

OTC and sanitary products insights

OTC: Inside the medicine & first aid cabinet

The over the counter (OTC) category in South Africa is impressive, to say the least. South African consumers know they can restock at one of the big supermarkets or hypers, with instore pharmacies like Checkers and Shoprite Medirite, Pharmacy at Spar and Pick n Pay's retail pharmacies (acquired by Clicks in May 2021), specialist stores like Clicks and Dis-chem, and pharmacy chains like Alpha Pharm, M-Kem, and Link, not to mention the independents like Springbok Pharmacy, and independent wholesale and retail outlets, all contributing to the vast array on offer. The choice reflects the size of this category and also puts much pressure on pricing, margins, and range choice to keep your business profitable and the end consumer happy.

Rules and regulations

OTC products are regulated by the South African Health Products Regulatory Authority (SAHPRA), and their website (www.sahpra.org.za) provides a detailed list of registered medications, as well as health and safety alerts. They also state how medications may be marketed to the public, and these rules are very strict. Schedules 0 and 1 may be advertised to the public (as long as no outrageous claims are made), but schedule 2



medications may not be advertised to the public. OTC and front-of-store medications are considered to be those medications scheduled 2 or below (S0, S1, S2). Schedule 0 medications may be sold in supermarkets and retailers, but several big

supermarket chains have opened in-store pharmacies, giving consumers the option to buy schedule 1 and 2 medications in-store from the on-site pharmacist. For the purposes of this article, we will use OTC to refer to S0, S1, and S2 products.

What to stock

For big retailers with a large consumer footprint, it makes sense to carry several brands from each of the OTC categories. Some customers will be price-sensitive, whilst others will remain loyal to a specific brand. These OTC categories include cough, cold and allergy; digestive and intestinal ailments; pain and injury; and topical disorders (this includes dermal, ophthalmic, and so on). These are the medications that treat our most common ailments, and several well-known brands also produce paediatric versions. Although SAHPRA regulations are considered quite strict at an international level, South Africans are still able to keep their first aid boxes topped up with OTC medications for the whole family (in other words, not having to get a script first). However, the brands they choose to buy are highly dependent on their LSM group/income and price sensitivity. there is also a growing number of traditional and complementary OTC medications making their way onto the market, and in many cases, these are preferred by older or more rurally based consumers.





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OTC growth trends

The OTC market continues to grow, both locally and internationally, and local medical aids are actively moving towards supporting a more OTC-centric approach. South Africa has also recently allowed clinic sisters who pass a written exam to prescribe and dispense higher scheduled medication without needing to consult a doctor.

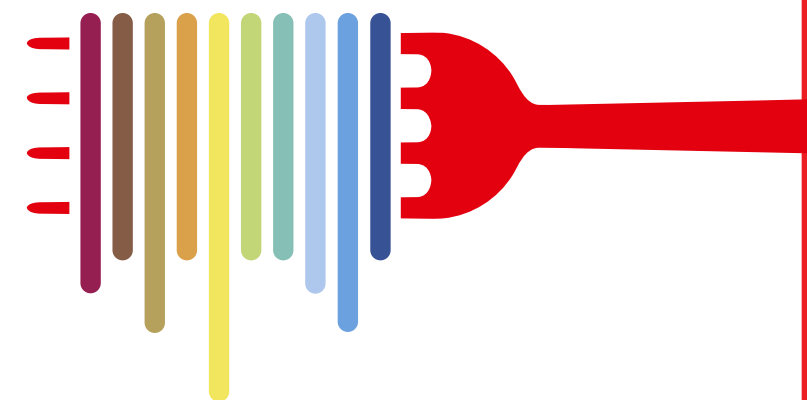
During the Covid pandemic, a trip to the doctor's rooms became a nervous experience and increasing numbers of patients chose to take their aches, pains, and minor ailments

to clinics and local pharmacists instead. This has opened up the market of S1 and S2 medications as more consumers learn to place their trust in their pharmacist and save themselves the cost of a visit to the doctor.

Online entry

Due to the Covid pandemic and subsequent lockdowns, retailers and speciality stores have had to embrace the online trend. For shoppers anxious about Covid-19 risk, as well as those in isolation or quarantine, ordering medications either online or via phone, and then receiving them via delivery or drive-through collection, has increased exponentially.

For schedule 0 products, online retailers such as Takealot offer a large range of well-known brands as well as niche products, and incentivise consumers with bulk discounts, free delivery, or two-for-one deals. The ability to add S0 products to your online grocery basket is about safety, convenience, and keeping consumers happy.



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Change is coming

The scheduling of South African medications is in constant flux as SAHPRA actively monitors, evaluates, and inspects health products. According to Business Insider South Africa, SAHPRA is looking at up-scheduling medications that contain codeine.

This means that products that are currently available without prescription, such as Benylin Cough Syrup, Nurofen Plus, Pynstop and so on, would need a prescription going forward. Industry insiders are arguing in favour of stricter OTC controls and smaller pack sizes as an alternative safety measure.

As always, retailers and manufacturers will need to be agile and respond quickly to changing legislation and consumer demand.



Sanitary & feminine hygiene products



Girls rule the world

Sanitary and feminine hygiene products are a critical category that every supermarket and retailer should be carrying. From sanitary and maternity pads to everyday liners, applicator and non-applicator tampons, intimate washes, deodorisers, and lubricants, as well as alternative menstrual products, these products are required and needed. And these customers are often the same people who are doing the grocery shopping, so to avoid irritating and even losing them, carrying at least a small range of pads and tampons is a must.

Menstrual cycles can be regular and easy to predict, or wildly irregular and impossible to predict – this means consumers can be driven to a store simply to purchase a sanitary product.

Pink tax

As a developing country, there are some serious challenges faced by a large portion of the market, namely in terms of cost. Lil-lets marketing manager Keryn Brien says, "Lil-lets has a wide range of products to meet consumer product, preference, lifestyle and budget requirements. Our 'Essentials' sub-range offers affordable, quality products for budget-conscious consumers. We have also invested heavily in building a manufacturing plant in SA, as part of our commitment to driving affordability for our consumers. Local

production and contributing to economic growth and employment in SA, while improving accessibility of sanitary products, are all core to our brand purpose. Being comfortable while on your period is key, so we don't compromise on quality when it comes to our cost-friendly options."

Period poverty

For women and girls who simply cannot afford these basic necessities, businesses engaging in social responsibility drives can provide much-needed relief.

For example, Dis-chem runs an almost-constant donation drive that allows consumers to purchase and donate sanitary products at the point of sale. Brien says, "It has been so encouraging to see how retailers have come to the rescue as our country



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starts to recover from the effects of lockdown. Many retailers have driven their CSI strategy to donate and rebuild communities, and we are proud to have played a role, especially in keeping girls in school through the Dis-chem Million Comforts drive, and the other initiatives we support.”



Brand loyalty

When it comes to sanitary products, consumers tend to fall into either the brand-loyal category or the price-sensitive category, although there is more room for brand experimentation with pads and liners as these are seen as being less intimate than tampons.

“Over the years we have seen that certain formats have driven a greater level of brand loyalty,” says Brien. “Tampons are a brand loyal format and consumers tend to stick to the product they feel most comfortable with. Pads and panty-liners have less loyal consumers and this is mainly driven by the low-risk to trial a new product. Consumers typically have a repertoire of brands that they choose from, and brands that are known and trusted make their way into consumer’s homes.”



Product innovation

Apart from the move towards more organic ingredients, and improvements in overnight product absorption and comfort, the market doesn’t particularly allow for much innovation. Brien explains, “The best and most successful type of innovation is based on true consumer insight. Innovation has really been limited to day/night offerings, length, size, and product ingredients. This has not enabled true category growth. The category size and space allocation in store has also made it challenging to highlight innovation in store.”

Marketing of products aimed at teens and pregnant consumers has increased as brands take note of the different needs associated with these specific markets. Smaller, more compact pack sizes and discreet containers are another innovation

aimed at women on the go, including schoolgirls, who need to carry a supply of pads or tampons with them.

As the interest in personal hygiene has increased over the years, so too has the product offering for consumers looking to clean safely and stay fresher for longer. Feminine hygiene products tend to cater either for those looking for pretty scents, or those needing pH-balanced unscented delicate products. Personal lubricants would fall into this category, with the same restrictions regarding scented/flavoured products vs unscented/unflavoured products.

Market growth

Although the market itself may not be expecting to see intense growth in terms of purchases, the category is expected to remain strong. “We estimate the market to be valued at R2.2 billion with inflation growth year on year,” says Brien. “South Africa is still suffering the devastating impact of Covid and the recent unrest, so we anticipate category growth will be staggered as employment and consumer budgets have been hardest hit. “We should continue to see growth in affordable formats.”

Brien says as a brand they will continue to support communities through education and the fight for equality and accessibility. We have seen a rise in the call for convenience and we anticipate a growth in convenience channels, and an increase in consumers seeking value offerings in the form of price, promotions, and value incentives.”





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Trends to embrace

Breaking the social taboo has been a long time coming. Shockwaves were felt the first time a television advert for sanitary products showed red blood – up until then, blue fluids were typically used to represent period blood. Many cultures still view a menstruating woman as somehow 'unclean', when this is an entirely natural process and should be treated as such. As marketers and retailers there is an unspoken obligation to support the rights of menstruating consumers and open the dialogue about this natural cycle as much as possible.

Unashamed, fact-driven marketing and advertising is imperative, as is the open display of sanitary and feminine hygiene products in-store. Young girls and women should feel as confident buying their pads as any other item, and so should husbands, brothers, dads, and boyfriends. This is driven by in-store employee education, attitudes, and marketing.

Organic and eco-friendly products are a growing trend internationally. Locally, this growth is confined to certain consumer segments who require products that align with their personal values and environmental beliefs. Brien says, "We've invested in research and product development to bring new solutions to the market, including organic tampons and pads. Our organic pads are certified organic, 100% cotton, and feature a biodegradable corn-starch-based pad-backing and wrapper. While this segment is currently small, we do believe it will see significant growth in coming years and we're committed to



bringing some exciting innovations to this space that benefit both consumers and the environment."

Alternatives to traditional products, such as menstrual cups and washable pads or period panties, are also making their way into the market, although these seem mostly confined to speciality and online stores for the meantime.

"There's no doubt that there's a need for cost-effective, reusable products in the market – especially when it comes to addressing period poverty," says Brien. "But while reusable pads and cups are often framed as the silver-bullet solution in this space, we have to remember that they're only effective when there is access to clean water and sanitation services, otherwise they can become a health risk. At Lil-lets we're conscious of it still being very much based on each person's circumstances and we are all about offering choice."

And whilst environmentally conscious mid- to upper LSM consumers are entering this market, the impact has yet to be felt on traditional sales.

Brien says, "We are seeing more niche, affluent consumers who are environmentally conscious look to solutions like menstrual cups and they are often using them together with other products. This is still a relatively small segment, but certainly a growing niche. As the leader in the tampon market, we have introduced menstrual cups to our range. These cups are based on best body fit and will enable tampon users to transition into this type of format if they wish to."

While sanitary and related products are part of a retailer's range and repertoire, the most important aspect is for all girls and women, regardless of their circumstances, are able to experience what the government has described as sanitary dignity – the preservation and maintenance of their self-esteem and well-being, especially during menstruation. Together with trust, the brands that are taking this into account are those building the strongest ties with the end consumer. **SR**

Sources:

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Ann Baker-Keulemans, a highly experienced business and consumer journalist, is published in numerous print and online platforms, writing on topics related to business, lifestyle, and health, with extensive knowledge on the SA retail and wholesale landscape. She holds a Bachelor of Arts degree in English Literature

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