



The Value of Physicians in the OTC Marketplace

— JULY 2014 —





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KEY FINDINGS



The convenience of OTCs, particularly their use as a first line of defense, is a key benefit recognized by both physicians and consumers.

Healthcare practitioners are the most commonly used source by consumers for OTC information (67%). Notably, HCPs are also the **most trusted source** for information – significantly higher than any other source.

96% of physicians indicate that they recommend OTCs in general, while nearly three-quarters of consumers who have conversations with their physician indicate that they are likely to receive an OTC recommendation.

Consumers' trust in their physicians leads to brand trust, with **9 in 10 consumers reporting that they typically purchase an OTC recommended by their doctor.**

INTRODUCTION

For millions, over-the-counter (OTC) medicines are accessible, proven and effective forms of treatment, acting as first-lines of defense in combating a variety of ailments and/or nutritional deficiencies. However, with the volume of health information available and a variety of treatment options at consumers' disposal, treatment decisions have become more complex for the average consumer. With this complexity, the role of the physician has not been mitigated, but rather, made all the more important in helping patients to navigate the OTC marketplace and make appropriate treatment choices.

As the healthcare community seeks to assist consumers in making health and treatment-related decisions, there is growing importance of understanding current consumer behavior as it relates to self-care and selection of OTCs. This white paper presents the findings of a study designed to explore both physician and consumer perceptions of OTCs, the sources of information used when making treatment selections and the role of the physician in consumer use of OTC medications.

METHODOLOGY

AccentHealth commissioned Encuity Research to conduct an online survey with physicians on their panel who are members of AccentHealth's media network. The final sample consisted of 150 physicians: 91 Primary Care Physicians and 59 Specialists. Consumer research was conducted via an online survey with AccentHealth's *Consumer Connections* panel. *Consumer Connections* is a panel of approximately 8,000 viewers who have opted in to participate in research with AccentHealth following exposure to media in the waiting room. The final sample was 914 consumers.

Research was conducted in March 2014. Both the physicians and consumer surveys took approximately 20-25 minutes to complete, and all participants were compensated for their time.

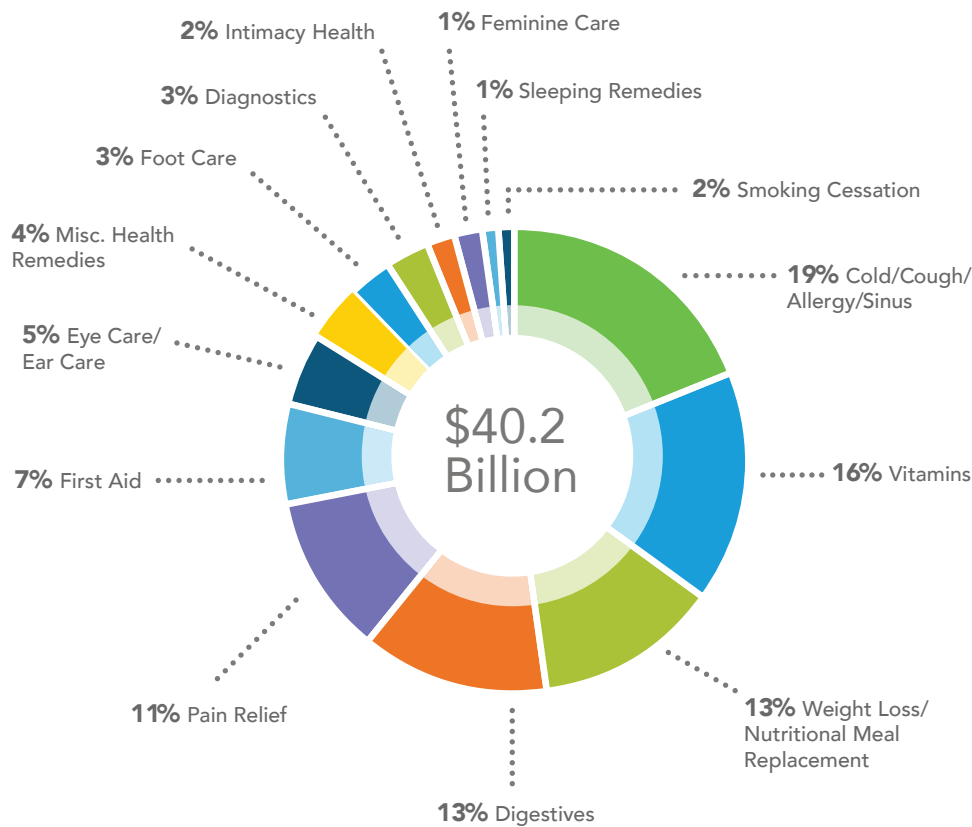
I. Over-the-Counter Market Product Use

The prevalence of OTC use in the US continues to grow. In 2013, OTC market sales reached \$40.2 billion—a 5% increase over 2012, which outpaces growth in other health-related markets. Comparatively, according to the IMS Institute for Healthcare Informatics, spending on pharmaceuticals reached \$329.2 billion in 2013—a slightly lower increase of 3.2%.

Growth in OTC sales is led by the cold/cough/allergy/sinus category – fueled by a longer and more severe 2012-2013 allergy and cough-cold season. Vitamins, diet-aids, digestives, and pain relief round out the top five OTC categories in terms of sales—all boasting double digit shares of the OTC market.

Sales of vitamins, minerals, and supplements (VMS) continue to climb and outperform the average OTC market growth— VMS category perceptions and usage will be featured in a separate white paper by AccentHealth.

2013 OTC Sales



Cough/Cold/Allergy/Sinus Includes hand sanitizer, chest rubs, humidifiers, cold/allergy/sinus liquids, cough drops, cough syrup, nasal products, cold/allergy/sinus tablets **Weight Loss/Nutritional Meal Replacements** Includes weight control/nutrition liquid/powder, weight control candy/tablets, energy shots, nutritional/intrinsic health value bars **Digestive** Includes motion sickness, gastrointestinal tablets, gastrointestinal liquids, adult incontinence **Pain Relief** Includes external analgesic rubs, internal analgesics, heat/ice packs **First Aid** Includes first aid tape/bandage/gauze, first aid kits, muscle/body support devices, first aid treatment **Eye Care/Ear Care** Includes ear care products and ear drops/treatments, eye/contact lens care products **Misc. Health Remedies** Includes hemorrhoidal cream/ointment/spray, hemorrhoidal remedies, lip treatment, caffeine tablets/liquids, epsom salts, lice treatments, wart removers **Diagnostics** Includes home health care/kits, family planning **Intimacy Health** Includes sexual health, personal lubricants **Feminine Care** Includes vaginal treatments, all other feminine hygiene/medical treatments

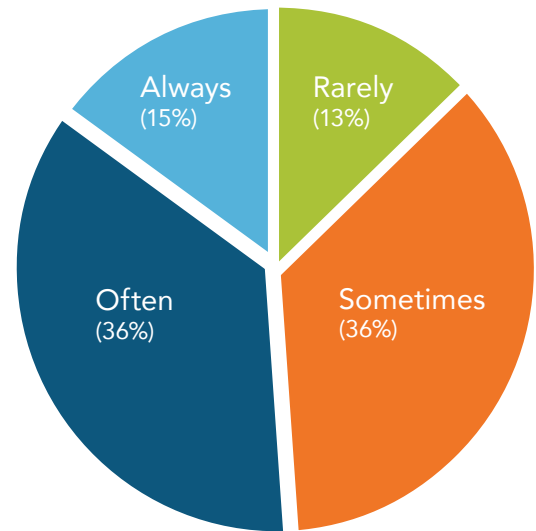
Source: IRI for Total U.S. Multi-Outlet for the 52 weeks ending December 29, 2013

According to consumers surveyed, 9 in 10 use over-the-counter remedies; half of those indicate they use OTCs “always” or “often.” OTC usage varies by category, with overall volume fueled by purchases in the Cough/Cold/Flu, Allergy & Sinus, Analgesics and Digestives.

While some respondents report using OTCs in combination with prescription therapy, a large percentage report using OTC medications alone to treat these conditions. Approximately six in ten consumers indicate monotherapy OTC usage across key categories, with the exception of Analgesics (four in ten respondents).

OTC Usage by Frequency

(Note: 0% responded “Never”) n = 915



OTC Usage in Key Categories*



*Category-specific usage is reported among condition sufferers in the past 12 months. All sufferer data is self-reported.

II. Dual Perspective: OTC Advantages & Disadvantages

The tendency to treat with OTC medicines is driven in large part by accessibility, with consumers and physicians reporting OTCs to be “extremely” convenient (63% and 57%, respectively). This attribute resonates with both consumers and physicians to a significantly higher degree than the perceived safety or efficacy OTC products.

When asked as to the advantages of OTCs, on an unaided basis, physicians rate convenience first; however, consumers mention product relief and positive treatment outcomes most often, placing efficacy first in terms of benefits (50%) followed by convenience (39%).

Consumer Reported Benefits



“It provides convenience and relief for minor issues.”

“They are convenient to get and use and can provide fast relief.”

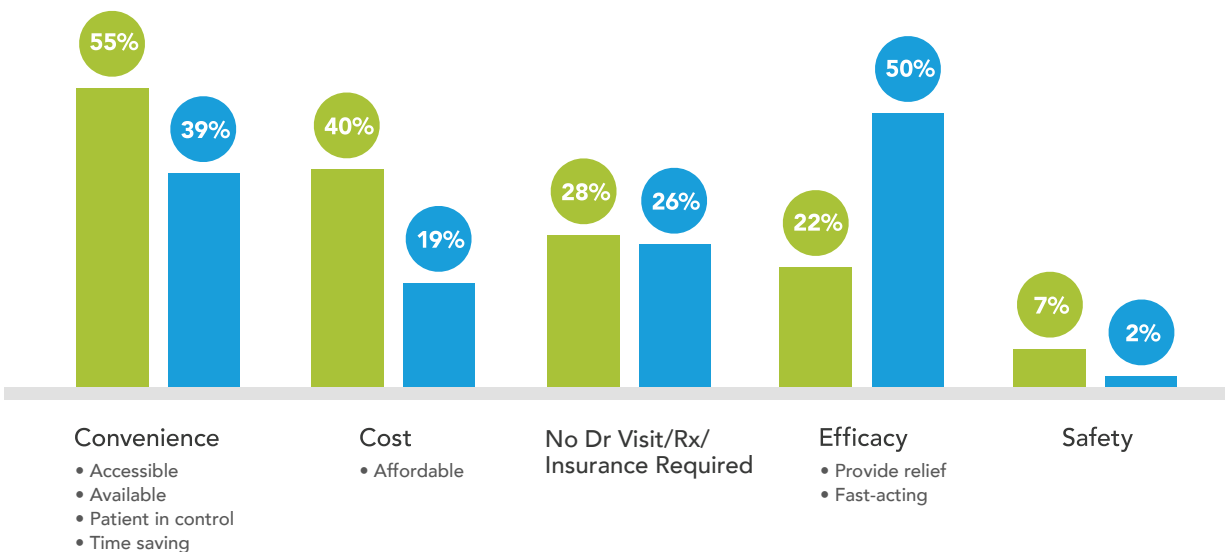
Advantages of OTCs Among Physicians and Consumers (Unaided)



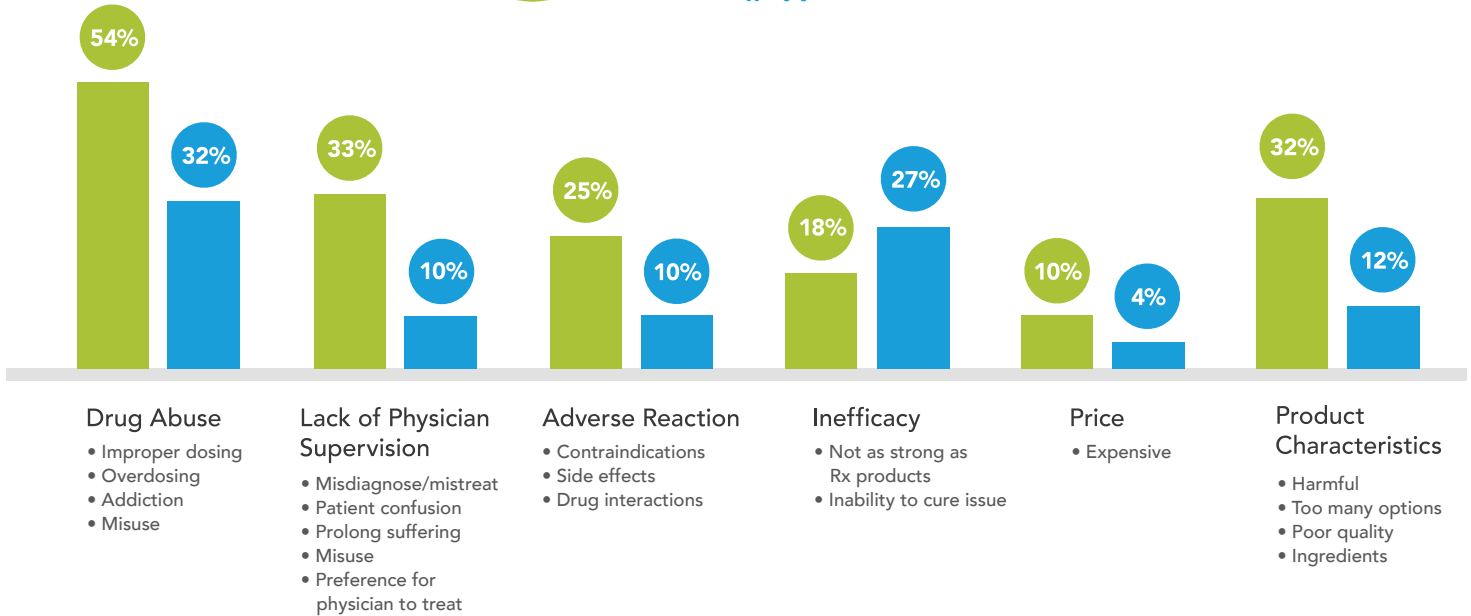
Physician



Consumer



Disadvantages of OTCs Among Physicians and Consumers (Unaided)



While it is clear that consumers benefit from the availability of OTCs and their physicians endorse OTC usage, both groups acknowledge the downside of OTC treatment. Both physicians and consumers cite OTC abuse/misuse as being of primary concern, which in turn supports physicians' requests for increased category education. Despite these reported disadvantages, the positives clearly outweigh the negatives with favorability towards OTCs reported by 8 in 10 consumers and 9 in 10 physicians surveyed.

Additionally, study findings show consumers raise "lack of effectiveness" as a category drawback, mentioning inefficacy more often than physicians. Physicians cite "lack of physician supervision" to be of growing concern, with there being the potential for misdiagnosis and prolonged suffering as a result of treatment delays

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Consumer Reported Negatives

"Over use without proper information from a doctor."

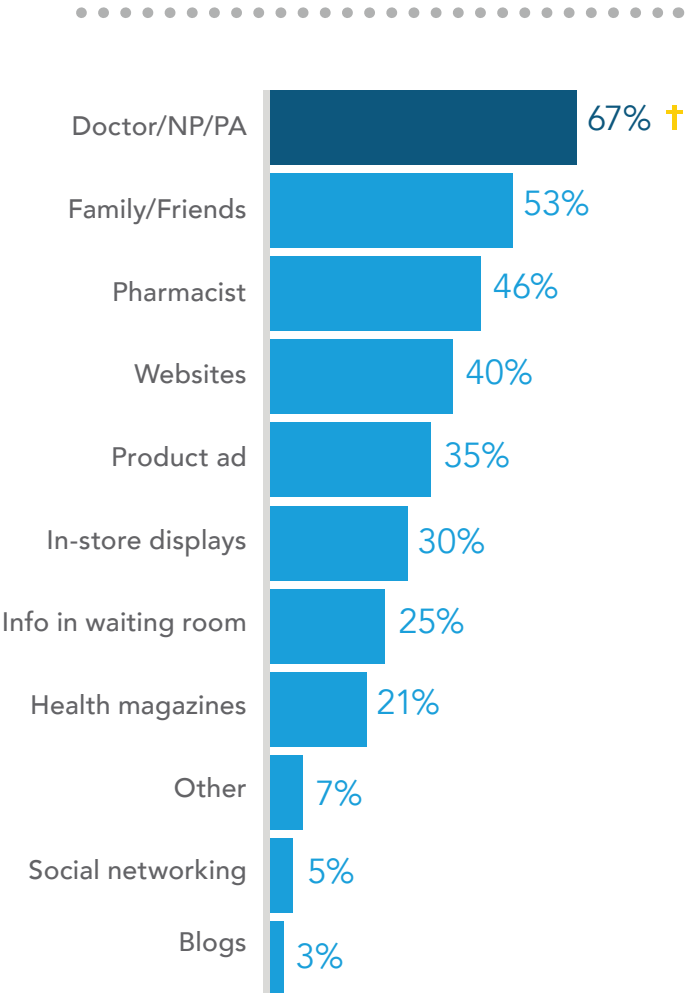
"I think some people take too many OTC medicines with their rx med's. Or take OTC when they have a more serious condition they actually need to see a dr for."

III. Sources of OTC Information

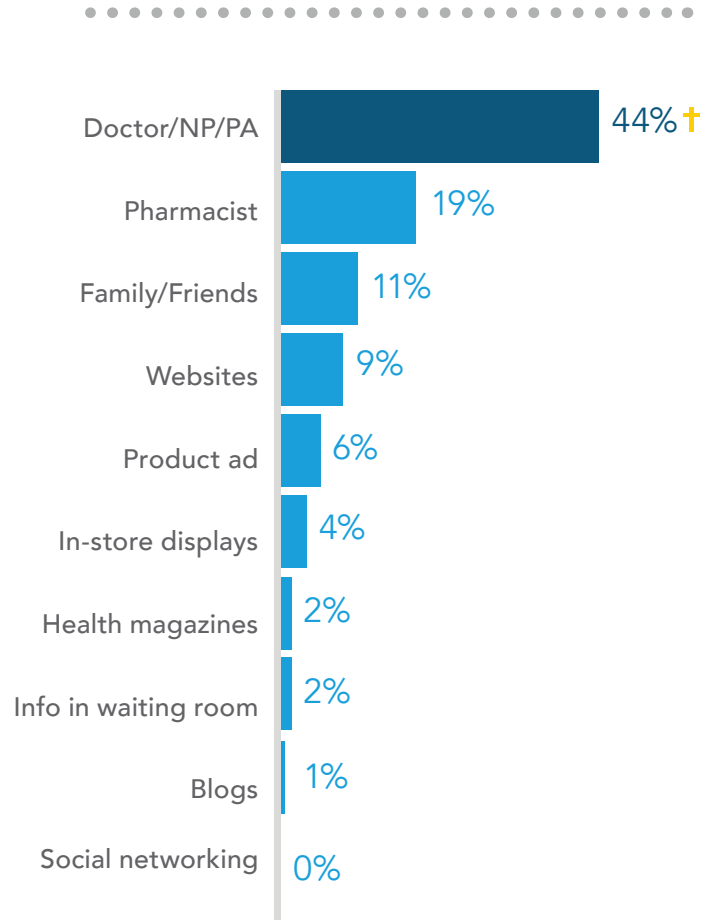
While consumer treatment with OTCs is often characterized as “self-care,” the physician maintains a role as a trusted advisor and a primary source of information. Research shows that healthcare practitioners play a critical part in educating patients on OTC treatments and usage and these practitioners are reported to be the most commonly used source for information on OTCs (67% of consumers).

44% percent of consumers surveyed report their physicians and mid-level practitioners to be their most trusted source—higher than pharmacists, family/friends and the web. Additionally, 60% of consumers surveyed indicate they look to their doctor for specific recommendations on OTC products.

Sources for OTC Medicine Information



Most Trusted Source for OTC Medicine Information



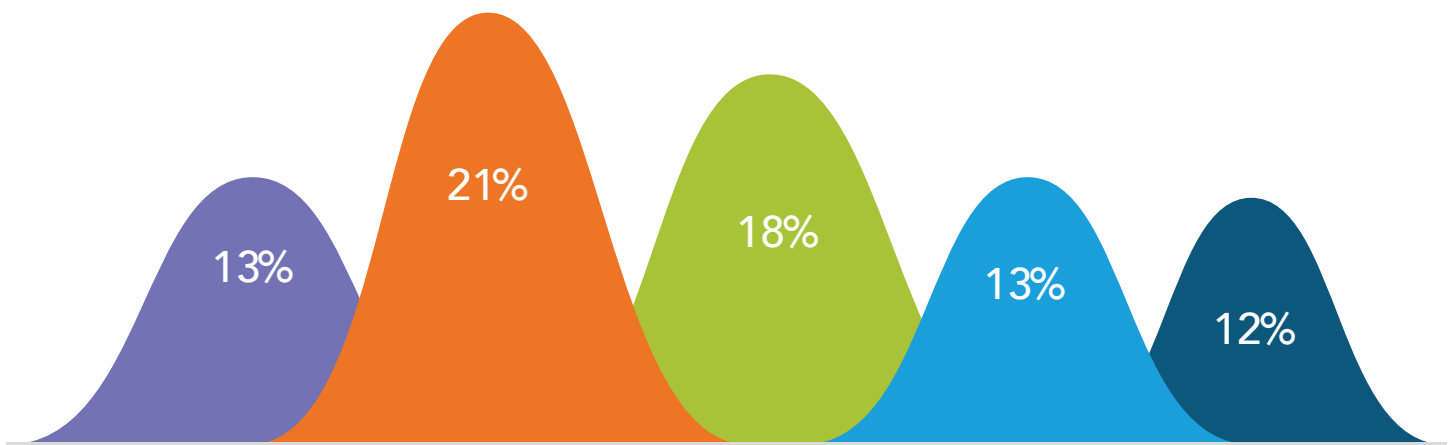
† = significant at the 95% confidence level

IV. The Doctor–Patient Discussion

Both physicians and consumers acknowledge that OTCs are a common topic of conversation during a typical office visit, with physicians surveyed reporting product indications/intent of treatment as the most commonly discussed topic. According to physicians surveyed, safety & efficacy, dosing, appropriate usage and cost follow as common themes in their conversations with patients.

Common Topics of Discussion with Patients (Reported by Physicians)

- Indication/Reason for Use
- Appropriate Use/Compliance
- Safety & Efficacy
- Cost
- Dosing



The majority of OTC discussions are reported to be jointly initiated by the physician and the patient (consumer). Outside of those that are jointly initiated, there exists a disparity between the two audiences as to the driver of discussion on OTCs during a visit. Consumers indicate that they are more often the initiator of discussions on OTCs with their physician (37%); whereas, physicians perceive themselves to be the catalyst (28%).

Regardless of the initiator, the outcome for the patient is often an OTC treatment recommendation from his/her physician. Nearly 75% of consumers indicate their physician is likely to recommend an OTC following an OTC discussion. 60% indicate their physician agrees with the OTCs that the consumers themselves suggest.

Nearly **75% of consumers** indicate their physician is likely to recommend an OTC following an OTC discussion.



Initiator of OTC Discussions

	Patient (n = 689)	Doctor (n = 150)
Mutual	50%	65% †
Doctor	13%	28% †
Patient	37% †	7%

† = significant at the 95% confidence level

V. The Role of the Physician as Recommender and Reasons for OTC Use

Overall, physicians surveyed demonstrate a positive attitude towards patient-initiated discussions and requests. 75% of physicians surveyed indicate that patient requests are influential to their OTC recommendations. Nearly all (99%) indicate they agree with requests made by patients—notably, higher than the degree to which patients report physicians agree with their requests (60% of consumers surveyed).

Nearly the full universe of physicians (and 96% of those surveyed) recommend OTC medicines in their practice. According to Symphony Health Solutions’ ProVoice Survey, Adult Analgesics, Cough & Cold, Antihistamines and Acid Reducers lead the OTC market in terms of average weekly recommendations.

	% of Physicians Recommending (Q12014) ¹	% Rec as 1st Line (PRIMARY REASON) ²	Average Weekly Recommendations (Q12014) ¹	Total Projected Recommendations (Annual in millions) ¹
Adult Analgesics	95%	74%	38	162.5
Adult Cough/Cold	83%	61%	23	56.3
Adult Oral Antihistamines	91%	73%	22	62.1
Digestives (Acid Reducers)	87%	77%	16	56.8

¹ProVoice Survey, Symphony Health Solutions, 2014

²Encuity Research for AccentHealth, 2014

OTCs are generally perceived as a first line defense. 7 in 10 consumers agree that they opt for OTCs first when sick. However, using OTCs as a first line does not exclude physician involvement in treatment selection. Among those who report they use OTCs as a first line, 65% also indicate they look to their doctor for recommendations on OTC products. Additionally, 7 out of 10 physicians (on average) report recommending OTCs to their patients as an initial course of therapy.

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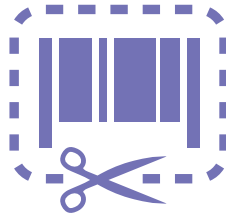
VI. The Influence of Manufacturer-Supplied Tools In-Office

In addition to patient requests, manufacturer-supplied tools, such as samples and coupons, are reported to have considerable influence on physician recommendations.



73%

Influenced by Samples



66%

Influenced by Coupons



39%

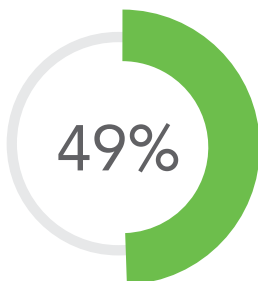
Influenced by Literature

According to physicians surveyed...

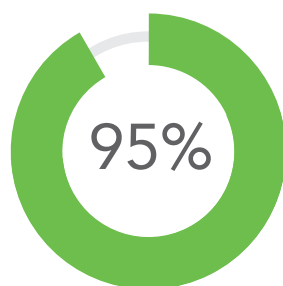
- **7 in 10** physicians consider giving an OTC product sample to a patient the same as recommending that product.
- **6 in 10** physicians indicate that when they have product samples available, they most often recommend that brand to patients.



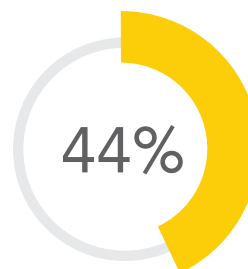
While samples and other sales support tools appear to carry sway with physicians and consumers alike (72% of consumers report they trust products their physicians samples), current limitations on sample distribution may affect reach among consumers thus preventing sponsoring brands from realizing their full potential. Physicians report limited availability of OTC samples, with only 49% indicating they have OTC samples on hand in their office.



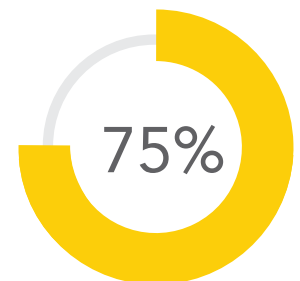
Of physicians surveyed have OTC samples on hand



Of physicians with access to samples will distribute



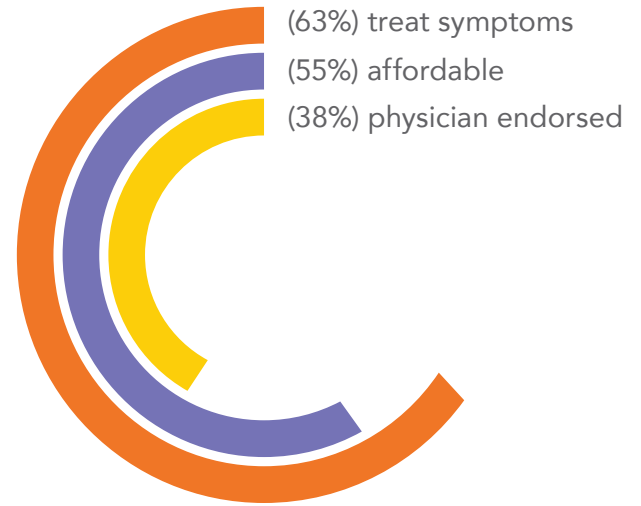
Of consumers surveyed indicate having received a sample, coupon or literature



Of those who received a sample purchased the product

VII. OTC Treatment Selection

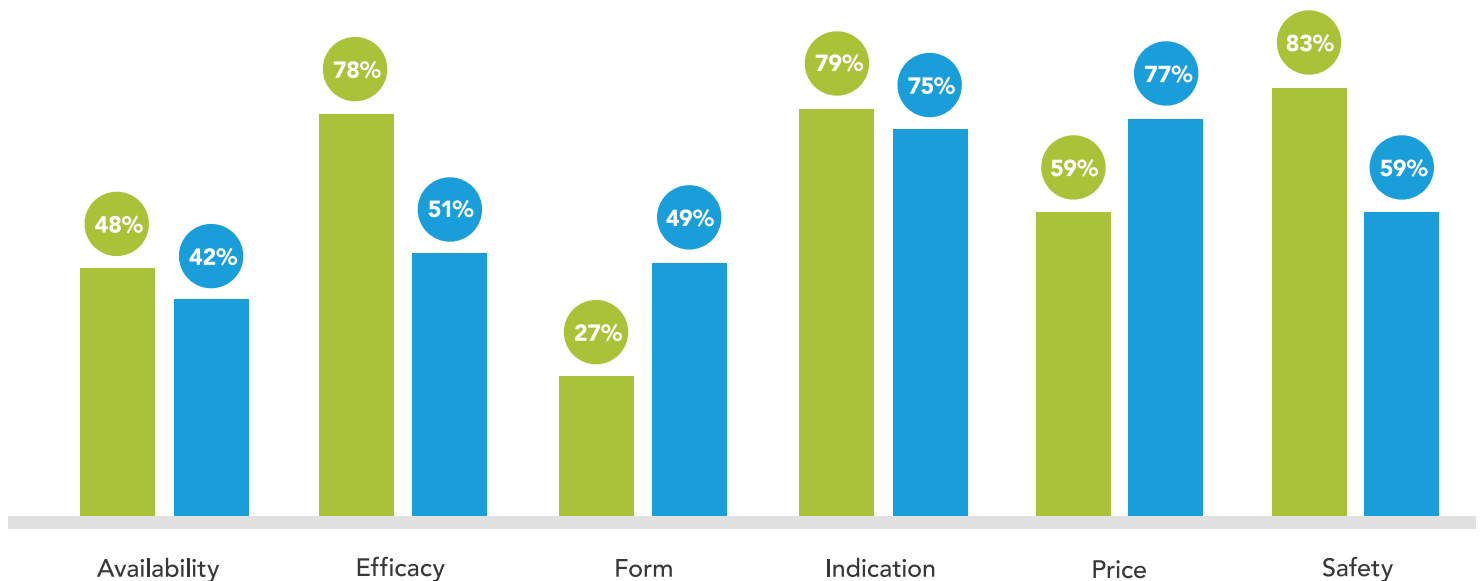
When choosing an OTC treatment, 75% of patients report using past experience to inform product selection. In addition, patients generally look to purchase OTC products that treat their symptoms (63%), are affordable (55%), and are endorsed by their physician (38%).



Additional Considerations When Selecting an OTC:

- Product Attributes** - Consumers report price (77%) and product indication (75%) most top of mind when purchasing an OTC; whereas, physicians report greater consideration of clinical attributes when recommending products to purchase (Safety – 83%; Indication – 79%; Efficacy – 78%).
- Physicians' Recommendations** - According to Symphony Health Solutions, 30% of “first time” brand purchases are influenced by recommendations from a healthcare practitioner. For those naïve to a category or who feel that the available information is insufficient for them to make a treatment decision, OTC recommendations from physicians may have more of an influence.

Product-Specific Factors Considered When Choosing an OTC Medicine



Despite longstanding threats from private label OTC entrants, 44% of consumers agree that they typically take branded OTC medicines. While price is often touted as the private label advantage, the majority of consumers (54%) and physicians (63%) surveyed agree that there is no difference in the benefits provided by private/store label OTCs versus branded products. As such, study results show that switching to private label OTCs (from branded) exists but is intermittent.

Occurrence of Consumer Switching from Brand to Private Label

- Often (19%)
- Sometimes (43%)
- Rarely (20%)
- Never (10%)
- Always (8%)



VIII. Patient Adherence with OTC Recommendations

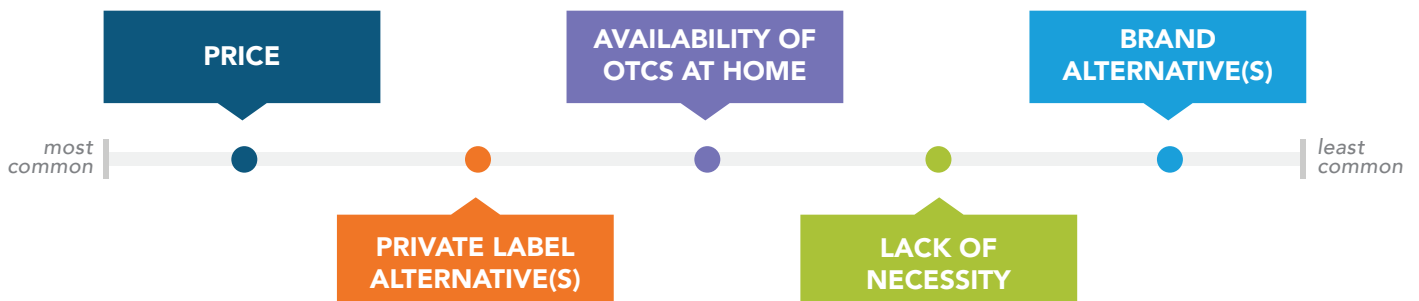
9 in 10 consumers report they have received a physician recommendation for an OTC medication. Among those consumers who have received a recommendation, 9 in 10 report they typically comply with their doctors' suggestions and purchase the OTC recommended to them. Generally speaking, physicians are more conservative in their assessment of patient adherence, with 45% believing patients "always" or "often" follow their recommendations.

Patients primarily attribute "drop off" from recommendation to purchase to product price—a common consideration among consumers—with other reasons for non-compliance including private label alternatives and availability of other OTCs at home.

Among those consumers who have received a recommendation, **9 in 10** report they typically comply with their doctors' suggestions and purchase the OTC recommended to them.



Reasons for "Drop Off"

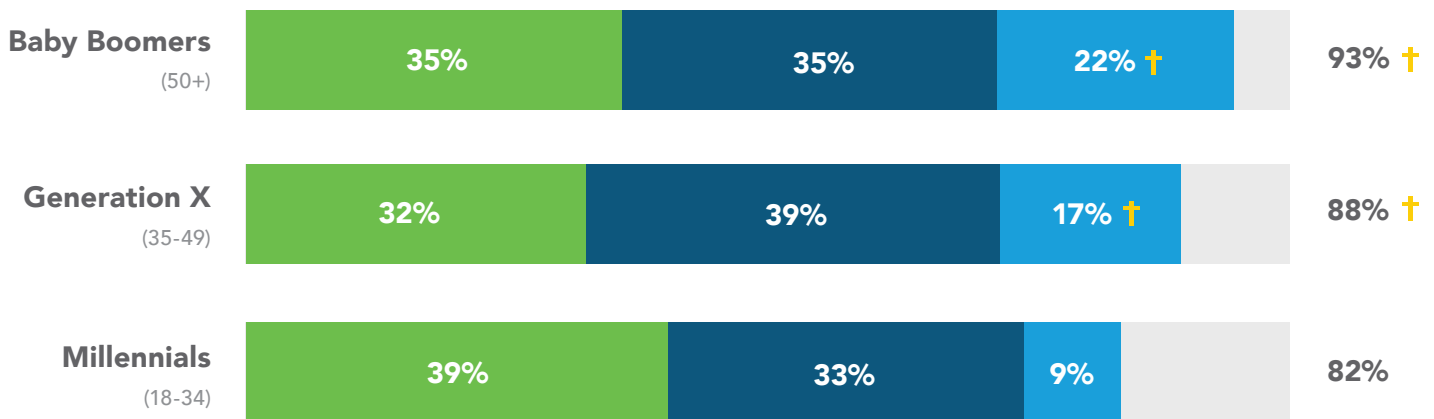


IX. Generational Influence on OTC Use and Product Selection: Baby Boomers, Generation X and Millennials

OTC usage is driven by baby boomers (respondents aged 50+), with 93% reporting they use over-the-counter medications at least sometimes. This is significantly higher than millennials (aged 18-34) – of whom 82% report they use OTCs.

OTC Utilization by Age Group

■ Sometimes ■ Often ■ Always



† = significant at the 95% confidence level over Millennials

Differences are observed between age generations as it relates to product attributes driving OTC selection. Millennials are found to be more cost conscious than baby boomers, with 81% vs. 71% considering price when choosing an OTC, respectively. As a result, millennials are also more likely to self-medicate to avoid going to the physician—likely to circumvent costs incurred with an office visit or as a result of treatment (Rx)—with 54% agreeing they self-medicate vs. 43% of baby boomers.

On the other hand, the aging population places significantly more attention on product safety (64% vs. 55%) when choosing an OTC and is more likely to discuss OTCs with their physician. Eight out of ten baby boomers indicate that they discuss OTCs with their physician (compared to 71% of millennials). Baby boomers—along with generation X respondents—are also more likely to be brand loyal than the millennials, with about 7 out of 10 agreeing that they typically purchase the same brands of OTC products (+10% pts over millennials).

Who is the OTC Consumer?



- Safety is top of mind
- Brand loyal
- More likely to rely on recommendations from their physicians
- More likely to discuss OTCs with their physician



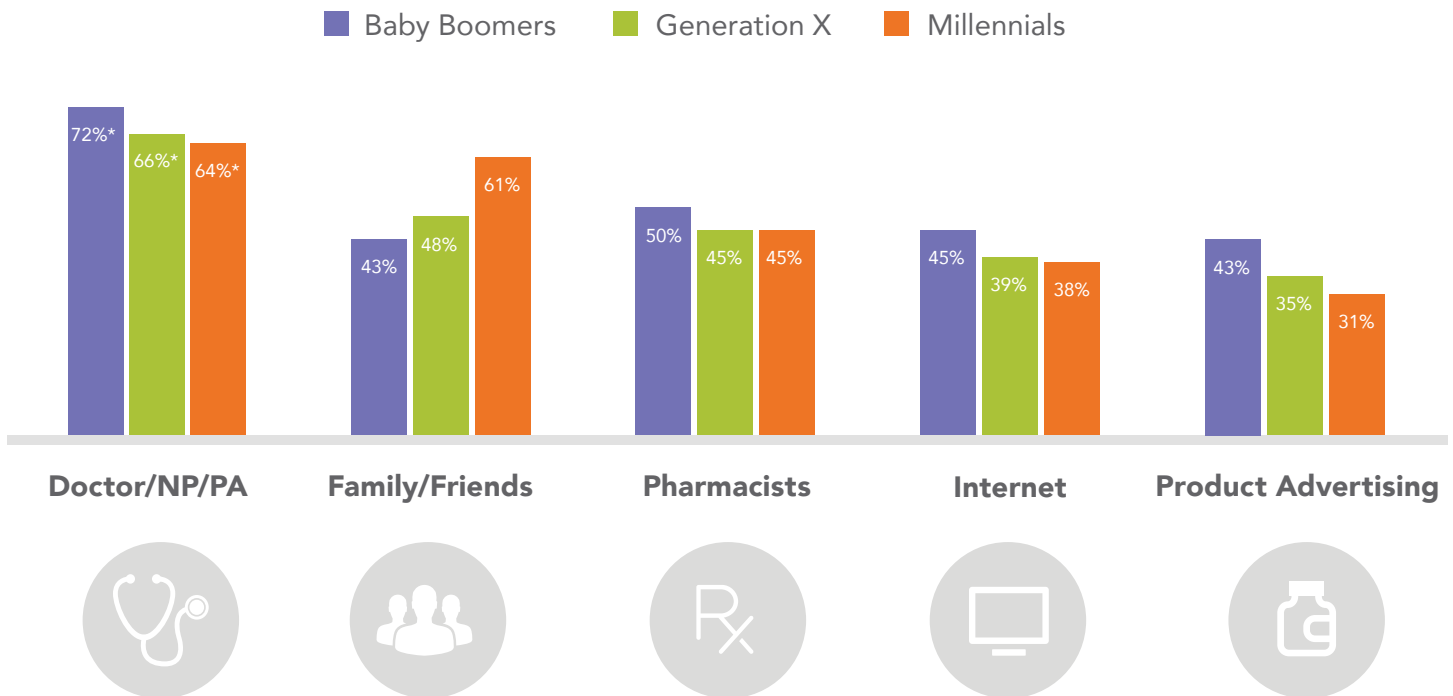
- Brand loyal
- "Middle of the Road"



- Cost conscious
- Self-medicate as first line
- More likely to rely on recommendations from family and friends

Millennials are significantly more likely than older generations to cite friends and family as a source for information on OTCs and rely on recommendations from family and friends. However, healthcare practitioners rank first and remain the most trusted source of information on OTCs across all age groups. Similarly, the likelihood to receive a recommendation from a physician to treat with an OTC (3 out of 4) and the likelihood of the consumer to purchase the recommended products (9 out of 10), remains the same across age groups.

"Top 5" Sources of OTC Information by Generation



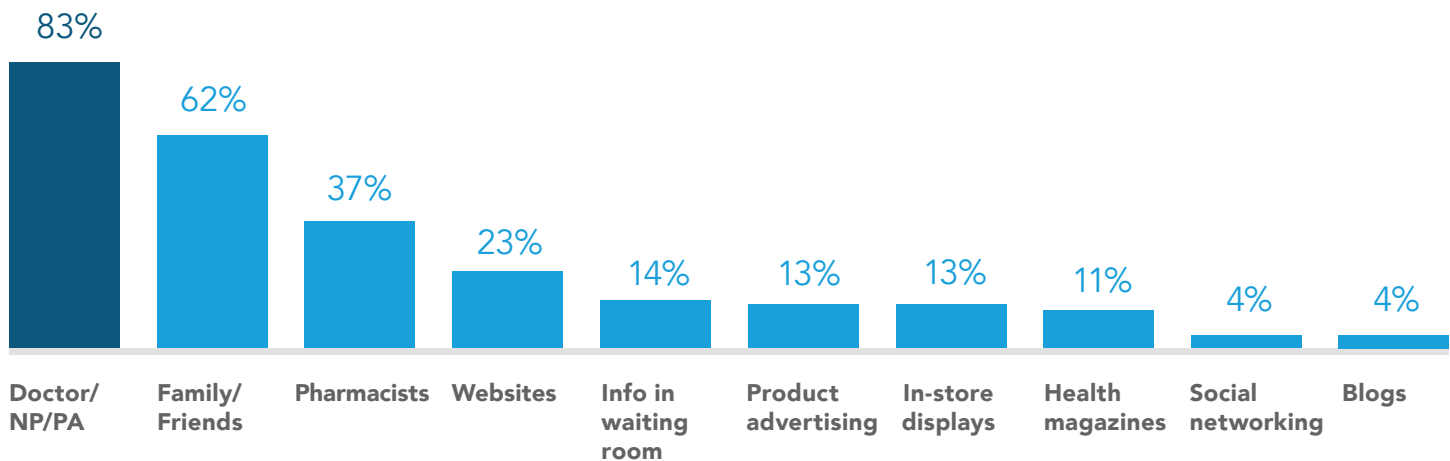
* Among sources referenced, respondents choose Doctor/NP/PA as "most trusted source."

X. Pediatric OTC Use

According to parents surveyed, Healthcare Practitioners (Physicians/NPs/PAs), Family & Friends, and Pharmacists are cited as the most common sources of OTC information for their children. 83% of parents surveyed report the doctor as a source of information on OTCs for their children compared to 67% of all respondents surveyed who report using the doctor as a source of OTC information for themselves.

9 in 10 parents surveyed report giving their child(ren) over-the-counter therapies, including vitamins & supplements (VMS Only – 8%; OTC Only – 26%; Both – 57%). If their child’s doctor recommends an OTC, 85% of parents indicate that they are likely to give the product to their child.

Sources for OTC Medicine Information



CLOSING

Both consumers and physicians alike recognize the benefits of OTCs, touting brand affordability and accessibility. Overall, physicians respond positively towards OTCs, with 86% favorable towards the category. However, 71% of physicians surveyed believe additional consumer education on OTCs is needed, with pain relief, cold/cough/flu and allergy reported as the top three OTC categories requiring education support (excluding VMS).

This increased focus on education among physicians is driven by concerns over misuse of OTCs and lack of supervision over treatment, which may lead to harmful side effects or prolonged condition suffering. These concerns are exacerbated among those treating older adults who are at serious risk of experiencing adverse events due to use of multiple medications, drug interactions and age-related physiological changes.

Study findings show that while consumers seek to self-treat with OTCs, their most trusted advisor for OTC information remains their physician—most notably among the aging population of consumers. While adults age 65+ comprise 13% of the U.S. population, they account for 34% of prescription drug use and 30% of nonprescription or over-the-counter (OTC) medication use.¹ Physicians will continue to play a major role in consumer treatment decisions—including selection of OTC medications—while ensuring appropriate and effective treatment of the consumer throughout the overall course of care. However, further education to grow OTC medication literacy is required to ensure optimal category use among consumers.

¹National Council on Patient Information and Education. Fact Sheet: Medicine Use and Older Adults. October 2010. Available at: <http://www.mustforseniors.org/facts.jsp>. Accessed August 15, 2013.

DATA SOURCES

AccentHealth is the leading patient education media company at the point-of-care, located in over 30,000 physician waiting rooms and serving over 70,000 medical professionals nationwide. AccentHealth features its award-winning waiting room television network, reaching over 202 million yearly viewers with programming produced by CNN's Medical Unit and co-hosted by Dr. Sanjay Gupta and Robin Meade, and supervised by AccentHealth's Medical Advisory Board. AccentHealth has been educating health-conscious consumers in a trusted environment with engaging content since 1995. AccentHealth is based in New York City and Tampa, FL and is owned by M/C Partners, Ridgemont Equity Partners and senior management. AccentHealth is a founding member of the Point-of-Care Communication Council (PoC3).

Consumer Connections is a client-focused education solution from AccentHealth, enabling brands to gain valuable insights from a panel of more than 8,000 engaged AccentHealth consumers.

Encuity Research is a wholly owned subsidiary of Campbell Alliance, and has been specializing in qualitative and quantitative research in the healthcare industry for more than 20 years. Encuity conducts marketing research with more than 20,000 physicians each year, providing a wide range of syndicated and custom reports to the biopharmaceutical industry. Encuity also specializes in research with payers, patients / caregivers and a wide array of additional healthcare professionals.

The *ProVoice Survey* from **Symphony Health Solutions** is the largest HCP survey in the US, generating nearly 60,000 responders annually of physicians, nurse practitioners, physician assistants, optometrists, dentists and hygienists and measuring recommendations across more than 90 OTC categories.

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