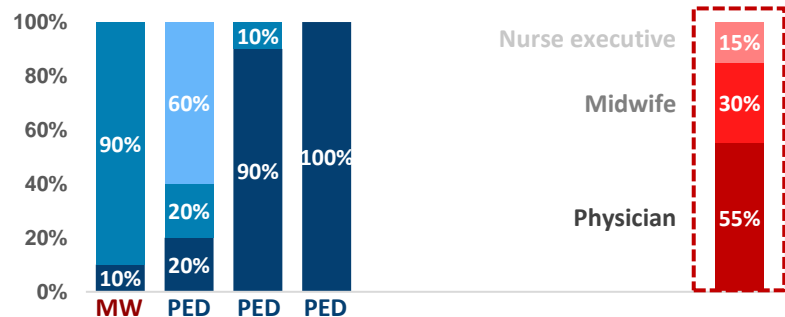
Sources: Interviews conducted with 4 pediatricians and 5 midwives (September – October 2021) – Smart Pharma Consulting analysis

On average, it is mainly physicians who prescribe or recommend dietary supplements and baby care products in maternity wards, followed by midwives

Pediatricians / Midwives – Prescription behavior

“In maternity wards who decide to prescribe/recommend baby dietary supplements (probiotics) or baby care products?”

Distribution of the origin of dietary supplement or baby care product prescriptions/recommendations



Number of respondents: 4¹

Comments

- “For products prescribed at the **end of the stay in the maternity ward**, it is **systematically the physician who makes the decision to prescribe**” (1;0)
- “For products used **during the stay in the maternity ward**, it is a **joint decision between the pediatrician in charge, the hospital pharmacist and the nurse executive**” (1;0)
- “Nurse executives have a strong hold on babies' **first weeks of life**” (1;0)

(Pediatricians ; Midwives)

Market trends and perspectives

	Pediatricians				Midwives				
2017-2020 dietary supplements market trend	=	=	=	=	=	↗	↗	=	↘
2017-2020 hygiene and care products market trend	=	↗	=	=	=	=	↗	↗	↘
2021-2025 perspectives	=	=	Does not know	Does not know	Does not know	↗	Does not know	↗	↗

Number of respondents: 9

(X): Number of quotes

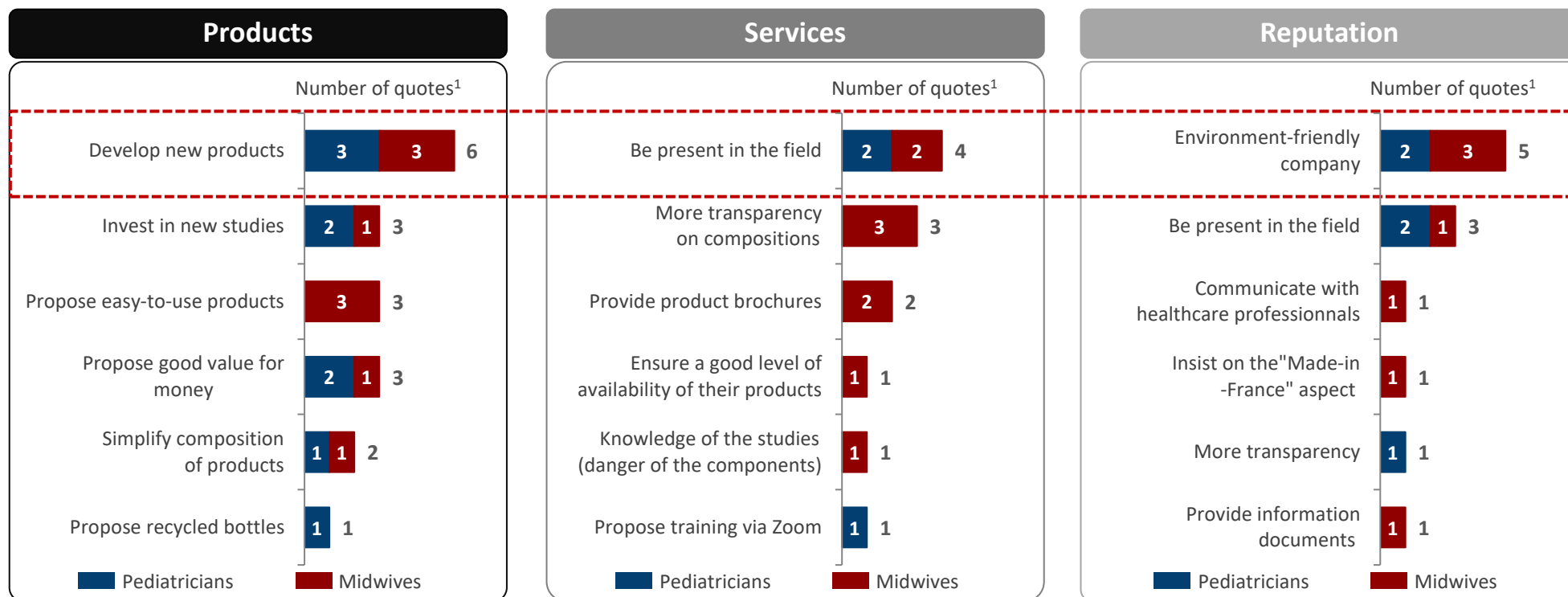
Sources: Interviews conducted with 4 pediatricians and 5 midwives (September – October 2021) – Smart Pharma Consulting analysis

¹ Only 4 respondents practice in maternity wards

To strengthen pediatricians and midwives' preference for their brands, companies should develop new products, be present in the field, and be more environment-friendly

Pediatricians / Midwives – Recommendations

“What would you recommend to companies operating in the dietary supplement and/or hygiene and care product markets for babies’ health to strengthen your preference for their brands (in terms of products – services – reputation)?”



Number of respondents: 9

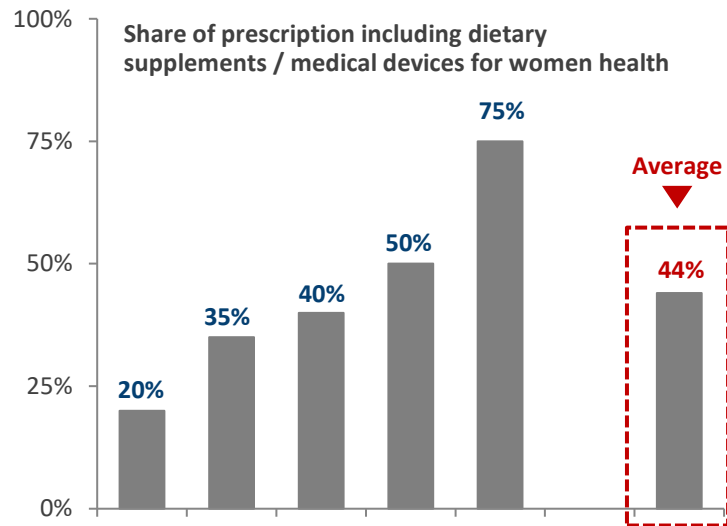
Sources: Interviews conducted with 4 pediatricians and 5 midwives (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

Gynecologists add dietary supplements / medical devices to 44% of their prescriptions and they always prescribe them by brand name

Gynecologists – Prescription behavior

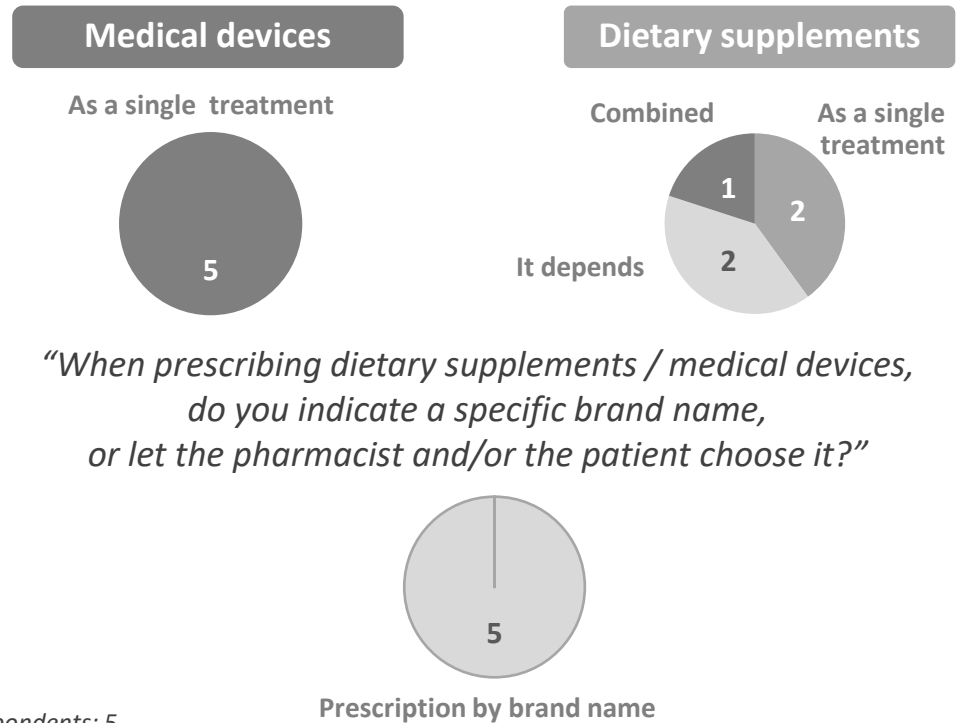
“What percentage of your prescriptions includes dietary supplements / medical devices for women health?”



2017–2020 market trend ▶ =

2021–2025 perspectives ▶ =

“Do you prescribe dietary supplements / medical devices for women health as single or combined treatments?”



Number of respondents: 5

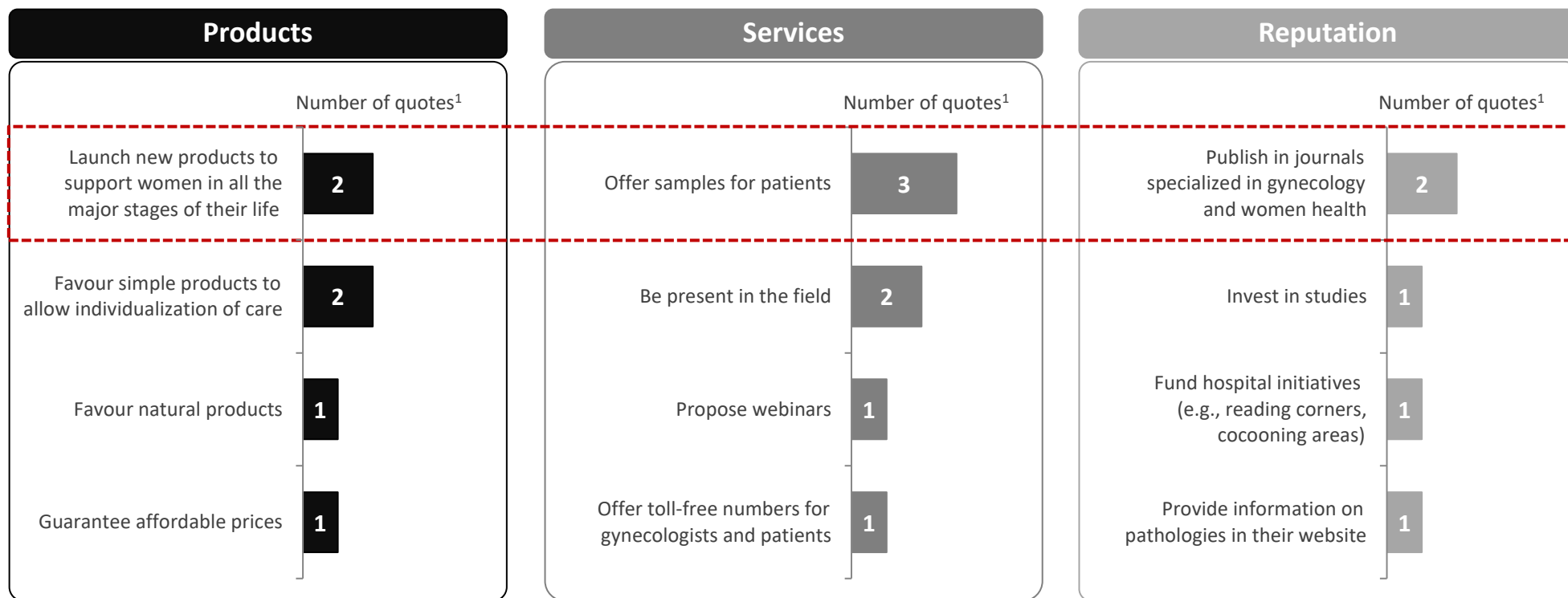
Sources: Interviews conducted with 5 gynecologists (September – October 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

Gynecologists recommend to launch new products as simple as possible for new indications, offer samples for patients and publish in medical journals specialized in gynecology and women health

Gynecologists – Recommendations

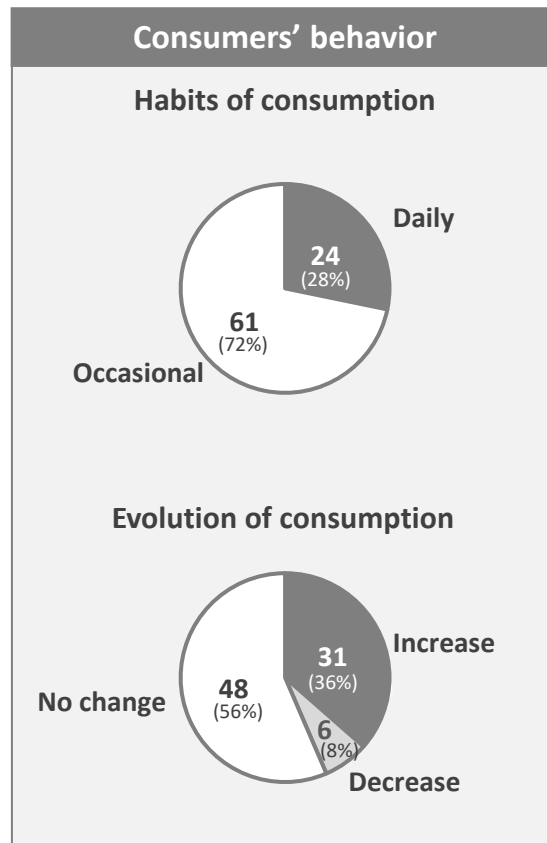
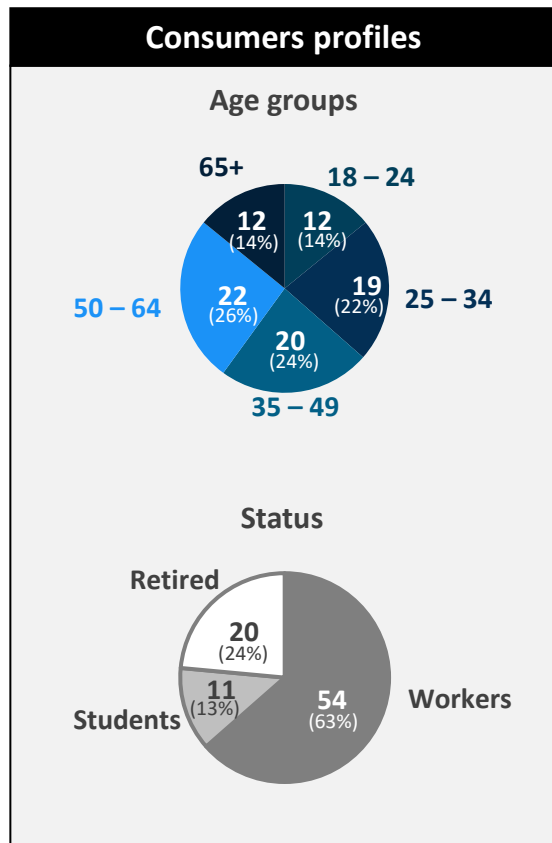
“What would you recommend to companies operating in the dietary supplements / medical devices markets for women's health to strengthen your preference for their brands (in terms of products – services – reputation)?”



Number of respondents: 5

72% of patients surveyed use dietary supplements occasionally, with an average annual budget of €202, and most see this consumption increasing or not changing in the future

Consumers – Introduction (1/2)



Number of respondents: 85

Yearly budget (€)

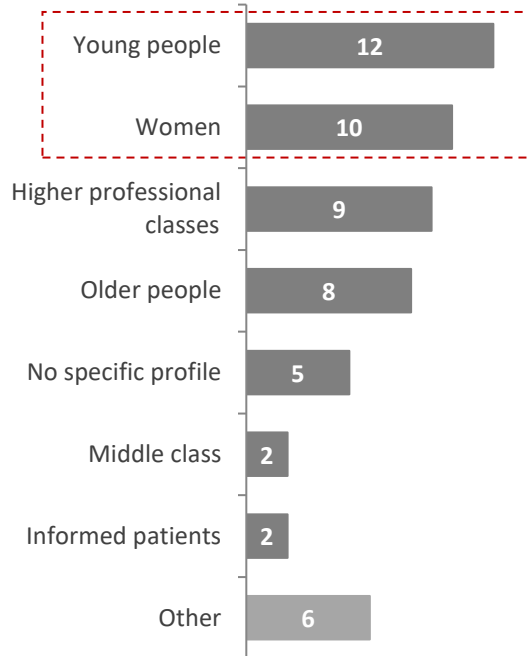
Minimum	€10
1st quartile	€70
Median	€180
Mean	€202
3rd quartile	€240
Maximum	€1,200

Young people and women are the main consumers of dietary supplements, and they rely mainly on pharmacist's advice to choose products

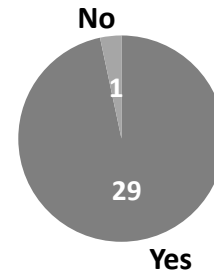
Consumers – Introduction (2/2)

“What is the profile of consumers of dietary supplements?”

Number of quotes¹



“Do you observe a change in consumers' behavior towards these products?”

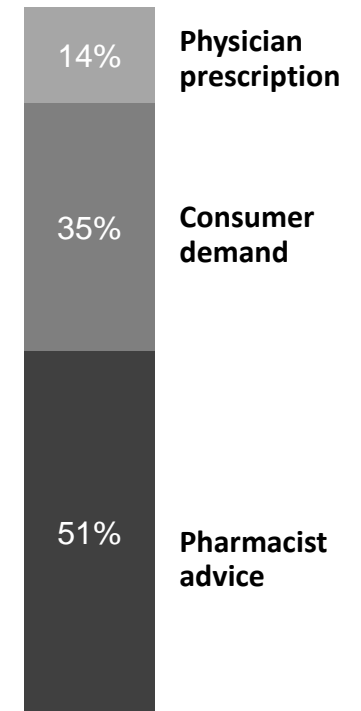


“If so, which one?”

- “Back to **nature**, to **fewer chemical products**, which do not create addiction, **respect the body** and bring **comfort / well-being**” (15)
- “**Positive impact of Covid-19** pandemics on the dietary supplements market (**immune boosters, sleep and/or stress products**)” (10)
- “**Better informed patients** (Yuka-type applications, internet searches, advertising, etc.)” (6)
- “**The population is more aware**” (7)

Number of respondents: 30

“What is the origin of consumers' demand for dietary supplements?”

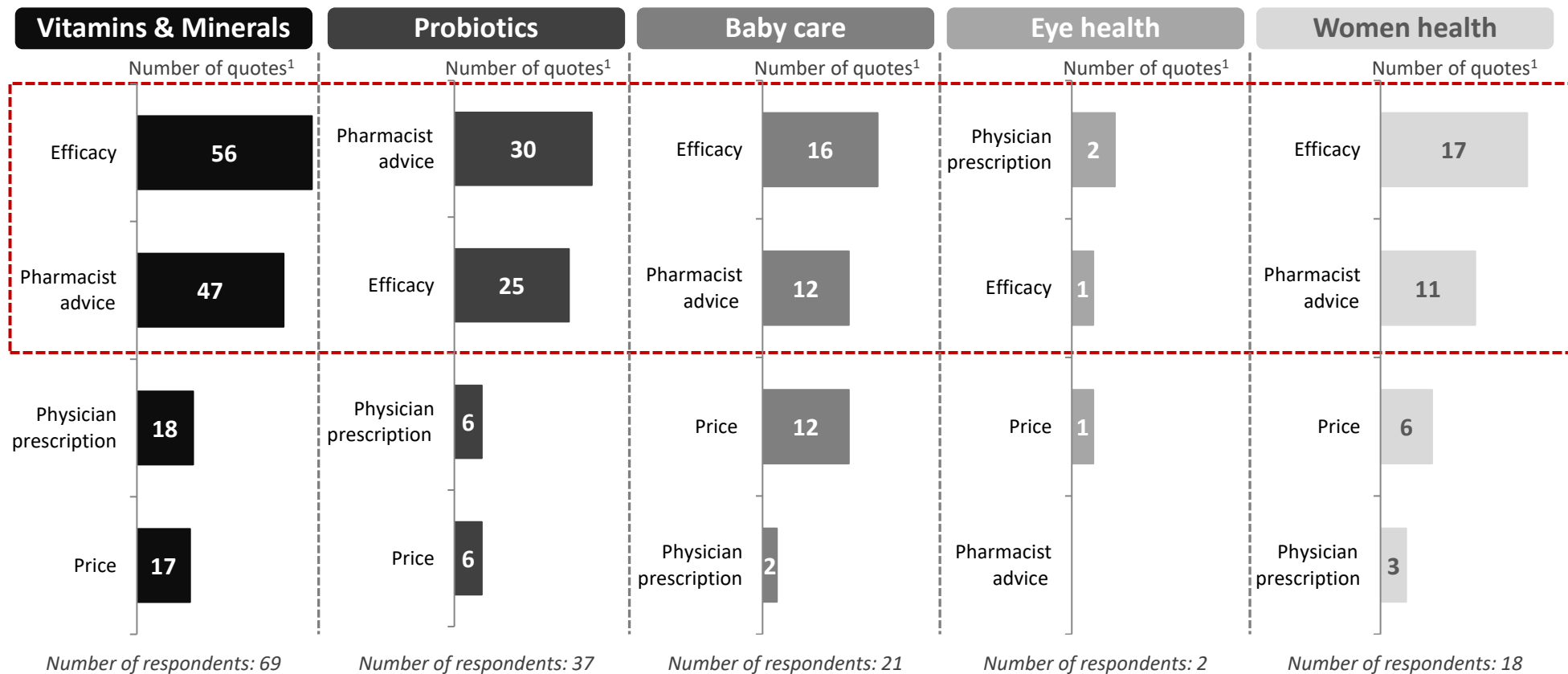


(X): Number of quotes

The efficacy of the product and the advice of the pharmacist are the main criteria that encourage patients to use dietary supplements and baby care products

Consumers – Criteria determining the use of dietary supplements

“What are the criteria that encourage you to use dietary supplements and baby care products?”



Sources: Interviews conducted with 85 patients (September – November 2021) – Smart Pharma Consulting analysis

¹ Several answers possible

The dietary supplement and baby care markets are expected to continue to grow by 2025, driven by a progressive change in consumers' demand for naturality and wellness

Key learnings – Overall landscape



- The dietary supplement and baby care **markets have grown since 2017** responding to **consumers' demand** and the **willingness of retail pharmacists to develop this activity**
- The **market is expected** to continue to **grow** by 2025 due to **increasing demands** and **prescriptions**
- **No reimbursement** is expected for these products, even more, **tighter market access constraints** and **regulations** should occur
- **Stricter quality standards** and **norms** are getting **imposed** by **health authorities** in the European Union for medical devices, phytotherapy products and dietary supplements, without being always harmonized
- Their **efficacy** is the **main criterion** considered when deciding to use dietary supplements or baby care products, but all **HCPs regret a lack of scientific evidence**
- No major but **incremental innovations** in terms of **combined ingredients** are expected ; efficacy should be supported by **more robust evidence**, while **ecology** will play a **greater role**
- On average, **51%** of dietary supplements and baby care products **purchases come from pharmacist's advice**

To strengthen their market share and to drive their brands' sales, manufacturers should boost stakeholders' awareness and focus on offering high standard quality products that are effective

Key learnings – Key stakeholders



- **Retail pharmacists** play a major role in **product selection** through their **advice to consumers**
- The number of **prescribers** and **prescriptions per prescriber** tend to **increase**, due to a more holistic approach of healthcare and a greater importance given to prevention
- **Physicians** mostly consider that dietary supplements and baby care products have a **moderate efficacy**, and they **always prescribe** them **by brand name**
- **Physicians' prescription** is the most important criterion for **eye health**
- For **probiotics**, patients mainly rely on **pharmacist's advice** to decide what product to use
- Patients are **better informed** about these products and **more sensitive** to their **well-being** and the **respect of their body**
- If **Arkopharma** is viewed as a **pioneer in phytotherapy** and **dietary supplements**, **Pileje** is considered as an **example of success story** based on **strong partnerships with KOLs and prescribers**

Consulting firm dedicated to the pharmaceutical sector operating
in the complementary domains of strategy, management and organization

Market Insights Series

- The Market Insights Series has in common to:
 - Be well-documented with recent facts and figures
 - Highlight key points to better understand the situations
 - Determine implications for key stakeholders
- Each issue is designed to be read in 15 to 20 minutes and not to exceed 25 pages

Dietary Supplement & Baby Care Markets in France

Key learnings based on a French qualitative study

- This paper gives an overview of the French dietary supplement and baby care markets based on...
- ... key stakeholders' thoughts we have collected and analyzed to:
 - Better understand the market specificities and trends
 - Anticipate its evolution
 - Determine the key success factors for manufacturers
- For so doing, we have interviewed 55 HCPs (retail pharmacists, physicians and midwives), 5 manufacturers and surveyed 85 consumers through a self-administered questionnaire

Smart Pharma Consulting Editions



- Besides our consulting activities which take 85% of our time, we are strongly engaged in sharing our knowledge and thoughts through:
 - Our teaching activities in advanced masters (ESSEC B-school, Paris Faculty of Pharmacy)
 - Training activities for pharma executives
 - The publication of articles, booklets, books and expert reports
- Our publications can be downloaded from our website:
 - 41 articles
 - 36 position papers grouped by subject as follows:
 1. Market Insights
 2. Strategy
 3. Market Access
 4. Medical Affairs
 5. Marketing
 6. Sales Force Effectiveness
 7. Management
- Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
- We remain at your disposal to carry out consulting projects or training seminars to help you improve your operations

Best regards

Jean-Michel Peny