

Thriving in the post-COVID-19 world— key areas of focus

At IQVIA Consumer Health we have identified seven key areas of focus that we believe can help consumer health businesses get into a position to succeed both in the short and long term.



2. Re-visit innovation pipeline and launch execution

COVID has severely impacted innovation plans and launch pipelines globally, with the traditional ‘seasons’ massively disrupted.

Typically, product launches across Derma, Allergy and Nutrition space are rolled out during late Q1 and early Q2 as the spring/summer season begins and the Cold/Flu season winds down. This year those plans have all been impacted with store and pharmacy closures and strict lock-downs across markets (see Exhibit 1).

Linked to this, consumers have stayed indoors throughout most of March and April, leading to reduced levels of certain illnesses, for example there was an early and sudden stop of gastroenteritis season due to lockdown and social distancing measures, which impacted the antidiarrheals category. As the seasons changed during lockdown, spring/summer categories

are getting hit, with the allergy season suffering from a very slow start as people stay indoors.

Most product launches will likely be postponed to next year’s spring/summer season due to the limited possibilities to interact with stakeholders and uncertainty on the key messages that will be the most relevant in the new normal. This will have a significant impact on incremental revenue and planned marketing spends. Some of these losses in revenue could be covered by cuts to marketing spending.

HOW TO ADAPT TO THIS CHANGE:

Two key actions can be taken, however, to mitigate the impact on innovation and launch. The first one is to focus on maintaining existing SKUs, while being agile enough to react to the market accordingly to capture the opportunities. This will require daily/weekly monitoring to keep fingers on the pulse. The second, is to review existing launch plans and adapt them to the new normal.

Exhibit 1: COVID-19 Related Factors Impacting Innovation Pipelines and Launch Plans



In this environment, increasing focus on current summer and spring portfolio products already on shelf and maintaining marketing spend on the base SKUs makes sense. Maintaining spend at previous year levels for summer brands and not cutting deep for profitability is also recommended.

A key reason for this is that it is likely that smaller challenger brands are going to find it tough to invest in this environment, so well-established, better resourced consumer health brands have an opportunity to regain share, leverage their scale and reclaim some of the market share lost over the last few years.

Increasing focus on spring and summer portfolios could also help mitigate the delays we are seeing in R&D projects caused by site closures, remote working and general social distancing measures, which could see the products under development missing their autumn/winter launch dates. Furthermore, with regulators also suffering a backlog due to reduced resources it is likely that approvals will be delayed, impacting supply schedules and the ability to deliver products on time to retailers and pharmacies.

When it comes to reviewing launch plans, it is key to use the delays to discuss and validate new market trends and ensure that new consumer behaviors do not change the focus of the launch (see Exhibit 2). The launch delay also provides time to adapt and fill in the gaps rather than just sitting on existing plans.



There is the need to thoroughly review stakeholder engagement plans and adapt to the new ways of communicating with pharmacists and other healthcare professionals (HCPs).

Exhibit 2: Launch Archetype as a Strategic Discussion Tool¹



Reference

1. IQVIA Consumer Health