

Consumer Health's Next Phase

Why the market is changing faster than its narratives

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Author



AMIT SHUKLA

*Global Vice President, Consulting Services
IQVIA Consumer Health*

“Consumer health is entering a period where structural shifts are occurring faster than industry narratives evolve. Behavioral expectations, digital influence, technology as well as economic pressure are redefining how consumers engage with their health — and how value is created across categories.

This report brings together IQVIA Consumer Health perspectives and data to explore the signals shaping the next phase of market development. We hope it helps you interpret change, challenge assumptions and deliver the strategic initiatives that will drive your business growth over the next 12 months and beyond.”

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Introduction

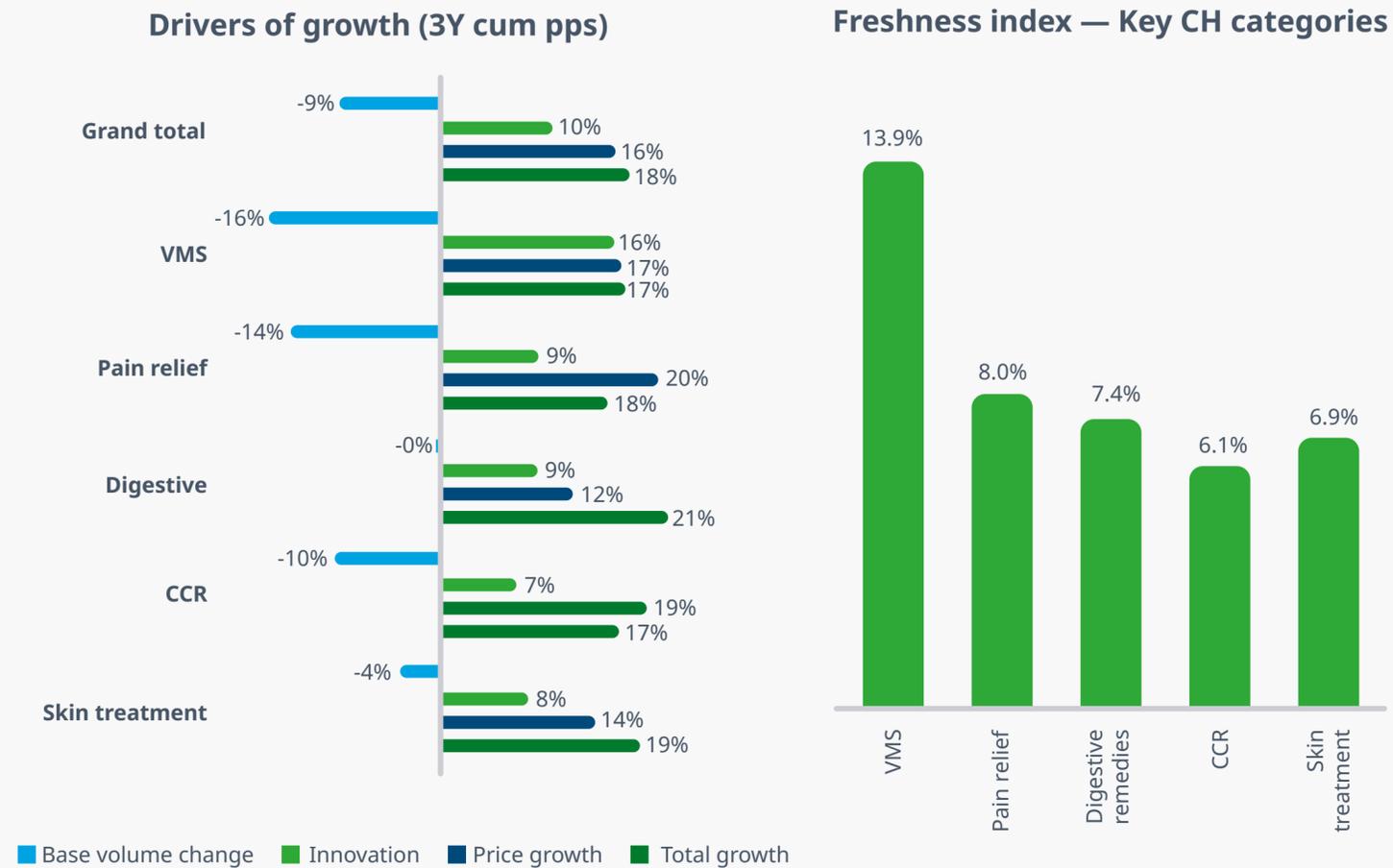
Consumer Health's next phase: Why the market is changing faster than its narratives

The most interesting shifts in consumer health right now aren't the ones grabbing headlines. They're the quieter structural changes — behavioral, technological, and economic — that are reshaping how value will actually be created. What looks like a stable, steadily growing industry is, in reality, moving into a more volatile and competitive cycle. The organizations that thrive will be those willing to rethink long held assumptions about innovation, category boundaries, and how consumers now navigate their own health.

1. Innovation is no longer a launch calendar exercise

Most companies say innovation drives growth. Few behave as if that's true. Across OTC categories, only a small fraction of sales comes from products launched in the past few years. The IQVIA Consumer Health Freshness Index places that contribution somewhere between 10% and 16% (see Figure 1) — a stark indicator of how dependent the market still is on legacy brands and formulations.

Figure 1: Drivers of sales growth across consumer health categories to MAT September 2025



Source: IQVIA Elements of Growth

The tension is clear. Pricing has carried the industry through recent volume softness, but it is not a long term growth strategy. Consumers are moving faster than the portfolios designed for them. The surge in demand for cleaner ingredient profiles, more convenient formats, and solutions tailored to lifestyle-driven needs — from GLP-1 side effect management to women's health - signals a structural shift, not a passing trend.

This is not simply about "more innovation." It is about recalibrating what innovation is for. The most successful brands in the next five years will treat innovation less as a pipeline and more as a core growth engine tightly aligned to behavioral change, scientific advances and shifting regulatory boundaries. The likely arrival of a statin OTC in the U.S. is a reminder that category expansion increasingly depends on organizations willing to reinterpret, not just extend, their existing assets.

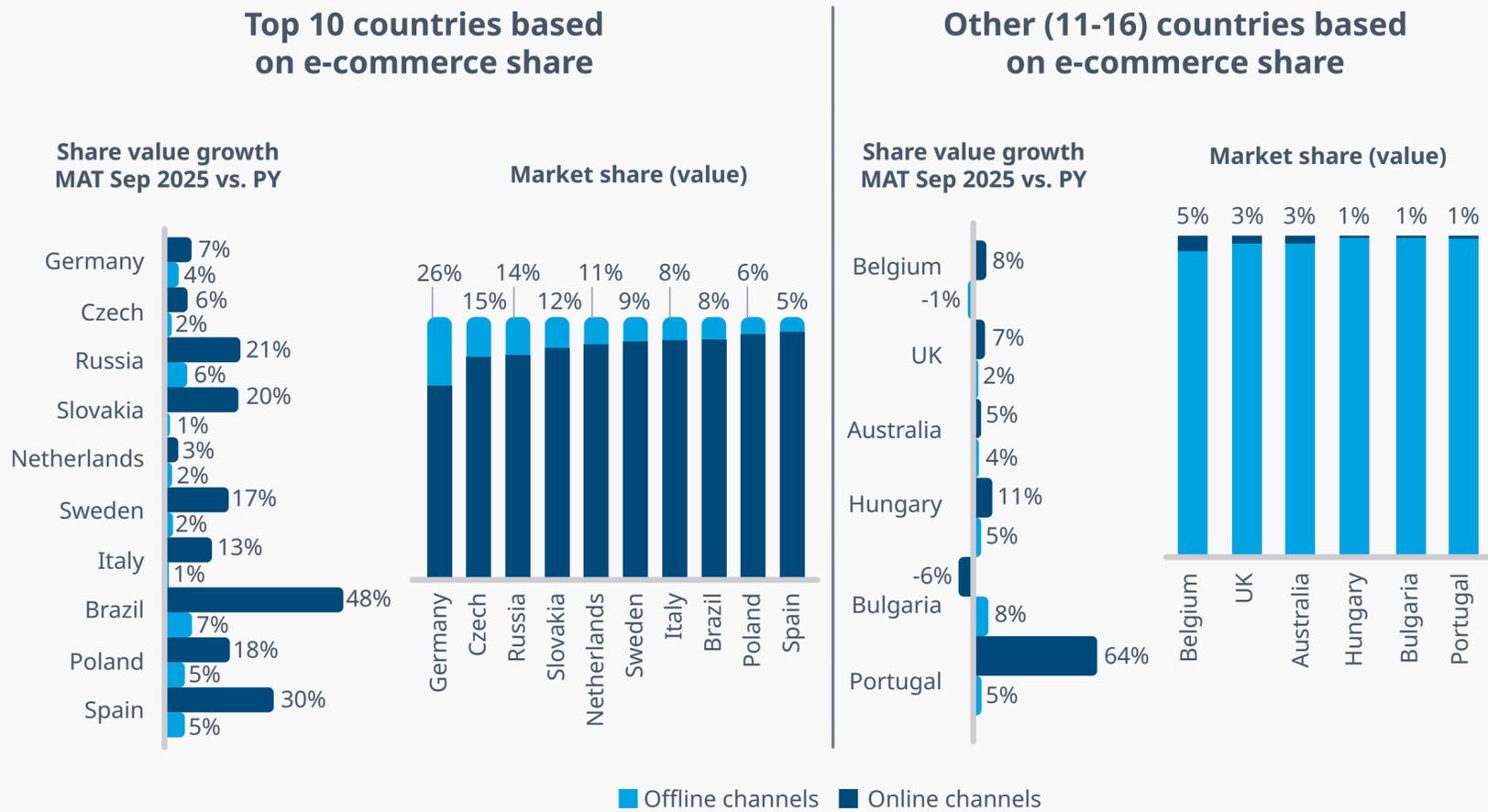
Takeaways

- Prioritize new product development that reflects real behavioral and demographic shifts, not internal launch rhythms
- Rebalance investment toward formats, ingredients and claims that simplify consumer choice and increase perceived value
- Put regulatory foresight at the center of portfolio planning to identify emerging OTC spaces before competitors do

2. E-commerce is the marketplace where brand relevance is decided

Many still think of e-commerce as a channel. Consumers experience it as an infrastructure — one that sets their expectations for speed, availability, comparison and advice. With online OTC penetration already approaching one fifth of global sales (see Figure 2), the question is no longer whether digital influences purchasing, but how deeply it shapes category performance.

Figure 2: Share of OTC market online vs. offline channels



Source: IQVIA Consumer Health Global Data Insights

The more profound shift is not the growth of digital shelves, but the rise of AI mediated discovery. Generative AI has compressed the traditional funnel, providing clear, conversational recommendations that combine symptoms, preferences and price into a single decision path. When an AI overview effectively answers the question “What should I take?”, the brand that appears in that result captures disproportionate intent.

This creates an uncomfortable truth: brand equity is becoming platform-specific. Authority once built through advertising and in store presence now depends on consistent digital signals, supply chain reliability and credible science that algorithms can parse. As private label expands and digital first brands scale quickly, incumbents must rethink what it means to be discoverable.

Takeaways

- Strengthen digital authority signals — claims, reviews, supply chain consistency — to influence AI generated recommendations
- Design packaging, messaging and content for digital-first evaluation rather than shelf-first visibility
- Treat private label as a strategic benchmark: if your brand does not outperform on trust and clarity, consumers will trade down

3. Omnichannel is not a strategy — it is simply how consumers behave

OTC shoppers do not distinguish between channels. They research via social platforms, symptom-checkers, marketplace reviews and AI search before walking into a pharmacy. They compare product science with practitioner guidance. They expect the reassurance of clinical information delivered with the usability of consumer brands.

The industry's historic separation between in store activation, digital marketing and healthcare professional engagement now works against it. Consumers move fluidly; organizations do not. A meaningful omnichannel strategy therefore isn't a set of touchpoints. It is the ability to maintain coherent messaging and consistent evidence wherever a consumer encounters the brand. This requires alignment of claims, content, packaging, format, fulfillment and price — disciplines that have traditionally sat in different parts of the organization.

The companies that respond well will treat omnichannel behavior as a design constraint. The ones that don't will find brand trust eroding quietly, long before it registers in share.

Takeaways

- Align claims, scientific messaging and product education across digital, retail and practitioner channels
- Build organizational structures that support cross channel consistency instead of treating digital and in store as separate worlds
- Monitor consumer journeys holistically to identify where brand trust weakens and where reinforcement is needed



4. M&A reflects the limits of how fast companies can build

The anticipated resurgence of OTC Mergers and Acquisitions (M&A) is more than a financial storyline. It reflects a strategic recognition that many companies lack the internal velocity to respond to rapid market shifts. The acquisition of Kenvue by Kimberly-Clark is emblematic of the desire to accelerate scale, strengthen portfolios and enter high-growth spaces more decisively.

As large pharma firms continue divesting non-core assets, and private equity deepens its interest in stable, brand-rich categories, the market is entering a period where portfolios may change hands faster than consumer habits evolve. For leaders, the critical question is no longer “Is this a good asset?” but “Can this asset grow meaningfully in the ecosystem emerging around it?”

Takeaways

- Evaluate acquisition targets based on digital scalability and category adjacency, not just historical performance
- Look for portfolio gaps where consumer behavior is moving faster than internal capability
- Use divestitures strategically to concentrate resources on brands that can compete in a data driven, omnichannel market



5. Emerging categories are the new center of gravity

Stress, sleep, gut health, GLP-1 side-effect management, women's health and **dermatology** are no longer peripheral. They reflect a deeper behavioral shift toward prevention, optimization and self-management. Rising healthcare costs and demographic aging reinforce this movement, but the underlying driver is choice: consumers now have the tools, information and confidence to manage more of their health independently.

These categories represent more than incremental growth. They blur the boundary between OTC, nutrition and wellness, creating hybrid spaces where the winners will be those that combine scientific credibility with consumer-grade accessibility. They also introduce new competitive dynamics, bringing FMCG, tech and health companies into direct collision.

Takeaways

- Accelerate insight generation in emerging need states before competitors define the category norms
- Develop mixed modality solutions OTC, supplement, digital support — rather than treating categories as siloed
- Ensure scientific credibility is as visible and comprehensible as consumer-facing benefits



6. Data, diet and diagnostics are redrawing the edges of the market

The convergence of food, supplements, OTC and personal data, all accelerated by AI, suggests that the industry is on the verge of a structural reshaping. Personalized nutrition, customized dosing regimens, and integrated disease-management solutions point toward a future where recommendations are tailored, continuous and data-led.

Wearables and telemedicine reinforce this: devices generate insight, virtual care interprets it, and OTC products become the intervention layer. The commercial implication is profound. As self care becomes more precise, product relevance will depend on a brand's ability to integrate intelligently with data ecosystems rather than sit outside them.

Takeaways

- Build partnerships with data, wearable and nutrition platforms to ensure OTC relevance in personalized care pathways
- Invest in AI capabilities that convert raw consumer data into meaningful product recommendations
- Explore hybrid propositions that combine product, guidance and monitoring to deepen consumer engagement

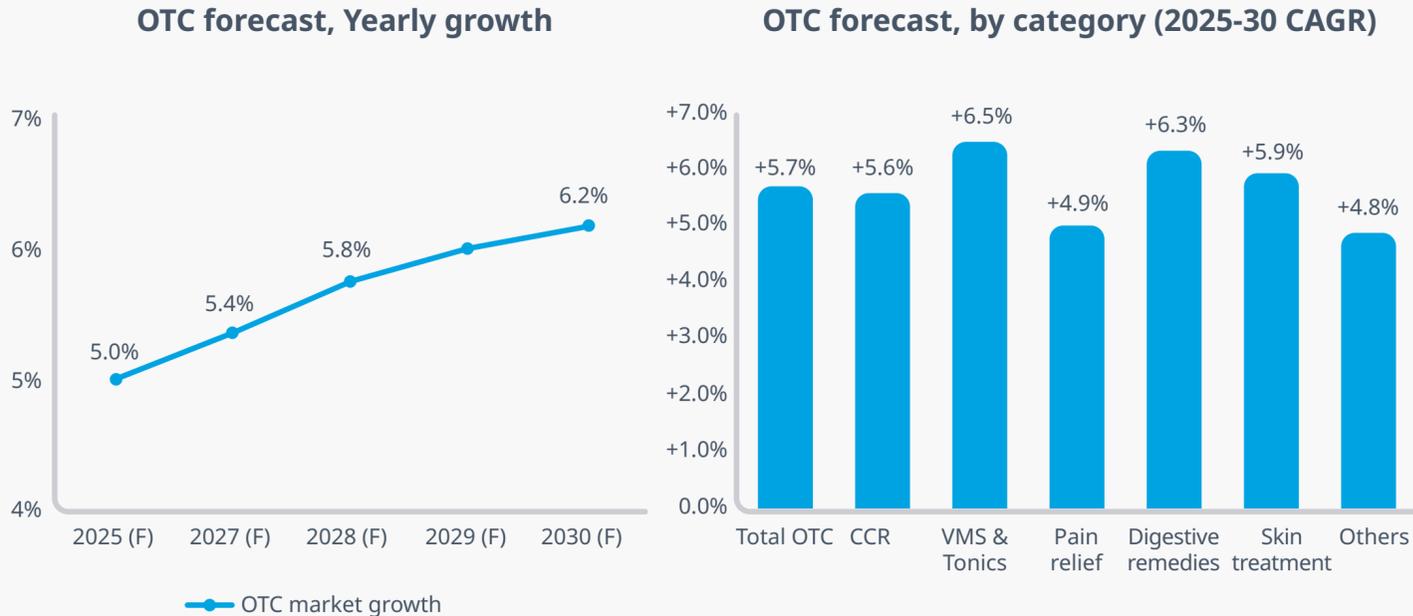


A more demanding decade ahead

Growth projections of 6–7% through 2030 signal optimism (see Figure 3), but they mask the complexity beneath. The next phase of consumer health will reward decisiveness, scientific depth, channel fluency and organizational agility. Companies that continue treating innovation, digital, personalization and category expansion as parallel workstreams will struggle. Those that approach them as an interconnected system will find far greater opportunity.

The market is not simply growing. It is reorganizing itself. The question is which companies will reorganize with it.

Figure 3 – Global OTC growth forecast 2026-2030



Source: IQVIA Consumer Health Global Data Insights



Strategic implications

Align innovation to consumer behavior
focus development on evolving needs, not internal pipeline



Compete for visibility in digital discovery
authority signals now shape brand consideration



Connect products to data ecosystems
relevance will depend on integration with personalized care



Treat omnichannel as operating reality
consistency across touchpoints is non-negotiable



Act early in emerging need states Invest ahead of category definition



Build portfolio flexibility use M&A and partnerships to reposition for growth





Amit Shukla
Global Vice President,
Consulting Services
IQVIA Consumer Health
consumer.health@iqvia.com

Get in touch

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CONTACT US

37 The Point,
North Wharf Road, Paddington,
London, W2 1AF

consumer.health@iqvia.com

iqviaconsumerhealth.com

