



Insights into OTC and Pharmacy

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Consumer Decision Making:

“How potent is my potion?”

Intuitive judgments in consumer decision making for OTC products

From Esomar Healthcare 2008 Conference

- By Anjali Puri, Director, Customized Products & Services Group, Asia Pacific and co-author, Sumeet Saluja, General Manager, Marketing at Glaxo SmithKline Consumer Healthcare



Abstract

This paper describes a methodological framework to provide a sharper understanding of consumer decision-making in the arena of self-medication, leading to better opportunities for influencing choices. The framework has two components

1. *Narrative building* and *memory reconstruction* interviewing methods that attempt to draw out the mental shortcuts that consumers use to make choices, and the moments of truth when choices are reconsidered.
2. A focus on the nature of intuitive logic that exists (or can potentially be created) in a specific ailment / product group, and which can influence decision rules in the category.

Drawing from research on consumer decision-making conducted across a variety of self-medication categories, from fever to pain relief, cold relief and antacids, the paper discusses differences in the intuitive logic across categories and its implications on consumer decision-making – arguing that stronger intuitive logic provides consumers a better 'handle' to judge the potency of their potions, and marketers a means to establish a more direct connection with consumers.



'How potent is my potion?'

Intuitive judgments in consumer decision making for OTC products

Creating change in today's marketplace is a challenge in any category, with rising clutter levels and tuned-out consumers. Marketers across categories have been grappling for quite some time now with 'autopilot' brand choices, habit-driven consumers and the difficulty of changing entrenched behavioral patterns. In healthcare categories, especially in the area of self-medication, the challenge of influencing decisions is a particularly difficult one, for at least two reasons:

- We are dealing here with a situation where the importance of making the 'right' choice is unusually high, knowledge levels are often low, and the consumer is understandably reluctant to rock the boat when something is working well enough.
- Consumers often tend to 'abdicate' decisions (at least on the surface of it) to experts – medical practitioners, pharmacists and other 'knowledgeable' influencers. Influencers not only have veto power, they also have the potential to be agents of change. Healthcare marketers therefore often find themselves talking to influencers rather than end consumers even when marketing OTC brands; this can be limiting in terms of establishing strong consumer connections and fostering loyalty.

The focus of this paper

The ability to create real change requires a far better understanding of consumer self-medication choices than is currently available. In recent years, we have done a considerable amount of work in understanding consumer decision-making processes and identifying triggers for change. We believe there are valuable learnings here for the healthcare industry in terms of the tools that have proven useful in deconstructing decisions, as well as insights on how consumers make judgments about self-medication options.

Our paper presents a methodological framework that has been effective in understanding choices in OTC products. The framework, based on new thinking in neuroscience and cognitive psychology about how people make choices, draws from cognitive interviewing and narrative building approaches, and also from the notion of intuitive logic. We draw from our work in a range of self-medication categories (fever, cold, pain and acidity) to illustrate the usefulness of this framework.

The paper is structured into 3 parts:

1. A review of contemporary thinking on decision making and its implications for the way we study consumer choices
2. The notion of intuitive logic and its impact on how people make choices in OTC categories
3. Illustrations from our own work on the usefulness of this framework in understanding consumer choices



1. Contemporary thinking on decision-making

In recent years, there has been considerable rethinking in the fields of cognitive psychology and neuroscience, on how human beings make choices. It is now well acknowledged that decisions on even complex issues are often a result of simple 'rules of thumb' rather than elaborate analysis and deep thought. The brain has an innate need to simplify choices and use mental shortcuts – which means that people have the ability to make decisions quickly, intuitively, almost subconsciously. A quick review of the history of this thinking is in order, before we get into its impact on the way we understand consumer choices.

The phenomenon of intuitive judgments was initially explored in a series of papers by Daniel Kahneman and Amos Tversky in the late 1960s / early 1970s. The central premise of this work – that judgment under uncertainty often rests on a limited number of simplifying heuristics rather than extensive algorithmic processing – was remarkable for two reasons:

1. It was completely contrary to the classical model of 'rational choice' that had traditionally dominated economics as well as behavioral and social sciences ... the problems with which are summed up eloquently below:

"According to this model, the 'rational actor' (i.e. the typical person) chooses what options to pursue by assessing the probability of each outcome, discerning the utility to be derived from each, and combining these two assessments (...) Calculations of probability and multi-attribute utility can be rather formidable judgments to make, but the theory of rational choice assumes that people make them and make them well" (Gilovich and Griffin; Heuristics and Biases: The Psychology of Intuitive Judgment)

2. Secondly, it offered a cognitive alternative that helped explain seemingly unreasonable or erroneous decisions without invoking motivated irrationality (the central tenet put forth by psychoanalytic models of thinking).

Kahneman and Tversky's research was focused on erroneous judgments that resulted from heuristics and biases. However, subsequent work by Gerd Gigerenzer et al demonstrated that heuristics could be used to make optimal decisions – and that far from being error-ridden, the use of these mental shortcuts by the brain was a remarkable way of cutting through complexity and information overload in order to navigate quickly through everyday choices. This use of heuristics by the brain is not an option – it is a necessity arising from the complexity of our environments and the numerous demands placed on us as we cope with the daily business of living.

"How can anyone be rational in a world where knowledge is limited, time is pressing, and deep thought is often an unattainable luxury? Traditional models of unbounded rationality (...) have tended to view decision-makers as possessing supernatural powers of reason, limitless knowledge, and endless time. But understanding decisions in the real world requires a more psychologically plausible notion of bounded rationality" (Gigerenzer and Todd; Simple Heuristics That Make Us Smart)



A related and complementary development that has shaped thinking on decision making is the contemporary view of the 'unconscious' mind. Moving on from the Freudian perspective of the raw, untamed forces driving behavior, contemporary thinking views the unconscious as simply a collection of 'mental processes that are inaccessible to consciousness but that influence judgments, feelings or behavior' (Timothy Wilson; *Strangers to Ourselves*). Psychologist Timothy Wilson calls this the 'adaptive unconscious' – describing an evolving system that is "capable of learning complex information (...) better and faster than our conscious minds" and is responsible for "our ability to size up our environments, disambiguate them, interpret them and initiate behavior quickly and non-consciously". The adaptive unconscious is a composite of reason and emotion, of learned, environmental influences and instinctive patterns – it distills the information available in the psychological, social and physical environment to arrive at the best course of action in a given situation.

Looked at another way, the adaptive unconscious helps simplify choices at the conscious level by enabling the brain to devise mental shortcuts or heuristics. The existence of the adaptive unconscious explains why much of human behavior and decision-making can be automatic and unthinking – and why, in fact, intuitive judgments work at all.

[A new look at understanding consumer choices](#)

The above thinking on human decision making has, in recent years, guided our approach to understanding brand choice. There are two main implications here for what we look for, and the way we look for it, in any study of consumer decision-making:

1. Deconstructing brand choice, we believe, is a matter of understanding mental shortcuts – the heuristics or the 'rules' that enable people to make quick decisions. Much traditional market research aims instead at unearthing long lists of attributes or criteria that consumers may look for in a product or brand. The consumer prompted, however, holds over 10,000 brands in their head, and does not spend much time thinking about them. While they may be able to provide us with more than 25 attributes if in a focus group (sweetness, sharpness, texture, aroma, strength, consistency, solubility, color, format, pH content, added vitamins, dosage, mode of administration, price, suitability for kids, convenient packaging, company reputation ...) it is unlikely that all these are what they actually uses to evaluate or choose between brands. It is far more likely that, most of the time, choices are governed by fewer, simpler rules like "Buy a well known brand" / "Buy what the doctor recommends" / "Buy something that kids consume easily" or even "Buy what worked last time". Rules such as these create habit-bound, autopilot decision making... and while there are 'moments of truth' when rules are reviewed and people spend time thinking consciously about what they want, these moments are rare and (therefore) precious.



2. Further, given that choices are often made unthinkingly, people have a limited ability to articulate these rules or explain their choices. Asking for reasons tends to result in post-facto 'constructed explanations', which people may believe to be true but which may not accurately reflect the whole picture. These constructed explanations or 'confabulations' are a function of people's need to be able to explain their behavior, even when they don't know what has caused it (Nisbett & Wilson, 1977; Gazzaniga & LeDoux, 1978; Wegner & Wheatley, 1999).

In this respect, studying patterns in people's narratives of '*what* happened' has proven to be more effective than asking '*why* it happened'. The '*why*' is thus derived from the patterns in the '*what*', rather than obtained directly from the person under study.

This principle forms the fundamental difference in our approach to collecting and analyzing data from consumers. Our approach aims for a reconstruction of behavior, thoughts and feelings rather than a deconstruction – using interviewing techniques that create vivid and detailed accounts of consumer interactions with brands and categories. These accounts are not easy to come by, given that brands do not typically occupy as prominent a place in consumer lives as we would like to believe – and interactions with them are often low involvement and fleeting. There are two main techniques we employ to make consumer accounts of their interactions as rich, detailed and accurate as possible.

- Narrative building techniques borrowed from anthropological research, wherein respondents are encouraged to tell 'stories' in a free-flow, stream-of-consciousness manner, and pointed questioning is kept to a minimum. Such narratives are not just richer in terms of content, providing immense contextual information that helps in interpretation; they are also more engaging and immersive for the respondents themselves – inviting far more enthusiastic participation than a battery of questions.
- Cognitive interviewing 'memory reconstruction' techniques, which are used to access the fleeting, 'trivial' and therefore forgotten or omitted details which may not be important for the respondent to remember, but are vital in piecing together our understanding of what is going on. For example, we often find patterns emerging with respect to contexts in which brands and categories have first been encountered, pack colors and formats which have left meaningful impressions but seem too trivial to recount, details of usage that shed light on 'automatic patterns' that are so taken for granted that they would not be voluntarily described. Cognitive interviewing has its roots in police interrogation techniques, where there is often a similar need to get uninvolved eyewitnesses to recall 'trivial' details.



Some examples of the output that this approach provides vs. regular qualitative interviewing:

Regular interviewing methods	Narrative building and Cognitive Interviewing
<p>Interviewer: So why did you buy Crocin Pain Relief? Respondent: It's good for headaches ... and it's a good company, I've used Crocin for fever before. Interviewer: But what made you switch from Saridon? Respondent: The chemist suggested it ... he didn't have Saridon, and he said this was new and was good for headaches. Interviewer: You didn't think of checking at another store? Respondent : No, I'd seen the new pack of Crocin earlier and I normally use it for fever so I thought it must be for fever. It is a good company and when the chemist said this one is for headaches, I thought I'll try it. Interviewer: Does this happen often? That you try something the chemist suggests? Respondent: Sometimes, I guess – he would know, after all. Normally I like to stick to what I'm using. But this is a good company, I know I can trust it – so it wasn't just the chemist.</p>	<p>Interviewer: So tell me about the time you bought Crocin Pain relief ... when did this happen? Respondent: Last week ... I had gone to buy Saridon, and that was not available, so ... Interviewer: Okay, last week. Could you tell me what happened in as much detail as possible? Start from when you entered the store – think back to that time and try to retrace every step slowly Respondent: Well I walked in and the store was a bit crowded, so I had to wait awhile ... I looked around at some other stuff while waiting. I needed to buy some toothpaste, so I looked for that. I remember I reached into the cabinet and took it out myself. Interviewer: ok, anything else you noticed? Respondent: Yes, well actually there was the pack of Crocin (Pain Relief) displayed there ... it was on top of the counter on the right so I assumed there was something new about it ... that's where they usually put all the new stuff. I noticed it because it was red, you know – different from the regular one. I figured it must be stronger. Interviewer: Stronger ...? Respondent: Yes, it looked stronger ... I think it said so on the pack, though I am not sure. Actually, the tablets also look like the stronger variety – they are the bullet shaped ones, not the round ones. So that's what tipped me off, really. Interviewer: How did you know this shape implies stronger medicine? Respondent: Well all the strong medicines come in this shape – like Brufen. The new brands are all like this ... and they are obviously stronger than the older ones like Crocin.</p> <p>(...) etc</p>



The example on the right is an extract from a transcript of an actual interview. Just a small part of one encounter with the brand has been presented to illustrate the process and the level of detail that is extracted from each respondent – the actual interview covers the entire cycle of interaction with the brand and category, with details of thought, feeling and behavior captured right through. Recurrent patterns emerging in these narratives form the basis for identifying the mental rules that drive choices, and the 'moments of truth' when choices are reconsidered. Notice in the above example how the reconstruction approach is able to go beyond the 'rational' explanations (chemist's recommendation, trust) to the smaller influences that attract attention and communicate the potency of the medication (red color, caplet shape, position on counter that signals 'new brand') but may not be able to stand on their own as overtly articulated 'reasons' for a brand switch.

To illustrate further, using this process in the 'pain relief' category sensitized us to some factors that we may have overlooked with a more traditional approach. For example:

1. In the initial period after it was launched, trials of Crocin Pain Relief were slower than expected. One of the questions we had when we went into the study was whether the 'strength' proposition of the brand was being missed out by consumers, and needed greater emphasis. The reconstruction approach clearly indicated that the strength proposition was coming through emphatically, through multiple indicators working in tandem (communication, pack color, caplet shape)
2. The reason for slow trial lay in an understanding of how often and why people actually changed brands in this category. Change in the category was rare and happened either as a result of negative experiences or 'accidentally' (unavailability of regular brand), rather than as a result of an active search for a better / stronger medicine. So, while people might say at a rational level that they wanted a strong medicine for their headache, that was not triggering change by itself.
3. The other interesting trigger for change was the notion of a particular brand being outdated, and the desire for "the latest". So the focus needed to be not building up the strength proposition further (this was coming through anyway) but creating buzzy communication that made the category more salient.
4. Another learning via the narratives was the importance of a male protagonist in communicating strength (CPR invariably came into the house via the men, because "men need stronger medicine"). So while people, at a rational level, may not say that they would buy something because a man recommended it or used it, in practice this is what they were doing! This learning was also built into the communication.

We discuss these learnings and the action taken by GSK in a bit more detail in section 3.

While this approach has been used successfully to understand choices in a variety of categories, it is worth mentioning that it works especially well in healthcare, where the consumer's desire to appear rational is particularly high, but the prevalence of rapid, intuitive judgments equally likely. The narrative building / memory reconstruction approach is useful here because it neither asks for explanations nor challenges people's notions of their own rationality. We are thus able to go beyond the 'big', more obvious drivers of choice to the several small, fleeting influences that shape choices but often go unacknowledged.



2. The intuitively logical consumer

The framework described above forms the mainstay of our approach to understanding consumer decision making. However, when it comes to self medication (OTC) categories in particular, we have found it useful to add another dimension to this framework.

The second part of our framework is based on one of the more prominent contributors to consumers' 'mental shortcuts' in the OTC category. We have observed, in the extensive work we have done in this category over the years, that consumers have their own intuitive notions of how their bodies work, and can provide fairly vivid descriptions of how their bodies 'feel' at times of stress, illness or pain. Some examples...

- 'My headache feels like something is pounding, hammering inside my head'
- 'My joints feel dry and creaky ... like they need to be oiled'.
- 'Water has gotten inside my head' (on getting a headache after exposure to water)

In the same way, consumers have an intuitive logic of how outside agents work on their body. For example

- antacid gels coat the stomach lining and reduce the burning sensation
- rubeficients lubricate joints
- steam inhalations dissolve phlegm
- heat opens pores and helps a balm get absorbed faster into the body

Of course, consumer notions of their ailment and the function of the remedy do not necessarily reflect how a remedy works in medical terms, nor is it always consistent across consumers. Since these are intuitive, homegrown truths, they often vary considerably, especially across cultures. This sort of logic is also stronger with some ailments than others, and seems to partly be a function of the seriousness of the ailment and partly that of the kinds of remedies historically used to treat the ailment.

One of our most interesting learnings while studying OTC choices is that *the presence of an intuitive logic leads to greater confidence in decision making and lower reliance on expert opinion*. There appear to be at least two explanations for this:

1. In categories where intuitive logic is high, decision rules tend to reflect more tangible expectations from the product and its action on the body (e.g. 'buy a balm that stings' because stinging=stronger action). Where intuitive logic is weak, however, consumers find it difficult to judge a product on their own, and rules tend to be about expert opinion or sticking to what works (e.g. use what mom always used; go with what the chemist recommends).
2. Strong intuitive logic also helps quell dissonance arising out of change, since it provides consumers with exactly what they need ...'logic'! A 'rational' explanation for why a particular choice is the 'right' one. In the absence of intuitive logic, the anxiety-reduction role is played by the expert.

While this does not necessarily mean that change creation is easier or that consumers are less rigid about their choices in situations where intuitive logic is strong, it does provide an opportunity to connect directly with consumers and meet their decision rules (e.g. through tangible indicators like product format and action). Tapping into intuitive logic, and even 'planting' a logic where there isn't one, is a route to engaging consumers better and getting them into a listening mode.



Brands that make use of the existing intuitive logic in their product and communication mix (advertising, packaging, POS material) would, by this argument, be well placed to establish a stronger consumer connection. Our research on consumer processing of brand messages – specifically, of communication using 'product windows' – indicates that tapping into such consumer logic does enhance receptivity to the message (*Puri & Saluja; 'Not Quite Magic Potions'; 2004*). In part, this is to do with heightened empathy and personal relevance:

"They have shown exactly what happens to me"

"That is how my stomach feels when I have acidity ... they have shown it correctly"

But more interestingly, it is to do with the role of visualization in the creation of belief, which is well documented in medical literature. Knowing how something works seems to lead to a reassurance that it does, in fact, work.

"When I watch this (ad) I feel like it is happening to me ... the medicine must be coating my stomach like this"

"I also feel like someone is massaging the balm and unknotted my muscles"

Intuitive logic and confident decision making

The nature and strength of intuitive logic varies by ailment and remedy, and also, possibly, by cultural influences. Understanding how the consumer logic works for specific ailments / product groups, and how strong it is, is therefore an important element of understanding potential choice drivers.

This involves studying

- The **readiness with which consumers can express how the ailment 'feels'**, and how the remedy 'acts' on the body. This often arises from traditional wisdom about the causes of ailments, but may also be a function of ideas planted by marketing communication in that category.
To study consumer expressions of how an ailment feels, we rely on a mix of verbal and non-verbal techniques, since what is important is not so much that people can find words to describe their ailment and remedy, but that they can imagine what is happening. In this context, **drawings, texture trays and analogies** work extremely well in eliciting intuitive logic.
- The **existence of home-cures for a specific ailment**. We have found that there is a strong correlation between the prevalence of home-remedies (or traditional medicine) and the strength of intuitive logic for a given ailment.

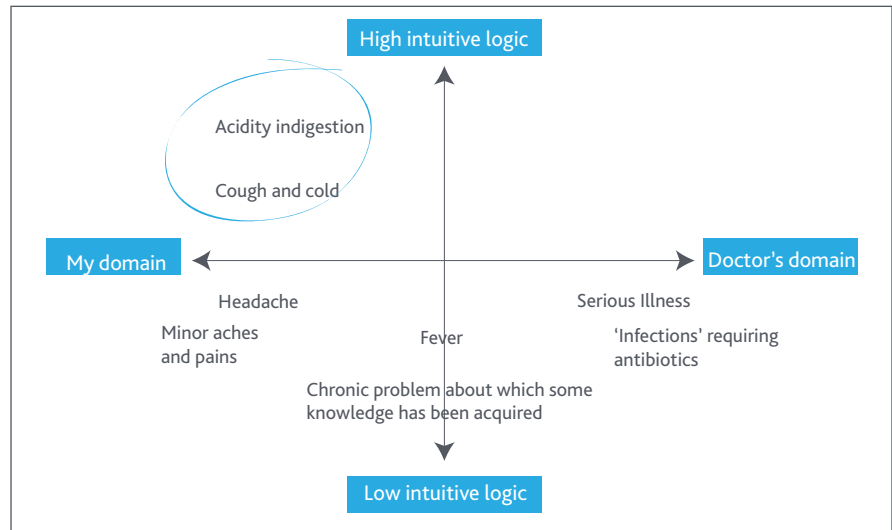
The presence of an intuitive logic leads to greater confidence in decision making and more independent brand choices (i.e. choices made without looking for expert endorsement). The absence of this, however, leads to diffidence and risk-aversion even in cases where the ailment is not very serious. (See Figure1 below)

For instance, in the Indian context, we have found that cold & cough and acidity are ailments where intuitive logic is very strong. People have clear ideas about what is wrong with the body and what will work to set it right. A variety of home cures are used in conjunction with branded medication, and there are tangible indicators that tell people whether something is 'right' for them or not. In contrast, headaches seem to be an ailment where intuitive logic is not very strong. People can describe what a headache feels like, and are also able to talk, to some extent, about the type of action they want from a topical remedy (a cooling effect, an ice pack, a sharp / cooling balm ...) – but given that systemic remedies dominate the market, there is a striking absence of the 'logic' that makes these pills work. As a result, there is low



confidence in independent decision-making and an aversion to change when it comes to headache pills, despite headaches being a non-serious ailment belonging in “my domain” rather than the doctor’s.

Figure 1: Intuitive logic across ailments



3. Using the framework: Some illustrations

One of the challenges of the OTC category is the uni-dimensionality of benefits that exists across ailments, and the difficulty of getting consumers to articulate what they desire in a remedy apart from ‘quick relief’ – and, to some extent, softer qualities like safety, gentleness and trust. Marketers therefore often find themselves locked in a contest of ‘quick-quicker-quickest’ ... the promise of speedy relief is a fairly ubiquitous one, whether we are thinking of pain, fever, cold & cough, or acidity. While this is not necessarily ‘wrong’ (of course people want quick relief!) – it does not take into account how people are really choosing between options, and is also limiting in terms of providing opportunities for differentiation.

Let’s pick two categories as examples – antacids, where intuitive logic is strong, and systemic headache remedies, where it is relatively weak – and see how our framework can help get beyond this.

1. Antacids

Eno, a sodium bicarbonate based antacid in the GSK portfolio, is a leader in its segment – i.e. in the powder format antacids. It is positioned very strongly on ‘instant relief’ (“gets to work in 6 seconds”) and owns this space in the antacids category as a whole. Competition for Eno, however, comes from other formats – the magnesium / aluminium based tablets and gels (Digene, Gelusil). The ‘instant relief’ promise had taken Eno some distance against these, but was increasingly reaching a plateau.

Let’s take a look at the intuitive logic and the decision rules prevalent in this category. ‘Acidity’, ‘heartburn’, ‘gas’ and ‘indigestion’ are labels often used interchangeably by consumers to describe a cluster of overlapping symptoms... acidity being the most commonly used one. However, depending on the more dominant symptoms, the experience is described in two ways:



- A raw, burning sensation that needs something cooling and soothing to "coat the stomach lining"
- A full, bloated, restless sensation that requires an agitation in the stomach, causing a release of gas for relief

These two views of the ailment result in very distinct preferences for remedies. The first one is typically associated with the magnesium / aluminium antacids like Digene and Gelusil (liquids or tablets, depending on seriousness of problem), while the second one results in a preference for the sodium bicarbonate version, like Eno. Home remedies used by the two sets also differ ... cold milk (cooling, soothing, gentle, coats the stomach) is used by the first set, while a fizzy drink (helps me burp) is the instinctive choice for the second set.

Communication for Eno has actually been an extremely successful example of tapping into consumer logic, using the 'burp' as a signature promise. The challenge for the brand, however, has been gaining share from the Digene / Gelusil users who not just have a very different set of rules from those of Eno users, they also have rules that conflict with Eno usage. For example:

- Buy a soothing / cooling remedy
- Buy a mild, gentle remedy
- Avoid harsh, 'corrosive' remedies (like Eno)

Hence, while switching between brands within the same format is quite common, switching across formats is rare. Also, while speedy relief is the underlying promise of all brands, it does not represent how consumers are really choosing between options (Eno is acknowledged as the fastest, but the others are seen as 'good enough'. Further, within a format, consumers do not seem to differentiate between brands on speed of action).

Looking at the problem through this framework helped understand the scale of the challenge, and also the fact that gaining share from the Digene / Gelusil users would require format or flavor variants that fit well with the existing logic (cooling, less fizzy ...) OR communication that actively set out to change the intuitive logic of how Eno works. One of the actions taken on the basis of this learning was to build a 'cooling' element into the communication and packaging, and also introduce a flavor variant (mint) which had cooling associations.

Figure 2: the new Eno flavor and pack





2. Headache remedies

The category of systemic headache remedies is a highly inertia-driven, autopilot one in India. Creating change is difficult, and loyalty to brands is very high. Our research has pointed to two reasons for this:

- i. First, headache remedies are a low involvement category – this is not a 'serious' ailment, and does not merit much attention or discussion. For most people (except chronic sufferers of migraines etc) it is not a subject on which advice is sought or one that is likely to come up in conversation, either with peers or with doctors / other 'experts'. Thus opportunities for external influence, or for automatic 'rules' to be reconsidered, are very few. Also, most remedies seem to do the job reasonably well for most people, which results in few opportunities for critical inner evaluation as well.
- ii. Second, this seems to be an ailment where intuitive logic is not very strong. Systemic headache remedies are esoteric in the way they work, and are best left to 'experts'. While it is too trivial an ailment to consult doctors about, people do seem to rely on other experts – chemists, older people, more "educated" people, etc. Once they find something that works for them, they tend to settle down quickly and stick to it. Since they have few parameters with which they can judge efficacy on their own, influencing them becomes a matter of influencing the influencers.

Typical decision rules in this category are:

- Buy the brand I've always used
- I'm forced to try new brand, check with my chemist
- Buy popular, widely used brands (trusted by many people)
- Buy a brand that a doctor / chemist recommended in the past
- Buy a brand recommended / used by family elders / husband / parent / more educated peer – etc

...and the ubiquitous

- Buy a brand that promises fast relief
- Buy a mild / safe brand

A challenging situation indeed, for a new entrant like Crocin Pain Relief. Playing the 'influence the influencer' game is widely prevalent in the OTC category, and while this has its utility, it comes with its own set of problems, and is not always the most desirable option. In order to connect directly with the consumer, we needed to understand how entrenched rules could be broken or bypassed. For this, we focused on the 'moments of truth' in consumer narratives, when people actually considered change, or switched brands. Many of these were to do with factors not open to direct influence, such as unavailability of regular brand. However, we had a few stories that indicated a desire to try out something new, and revealed traces of a belief that 'new' is 'better' and more effective. (Unlike many other categories, medication is one where old is not necessarily gold – 'new' stands for technology, medical advancement and better products). Thus, we did have in our potential consumers the willingness to try out something new – what we needed to do was create the opportunity for them to consider it (unlike antacids, brand loyalty here was driven by inertia rather than fierce conviction).



Some of our recommendations based on the above learnings:

- Making use of the rules to do with surrogate experts – people other than doctors or chemists whose opinion was trusted when it came to trying new medication (“Buy brand recommended / used by family elders / husband / parent / more educated peer – etc”).

Existing communication for the brand at that time had protagonists who represented the average user (e.g. a taxi driver). While this may have worked from the perspective of building empathy, it failed an important category rule. One of the significant changes made to the communication post this research was changing the protagonist to ex-cricketer Kapil Dev – chosen not just because he was a celebrity but also because he belonged to an earlier, highly regarded generation of cricketers and was now of an age and position that made advice from him be received in the same way as advice from “elders” or “superiors”.

Figures 3 & 4: The ‘taxi driver’ protagonist later modified to Kapil Dev

Figure 3



Figure 4





- The recommendation was also to focus on creating buzz – bring in a sense of 'new news' in the category – through the right choice of media as well as 'buzzy' communication. While the brand had a 'strength' proposition that also hit the right button with a section of the TG, the need was to go beyond the product claim and get people to pay attention to the category.

The use of Kapil Dev as a brand ambassador also worked in this context, to help make the communication buzzy. Some other ideas that were recommended and discussed (though not implemented in entirety due to practical constraints) involved multiple touchpoints that leveraged likely 'headache moments' to maximize media receptivity – e.g. outdoor communication that focused on traffic jams as a cause of headaches; press ads positioned next to the weather column that focused on the heat as a cause of headaches.

In the long term, it would also be useful in a category like this to try and create a 'logic' for the working of the remedy that is readily understood by the consumer, and which can be used to create new rules. A competitive brand has managed to do this to some extent by virtue of its soluble format, which simultaneously communicates mildness as well as speed of absorption (and relief).

We did stumble upon one – albeit less emphatic – element that was working for CPR, namely the shape of the tablet which, in conjunction with the color of the pack, indicated strength. While this by itself is unlikely to be enough of a handle for the consumer, it does tell us that people are looking for tangible indicators that help them evaluate the potency of their potions, and that actively creating these can help us establish stronger and more direct connections with them.

In sum,

Our paper has described a methodological framework to provide a sharper understanding of consumer decision-making in the arena of self-medication, leading to better opportunities for influencing choices. The framework has two components

- Narrative building and memory reconstruction interviewing methods that attempt to draw out the mental shortcuts that consumers use to make choices, and the moments of truth when choices are reconsidered.
- A focus on the nature of intuitive logic that exists (or can potentially be created) in a specific ailment / product group, and which can influence decision rules in the category.

We believe this framework has the potential to take us beyond the traditionally articulated drivers of brand choice (which can at times be too general and non-differentiating, and at times even misleading) and provide a view of the numerous smaller, equally potent but often ignored influences that shape decisions.

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To find out how this thinking and approach can help you, contact esomar@nielsen.com

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Fast Moving Consumer Goods and OTC products: Zoom on marketing effectiveness

Abstract from Esomar Healthcare 2008 Conference

- By Erk Maassen, Director, Pharmaceutical Practice, BASES EEMEA
and Robert Buckeldee, Managing Director, OTC/Pharmacy Services Europe



Different strokes for different folks on the road to otc marketing effectiveness:

Consumers shop for OTC products differently to how they buy their groceries. Advertising effectiveness, the relevance of shelf-based awareness, consumer 'buzz' and the role of the professional as a key influencer, present new challenges to the marketer. So what are the implications of these differences when it comes to marketing effectiveness?

Innovation as a market driver: higher push in FMCG than in OTC

About 10 to 15% of current annual revenue is generated by new products, launched in the past three years, in the FMCG categories for Germany. The role of innovation tends to be less pronounced in OTC with only about 5% of current annual revenue is generated by new products. UK figures show the same trend.

Innovation pays off!

The many examples of successful renovations of existing brands as well as continuous and consequent marketing support of established brands prove that growth without innovation is possible. However, the odds of outperforming the market place are more favorable if marketers play the innovation card!



Again, using Germany as an example, BASES found that manufacturers who undertake a strong innovation push clearly outperform the marketplace. They increase value sales by an average of about 5% per year, while those companies that achieved only a minor innovation push actually lost market share.

But innovation has its side-effects: New launches tend to be greedy and they love to leech support from their parent brand, limiting their chance to bring additional sales into the franchise.

Innovation is a challenging and a risky business and many new product launches fail to be sustainable in the market place. Across France, UK and Germany, 25% of new launches see their sales decreasing by 30% or more after one year.

Consumer purchase behaviour: OTC products tend to experience lower category relevance and shopping frequency

Often, the penetration of OTC categories is limited simply by the incidence of certain conditions.

Shopping frequency in these categories also tends to be low, as suffering from a certain condition does not necessarily mean consumers would instantly make a category purchase. Using home remedies, consulting a doctor or using treatments which are already in home are alternative courses of action. On average, only about 25% of consumers who have suffered from a specific condition actually have purchased an OTC product immediately after it occurred. Seasonality and irregularity of use also characterise purchasing behaviour in the OTC category.

Low shopping frequency not only gives less opportunity for trial and repeat purchases in one year, it also leaves more room for competition to muscle in on your consumers.

Zoom on marketing effectiveness: the importance of awareness

A strong concept is important lever for effective marketing spending, however, marketing support is critical for the success of new products.

A new product might be highly appealing to consumers. But, unless this product is sufficiently supported by marketing investment, it is unlikely to be successful in the marketplace. Why? No-one would buy an unknown or unavailable product. Even the most appealing product needs to break through the clutter.

Awareness and many other factors - such as distribution, consumer and trade promotion, concept appeal and category purchase dynamics - influence new brand trial. Awareness, however, is one of the strongest marketing levers factors and is the one over which marketers have the most power.



Bang for the buck! Generating awareness via advertising

Consumers' attention to commercials is linked to interest in particular categories. The relevance of OTC categories tends to be lower than for food categories and this makes it more challenging for OTC new product commercials to raise awareness as effectively as for food initiatives.

The same media support in terms of GRP quantity and quality (same media execution in terms of commercial length, day-part split and recall as well as flights by period) generally results in lower awareness levels for OTC initiatives.

The influence and importance of buzz: Health is one of the most common searched topics on the Internet among females and there are many online forums, blogs and communities devoted to health issues. Given the high amount of discussion about health issues or conditions, the amount of discussion about remedies and solutions is also considerable and OTC medications get their fair share of it. This buzz level is also influenced by traditional media investment.

See it, buy it: increasing awareness as the point of sale

Distribution is important in ensuring a product's availability to consumers. Yet distribution is not just about availability, it is also a source of how consumers become aware of a new brand.

Generally, new products in the OTC space have a more limited potential in raising distribution-based awareness. Consumers tend to shop less frequently in pharmacies, drug stores or OTC shelves compared to traditional packaged goods channels and therefore have fewer opportunities to become aware of a new launch by seeing it on the shelf. In markets where OTC distribution is restricted to pharmacies and/or available behind-the-counter only, differences can be even more pronounced.

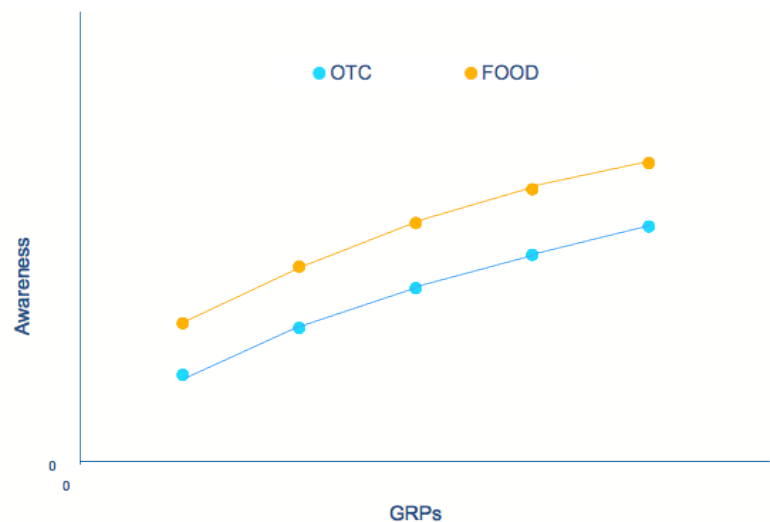
Strong marketing execution (shelf presence, strong packaging break through, etc) can certainly offset some of the category-specific disadvantages. But due to different category purchase dynamics (frequent vs. less frequent shopping trips) the ability for new OTC launches to raise distribution-based awareness is clearly more limited.

Know it, buy it: generating trial from awareness

Let's go one step further. Given the same awareness levels, how does awareness convert to trial for OTC, compared to FMCG initiatives? Conversion to trial is generally considerably lower for OTC. Here, again, category purchase dynamics affect the performance of new product launches. Time-to-trial tends to be longer for OTC initiatives. If you have just recently bought a laxative, the odds that you will instantly buy the new product once you have seen the advertisement are low, even if you are interested. And the "power" of a commercial to influence consumer buying decisions erodes with the time-lag between ad exposure and category purchase respective to brand choice.



Health care new products tend to achieve lower awareness for same amount of GRPs than more traditional packaged goods. This is correlated to category interest and purchase cycle.



Marketing effectiveness for OTC vs FMCG products

Specificities of the OTC category dynamic tend to reduce marketing effectiveness.

- Same advertising support, but lower advertised generated awareness
- Same distribution level, but lower awareness generated at the point of sale
- Same level of awareness and buying interest, but lower trial rates

Does this mean OTC brands should avoid spending in media?

Certainly not. Despite the longer purchase cycles for OTC categories, OTC products still need to develop awareness. Also the purpose of advertising is not only to trigger immediate sales but also to build a brand's equity.

On the other hand, OTC brands have incredible and specific assets over FMCG. Given consumers interest in health, blogs, forum and all internet communities can help creating awareness and equity. Remember, OTC brands generate buzz more "easily" than most FMCG products.

Finally, OTC brands also have strong ambassadors with pharmacists and doctors. They might hardly change consumers' mind if they are already decided but they have a really strong power over consumers suffering from a condition they are not used to or those that gave not yet decided over one brand or another.

The Implications

1. Implication for innovation management:

- To fully leverage the potential of innovation to drive growth, process-management capabilities become a competitive advantage. As the innovation process becomes more and more complex, it is more and more critical to make the most of the innovation pipeline.

2. Implications for business planning:

- Include incrementality into "go-no go" decisions. Growing a brand or range is just as important as growing overall volume.
- Trial Trial Trial - Include critical hurdle for Year I trial rate into business objectives. To succeed in the first year of launch, marketers need to focus on maximizing trial, and this holds especially true for OTC initiatives.

3. Implication for marketing research methods.

- "Purchase Intent" or "Preference Shares" are essential metrics for evaluating the market potential of new initiatives; but this is not enough. Consumption metrics for time to trial have to be built in to fully understand a new product's potential.

4. Implications for marketing of innovations:

- Explore potentials in moving "treatment" positionings to "prevention" positionings and pursue opportunities to broaden the relevance of OTC products.
- Discipline in executing strongest propositions will yield strongest return in marketing investments. The stronger the appeal, the lower the required investment to gain one trier.
- OTC marketers have to work harder if they want to reach the same success as their peers in FMCG. To get most out of their marketing, OTC marketers need to fully leverage the opportunities that buzz and Professional endorsement can offer to OTC launches, and OTC Marketers need to optimize all stages of the consumer adoption process of new products: Salience, Communication, Attraction, Point of purchase, Endurance.



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The Nielsen Company is a global information and media company with leading market positions in marketing information (ACNielsen), media information (Nielsen Media Research), online intelligence (NetRatings and BuzzMetrics), mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in Haarlem, the Netherlands, and New York, USA. For more information, please visit, www.nielsen.com

About BASES

BASES, a service of The Nielsen Company, provides services that help clients achieve growth through successful new product innovation. BASES is known for analytical and forecasting expertise, its extensive database of experience (75,000+ new product initiatives studied), and providing global coordination and consistency. BASES offers a broad range of services related to innovation strategy, new product qualification and optimization, and initiative commercialization. BASES has offices in 22 locations, partnering with most of the world's leading marketers across a wide range of business sectors.

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